



LetkoBrosseau

Letko Brosseau Balanced Fund
Letko Brosseau Fonds équilibré

ANNUAL FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022
(Expressed in Canadian Dollars)



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INDEPENDENT AUDITORS' REPORT

To the Unitholders of
LETKO BROUSSEAU BALANCED FUND
LETKO BROUSSEAU FONDS ÉQUILIBRÉ

Opinion

We have audited the financial statements of **LETKO BROUSSEAU BALANCED FUND / LETKO BROUSSEAU FONDS ÉQUILIBRÉ** (the "Fund"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of changes in net assets attributable to holders of redeemable units, statements of comprehensive income and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Fund Manager and Those Charged with Governance for the Financial Statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the over-ride of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Manager.
- Conclude on the appropriateness of the Fund Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



	2023 \$	2022 \$
Current assets		
Cash	457,241	702,503
Investments	587,281,570	599,909,670
Interest, dividends and other receivables	1,717,418	1,533,312
	<u>589,456,229</u>	<u>602,145,485</u>
Current liabilities		
Amounts payable on redemptions of redeemable units	278,277	217,257
Accrued expenses	49,384	42,236
	<u>327,661</u>	<u>259,493</u>
Net assets attributable to holders of redeemable units	<u>589,128,568</u>	<u>601,885,992</u>

Supplementary information

Number of redeemable units in circulation (note 7)	32,984,543	36,149,658
Net assets per unit attributable to holders of redeemable units (note 8)	\$ 17.8607	\$ 16.6498

Approved by the Board of Directors of Letko, Brosseau & Associates Inc., Fund Manager

Daniel Brosseau, Director

Peter Letko, Director

The accompanying notes are an integral part of the financial statements.

LETKO BROSSEAU BALANCED FUND

LETKO BROSSEAU FONDS ÉQUILIBRÉ

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in Canadian Dollars)



	2023 \$	2022 \$
Net assets attributable to holders of redeemable units, beginning of year	601,885,992	581,438,388
Change in net assets attributable to holders of redeemable units	65,363,852	(4,749,760)
Redeemable unit transactions		
Proceeds from issuance	23,469,088	60,357,441
Reinvestment of distributions	21,187,823	23,169,280
Redemptions	(99,826,537)	(34,501,413)
	(55,169,626)	49,025,308
Distributions to holders of redeemable units (note 8)		
Net investment income	(19,782,944)	(17,377,487)
Net realized gain on sale of investments	(3,168,706)	(6,450,457)
	(22,951,650)	(23,827,944)
Net assets attributable to holders of redeemable units, end of year	589,128,568	601,885,992

The accompanying notes are an integral part of the financial statements.



	2023	2022
	\$	\$
Investment income		
Net interest income for distribution purposes	6,436,337	4,491,708
Dividend income	14,367,580	13,499,750
Net securities lending income (note 11)	138,901	106,727
Foreign exchange gain (loss) on cash	(99,927)	127,827
Net realized gain (loss) on sale of investments	18,127,005	10,899,843
Net changes in unrealized appreciation (depreciation) of investments	27,503,012	(32,980,867)
	<u>66,472,908</u>	<u>(3,855,012)</u>
Expenses		
Trustee fees (note 12)	168,884	160,668
Professional fees	17,126	13,554
Filing fees	2,754	2,815
Withholding taxes	746,094	532,864
Portfolio transaction costs	174,198	184,847
	<u>1,109,056</u>	<u>894,748</u>
Change in net assets attributable to holders of redeemable units	<u>65,363,852</u>	<u>(4,749,760)</u>
Change in net assets per unit attributable to holders of redeemable units (note 4)	<u>1.8371</u>	<u>(0.1353)</u>

The accompanying notes are an integral part of the financial statements.



	2023	2022
	\$	\$
Cash flows from (used in) operating activities		
Change in net assets attributable to holders of redeemable units	65,363,852	(4,749,760)
Adjustments or variations for:		
Foreign exchange (gain) loss on cash	99,927	(127,827)
Net realized (gain) loss on sale of investments	(18,127,005)	(10,899,843)
Net changes in unrealized (appreciation) depreciation of investments	(27,503,012)	32,980,867
Proceeds from sale or maturity of investments	337,630,654	398,701,152
Investments purchased	(276,084,493)	(440,031,116)
Interest, dividends and other receivables	(184,106)	(351,780)
Amounts payable on redemptions of redeemable units	61,020	216,757
Amounts payable for investments purchased	-	(4,998)
Accrued expenses	7,148	(3,780)
	81,263,985	(24,270,328)
Cash flows from (used in) financing activities		
Proceeds from issuance of redeemable units	23,469,088	60,357,441
Amounts paid on redemptions of redeemable units	(99,826,537)	(34,501,413)
Distributions paid in cash to holders of redeemable units	(1,763,827)	(658,664)
	(78,121,276)	25,197,364
Change in cash	3,142,709	927,036
Cash, beginning of year	702,503	609,150
Effect of exchange rate changes on foreign cash	(3,387,971)	(833,683)
Cash, end of year	457,241	702,503

Supplementary information

Cash flows relating to operating activities:

Interest received	\$ 6,313,635	\$ 4,078,780
Dividends received, net of withholding taxes	\$ 13,422,282	\$ 12,689,094
Interest paid	\$ 1,210	\$ 4,103

The accompanying notes are an integral part of the financial statements.



	Quantity	Cost	Fair Value
		\$	\$
Equities			
Energy			
Birchcliff Energy	215,100	890,317	1,243,278
Canadian Natural Resources	25,000	791,772	2,170,250
Cenovus Energy	106,050	1,442,432	2,341,584
ConocoPhillips	22,000	1,002,887	3,367,098
Enerflex	135,475	1,210,057	830,462
Hess Corporation	12,275	695,227	2,333,347
Peyto Exploration & Development Corporation	274,400	1,887,865	3,303,776
Shell	43,825	3,034,003	3,802,428
Suncor Energy	76,550	2,377,151	3,249,548
TotalEnergies	55,000	3,644,825	4,934,963
Tourmaline Oil Corporation	13,000	234,566	774,670
		17,211,102	28,351,404
Materials			
5N Plus	76,700	310,398	289,926
Arkema	22,000	2,085,365	3,300,657
Berry Global Group	41,800	3,134,814	3,714,367
Canfor Pulp Products	85,000	517,421	153,000
Cascades	162,900	1,568,120	2,073,717
Eastman Chemical	34,175	3,285,319	4,047,573
Graphic Packaging Holding	44,650	1,280,069	1,451,281
Holcim	33,506	2,638,642	3,465,613
HudBay Minerals	360,500	2,319,103	2,628,045
Kuraray	186,300	2,057,465	2,483,909
Lundin Mining Corporation	253,300	1,305,355	2,745,772
Nutrien	33,575	1,521,159	2,506,374
Regis Resources	1,053,500	1,882,089	2,066,393
Smurfit Kappa Group	57,125	2,403,585	2,995,966
Teck Resources	51,425	552,243	2,880,314
West Fraser Timber Corporation	19,997	1,198,698	2,266,860
Western Forest Products	1,200,000	1,499,597	852,000
		29,559,442	39,921,767
Industrial Products			
Air Canada	156,000	742,348	2,915,640
Bombardier	51,080	1,013,683	2,717,967
Bunzl	29,300	914,658	1,571,138
CAE	65,350	1,412,037	1,869,010
FedEx Corporation	5,900	1,249,966	1,968,041
FLSmidth & Co.	49,900	1,880,662	2,800,276
Fraport AG Frankfurt Airport Services Worldwide	14,600	849,082	1,164,546
Mitsui & Co.	70,000	1,241,181	3,468,691
Siemens	23,975	2,897,442	5,933,946
Spirit Aerosystems Holdings	80,000	3,520,017	3,352,409
United Parcel Service	9,675	840,406	2,005,855
		16,561,482	29,767,519

The accompanying notes are an integral part of the financial statements.



	Quantity	Cost	Fair Value
		\$	\$
Equities (continued)			
Consumer Discretionary			
Adient	60,800	2,457,484	2,915,014
Canadian Tire Corporation	25,644	1,855,136	3,608,624
Dick's Sporting Goods	7,000	347,133	1,356,378
Dorel Industries	100,000	600,938	625,000
Kingfisher	736,700	2,210,161	3,012,928
Linamar Corporation	56,675	2,041,143	3,628,334
Magna International	44,575	1,892,961	3,489,777
Panasonic Holdings Corporation	172,700	2,038,138	2,255,739
Skechers USA	32,000	1,461,975	2,630,449
		14,905,069	23,522,243
Consumer Staples			
Associated British Foods	125,000	3,606,456	4,973,525
Carrefour	128,500	3,131,690	3,100,524
George Weston	20,000	1,925,292	3,290,000
Maple Leaf Foods	74,400	2,050,840	1,877,856
Wal-Mart Stores	20,000	1,276,907	4,157,546
		11,991,185	17,399,451
Health Care			
Abbvie	14,425	1,386,969	2,947,655
Biogen	4,010	1,189,151	1,368,269
CVS Health Corporation	33,650	2,973,231	3,503,526
Gilead Sciences	39,100	3,653,573	4,176,654
GlaxoSmithKline	52,540	2,584,423	2,567,489
Merck & Co.	9,725	673,034	1,398,006
Moderna	14,375	1,726,437	1,885,062
Pfizer	110,525	3,539,122	4,195,805
Roche Holding	6,300	2,110,666	2,413,245
Sanofi	42,000	3,848,949	5,491,268
Tenet Healthcare Corporation	49,850	1,574,974	4,967,384
		25,260,529	34,914,363
Financial Services			
Aegon	550,000	3,983,431	4,204,331
Allianz	6,110	1,607,852	2,153,314
Bank of America Corporation	73,325	2,309,877	3,255,430
Bank of Montreal	33,775	2,247,577	4,428,240
Bank of Nova Scotia	72,000	4,547,005	4,644,000
BNP Paribas	62,000	3,912,450	5,652,455
Canadian Imperial Bank of Commerce	47,800	2,627,266	3,049,640
CI Financial Corporation	90,300	1,347,694	1,341,858
Citigroup	87,000	5,291,411	5,901,104
Fidelity National Information Services	23,275	1,818,298	1,843,572
ING Groep	200,000	3,102,743	3,940,395

The accompanying notes are an integral part of the financial statements.



	Quantity	Cost	Fair Value
		\$	\$
Equities (continued)			
Financial Services (continued)			
Invesco	82,854	1,247,177	1,949,043
Manulife Financial Corporation	200,000	3,646,150	5,856,000
Power Corporation of Canada	107,325	2,943,761	4,066,544
Royal Bank of Canada	40,000	3,018,731	5,360,000
State Street Corporation	45,740	2,509,802	4,671,827
‡ 2024-02-06	55,425	1,798,058	3,808,806
Toronto-Dominion Bank	65,000	3,272,469	5,565,300
Truist Financial Corporation	62,000	3,591,596	3,018,329
Wells Fargo & Co.	44,350	2,874,992	2,878,382
		57,698,340	77,588,570
Real Estate			
Macerich Company	233,050	4,257,235	4,741,635
Morguard Corporation	11,600	382,619	1,229,368
		4,639,854	5,971,003
Technology			
Alps Alpine	145,500	1,712,700	1,671,836
ams-OSRAM	1,274,250	5,413,046	4,220,283
Celestica	72,350	491,862	2,807,904
Cirrus Logic	26,300	2,181,039	2,884,961
Open Text Corporation	100,000	4,140,010	5,569,000
Oracle Corporation	15,050	764,440	2,092,251
Samsung Electronics Corporation	2,898	4,164,651	5,724,357
SAP	20,919	2,953,322	4,250,043
Skyworks Solutions	24,125	2,897,385	3,576,218
		24,718,455	32,796,853
Communication Services			
Alphabet	32,215	3,253,577	5,986,524
BCE	59,775	2,072,923	3,118,462
Cogeco Communications	25,000	1,554,499	1,483,750
Comcast Corporation	85,500	1,971,606	4,943,663
Meta Platforms	15,000	2,631,444	7,000,976
Quebecor	80,000	659,738	2,521,600
Rogers Communications	60,475	2,136,291	3,751,264
Telefonica	352,000	1,783,101	1,811,965
Telus Corporation	125,150	1,766,372	2,951,037
Verizon Communications	60,000	2,832,925	2,982,674
Vodafone Group	40,000	807,140	458,873
		21,469,616	37,010,788

The accompanying notes are an integral part of the financial statements.



	Quantity	Cost \$	Fair Value \$
Equities (continued)			
Utilities			
Capital Power Corporation	85,000	1,928,950	3,216,400
EDP - Energias de Portugal	496,512	2,106,931	3,294,266
Superior Plus Corporation	206,800	2,450,516	1,991,484
Veolia Environnement	92,400	2,554,404	3,843,887
		9,040,801	12,346,037
Investment Fund			
Letko Brosseau Emerging Markets Equity Fund	5,377,432	56,873,608	69,704,421
Total Equities		289,929,483	409,294,419
	Par Value	Cost \$	Fair Value \$
Canadian Government Bonds			
Provincial Governments and Crown Corporations			
British Columbia Investment Management Corporation 4.900%, 2033-06-02	3,500,000	3,487,435	3,786,077
Canada Housing Trust 1.100%, 2026-12-15	125,000	124,760	116,182
CDP Financial 3.700%, 2028-03-08	390,000	382,200	391,244
3.950%, 2029-09-01	4,265,000	4,251,747	4,338,855
CPPIB Capital 2.850%, 2027-06-01	3,175,000	3,171,127	3,094,830
1.950%, 2029-09-30	4,360,000	3,889,974	4,002,601
3.950%, 2032-06-02	2,055,000	1,967,457	2,087,216
Ontario Teachers' Finance Trust 4.150%, 2029-11-01	8,310,000	8,334,593	8,519,157
4.450%, 2032-06-02	500,000	499,430	520,818
Province of Alberta 2.200%, 2026-06-01	1,000,000	1,008,800	962,210
2.550%, 2027-06-01	1,000,000	1,011,490	965,395
Province of Manitoba 2.600%, 2027-06-02	3,195,000	3,247,469	3,088,232
Province of New Brunswick 1.800%, 2025-08-14	3,900,000	4,072,641	3,757,973
2.600%, 2026-08-14	9,500,000	9,672,065	9,222,907
Province of Newfoundland and Labrador 2.300%, 2025-06-02	1,500,000	1,585,620	1,458,574
3.000%, 2026-06-02	4,465,000	4,607,998	4,371,728
1.250%, 2027-06-02	3,400,000	3,298,340	3,133,700
3.850%, 2027-10-17	1,000,000	998,640	1,005,973
2.850%, 2028-06-02	2,500,000	2,355,000	2,420,060
2.050%, 2031-06-02	1,500,000	1,267,350	1,330,489

The accompanying notes are an integral part of the financial statements.



	Par Value	Cost \$	Fair Value \$
Canadian Government Bonds (continued)			
Provincial Governments and Crown Corporations (continued)			
Province of Ontario			
1.750%, 2025-09-08	4,150,000	4,334,377	3,992,539
2.400%, 2026-06-02	2,270,000	2,400,684	2,195,131
1.350%, 2026-09-08	11,600,000	11,636,044	10,901,405
2.600%, 2027-06-02	13,450,000	13,999,971	13,010,516
3.650%, 2033-06-02	6,200,000	5,837,810	6,141,851
Province of Saskatchewan			
0.800%, 2025-09-02	1,000,000	1,000,550	947,301
2.550%, 2026-06-02	5,500,000	5,683,350	5,335,614
PSP Capital			
0.900%, 2026-06-15	3,720,000	3,695,948	3,463,984
1.500%, 2028-03-15	1,030,000	942,697	947,889
3.750%, 2029-06-15	2,000,000	2,007,080	2,018,962
2.600%, 2032-03-01	6,140,000	5,279,540	5,656,487
4.150%, 2033-06-01	3,150,000	3,056,790	3,233,514
		119,108,977	116,419,414
Municipalities and Parapublic Institutions			
City of Barrie			
0.835%, 2024-07-05	515,000	515,000	504,180
1.068%, 2025-07-05	1,000,000	1,000,000	951,700
City of Toronto			
2.450%, 2025-02-06	1,300,000	1,314,073	1,273,905
City of Vancouver			
2.900%, 2025-11-20	200,000	199,328	195,537
Municipal Finance Authority of British Columbia			
1.350%, 2026-06-30	1,000,000	1,002,400	940,577
3.350%, 2027-06-01	500,000	499,200	494,950
4.500%, 2028-12-03	400,000	403,644	416,718
Regional Municipality of York			
2.500%, 2026-06-02	2,500,000	2,513,650	2,420,149
2.350%, 2027-06-09	475,000	475,945	454,628
South Coast British Columbia Transportation Authority			
3.050%, 2025-06-04	425,000	423,657	417,599
Toronto Hydro Corporation			
2.520%, 2026-08-25	875,000	835,032	839,492
2.430%, 2029-12-11	800,000	714,275	735,528
		9,896,204	9,644,963
Total Canadian Government Bonds		129,005,181	126,064,377

The accompanying notes are an integral part of the financial statements.



	Par Value	Cost \$	Fair Value \$
Corporate Bonds			
Allied Properties Real Estate Investment Trust			
3.636%, 2025-04-21	210,000	201,852	203,753
1.726%, 2026-02-12	385,000	364,634	353,966
3.113%, 2027-04-08	700,000	650,650	639,421
AltaGas			
2.157%, 2025-06-10	200,000	188,128	192,420
2.075%, 2028-05-30	150,000	130,020	135,259
Bank of Montreal			
2.700%, 2026-12-09	630,000	664,988	604,794
3.190%, 2028-03-01	2,000,000	1,922,660	1,930,937
5.039%, 2028-05-29	485,000	485,000	496,028
Bank of Nova Scotia			
3.100%, 2028-02-02	2,550,000	2,439,248	2,454,400
Bell Canada			
2.700%, 2024-02-27	500,000	526,215	497,893
1.650%, 2027-08-16	1,775,000	1,696,320	1,633,909
2.200%, 2028-05-29	550,000	491,150	505,477
4.550%, 2030-02-09	400,000	399,148	402,776
Canadian Imperial Bank of Commerce			
3.300%, 2025-05-26	2,010,000	1,966,094	1,974,442
5.500%, 2028-01-14	1,000,000	999,490	1,035,368
Capital Power Corporation			
4.986%, 2026-01-23	1,406,000	1,397,544	1,402,662
Enbridge			
5.700%, 2027-11-09	900,000	915,546	938,000
4.900%, 2028-05-26	250,000	249,968	254,387
Enbridge Gas			
2.810%, 2026-06-01	1,910,000	1,790,646	1,846,201
2.370%, 2029-08-09	550,000	495,336	504,036
Epcor Utilities			
0.982%, 2024-06-28	520,000	520,000	509,617
Fortis			
2.180%, 2028-05-15	2,075,000	1,847,243	1,908,761
4.431%, 2029-05-31	500,000	498,625	501,099
Loblaw Companies			
4.488%, 2028-12-11	500,000	500,925	505,945
Manulife Financial Corporation			
5.409%, 2033-03-10	1,500,000	1,485,300	1,531,730
Morguard Corporation			
4.715%, 2024-01-25	690,000	707,588	689,224
4.204%, 2024-11-27	75,000	75,269	72,813
RioCan Real Estate Investment Trust			
2.829%, 2028-11-08	1,425,000	1,237,813	1,277,782
4.628%, 2029-05-01	930,000	891,558	902,663
Rogers Communications			
3.650%, 2027-03-31	2,590,000	2,503,229	2,526,970
3.250%, 2029-05-01	825,000	734,343	775,132

The accompanying notes are an integral part of the financial statements.



	Par Value	Cost \$	Fair Value \$
Corporate Bonds (continued)			
Royal Bank of Canada 4.930%, 2025-07-16	1,700,000	1,765,595	1,709,635
SmartCentres Real Estate Investment Trust 1.740%, 2025-12-16	500,000	451,030	468,083
3.192%, 2027-06-11	1,300,000	1,271,586	1,220,595
Sun Life Financial 2.800%, 2033-11-21	1,400,000	1,225,980	1,284,579
Telus Corporation 2.750%, 2026-07-08	2,975,000	2,874,617	2,864,268
2.350%, 2028-01-27	1,200,000	1,068,264	1,111,887
Thomson Reuters Corporation 2.239%, 2025-05-14	2,000,000	1,938,560	1,933,489
Toronto-Dominion Bank 4.680%, 2029-01-08	990,000	968,516	1,001,510
TransCanada PipeLines floating rate, 2024-06-09	1,000,000	1,001,100	999,984
4.350%, 2026-05-12	675,000	671,941	673,547
Total Corporate Bonds		42,213,719	42,475,442
Total Bonds		171,218,900	168,539,819
Money Market Securities			
Alberta Treasury Bills 2024-01-23	380,000	378,689	378,689
2024-03-12	175,000	172,967	172,967
New Brunswick Treasury Bills 2024-03-07	2,020,000	1,998,224	1,998,224
Ontario Treasury Bills 2024-01-17	50,000	49,821	49,821
2024-01-31	130,000	129,160	129,160
Province of British Columbia, notes 2024-01-22	5,080,000	6,778,742	6,659,772
2024-03-01	45,000	59,301	58,699
Total Money Market Securities		9,566,904	9,447,332
Portfolio Transaction Costs Included in the Securities' Cost		(376,720)	
Total Investments		470,338,567	587,281,570

The accompanying notes are an integral part of the financial statements.



1. Establishment of the fund

The Letko Brosseau Balanced Fund / Letko Brosseau Fonds équilibré (the “Fund”) is a private unit investment trust created under a trust agreement established on November 30, 2004, along with its related amendments, under the laws of the province of Ontario. The registered office is located at 155 Wellington Street West, Toronto, Ontario, Canada, M5V 3L3.

The trust agreement designates RBC Investor Services Trust as the trustee, custodian and accountant of the Fund (the “Trustee”) and Letko, Brosseau & Associates Inc. as the manager of the Fund (the “Manager”).

2. Basis of presentation

These financial statements, for which the functional and presentation currency is the Canadian dollar, have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as published by the International Accounting Standards Board (“IASB”) and comply with the requirements of the Canadian Securities Administrators (“CSA”).

The financial statements were authorized for issue by the Manager’s Board of Directors on March 21, 2024.

These financial statements have been prepared on a historical cost basis with the exception of cash and investments which are measured at fair value.

3. Change in accounting policy

Amendment to IAS 1, Presentation of Financial Statements – Disclosure of Accounting Policies

The Fund adopted the amendment to IAS 1 in the current year. The amendment assists the Fund in deciding which accounting policies are to be disclosed in its financial statements. The amendment replaces all instances of the term ‘significant accounting policies’ with ‘material accounting policy information’. The amendment has been applied prospectively and resulted in changes to the Fund’s disclosures in its financial statements.

4. Material accounting policy information

Financial instruments

Classification

The Fund classifies its financial assets based on both the Fund’s business model for managing those financial assets and the associated contractual cash flow characteristics. Based on the Fund’s objective of achieving long-term capital appreciation and the management and evaluation of the portfolio’s performance on a fair value basis, the Fund applies the business model which requires that its portfolio, which includes cash and investments, be classified at fair value through profit or loss. All other financial assets and liabilities, with the exception of the Fund’s obligation for net assets attributable to holders of redeemable units, are classified at amortized cost. The Fund’s obligation for net assets attributable to holders of redeemable units is presented at the redemption amount as described in note 8.

Recognition and measurement

The Fund recognizes financial instruments at fair value upon initial recognition. Purchases and sales of investments are recognized on the trade date. Subsequent to initial recognition, cash and investments are measured at fair value and gains and losses arising from changes in the fair value are recognized in the statements of comprehensive income. All other financial assets and financial liabilities are initially recognized on the date on which they originated and are subsequently measured at amortized cost.

Portfolio transaction costs incurred by the Fund for the sale and purchase of investments are expensed as incurred.



4. Material accounting policy information (continued)

Financial instruments (continued)

Fair value

The fair value of the Fund's investments traded in active markets is determined using the quoted market prices at the close of trading on the date of the financial statements. The closing market price is either obtained from an accredited stock exchange where the security has the highest trading volume or from independent and renowned brokerage houses. In the event where the last closing market price does not fall within the bid-ask spread on the date of the financial statements, the Manager and the Trustee determine the point within the bid-ask spread that is most representative of fair value based on the facts and circumstances. Investment fund units held for trading that are not traded in active markets are measured at fair value based on their net asset value as determined by their trustee.

The Fund's accounting policies for measuring the fair value of its investments are consistent with those used to determine the net asset value for transactions with unitholders.

Information on the reliability of the fair value measurement of financial assets is disclosed in note 15. The transfer of a financial asset from one fair value hierarchy level to another is performed at the date of the event or change in circumstances which would justify a change in level.

Revenue recognition

Investment income is accounted for using the accrual method of accounting. Interest income for distribution purposes is recognized when it is earned. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities, except for zero coupon bonds which are amortized using the effective interest rate method. Dividends are recognized on the ex-dividend date and distributions on investment fund units are recorded at the ex-distribution date. Income from securities lending is recorded when earned. Realized gains and losses upon sale of investments are recognized on the trade date and are calculated using the average cost method.

Foreign currency translation

Foreign currency transactions are translated into Canadian dollars using the exchange rates prevailing at the dates the transactions occur. Assets and liabilities denominated in a foreign currency are translated into Canadian dollars using the exchange rate prevailing at the date of the financial statements. Foreign exchange gains and losses are presented in the statements of comprehensive income.

Change in net assets per unit attributable to holders of redeemable units

This change, presented in the statements of comprehensive income, represents the variation in net assets per unit attributable to holders of redeemable units based on the average number of redeemable units that were in circulation during the year.

Use of estimates, judgments and assumptions

The preparation of these financial statements in accordance with IFRS requires the Manager to make judgments in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most material accounting judgments and estimates that the Manager has made in preparing the financial statements.

Investment entity

The Manager has determined that the Fund meets the definition of an investment entity in accordance with IFRS 10 Consolidated Financial Statements. As a result, in the event the Fund holds an investment in a subsidiary, the Fund would account for this investment at fair value through profit or loss.



5. Future accounting standards

There are currently no new accounting standards, amendments to current standards or new interpretations that are effective for annual periods beginning on or after January 1, 2024 which would have a material effect on the Fund's financial statements.

6. Interests in unconsolidated structured entities

The Fund holds redeemable units in the Letko Brosseau Emerging Markets Equity Fund, an investment fund which is also managed by Letko, Brosseau & Associates Inc. The units held can be redeemed daily. The Letko Brosseau Emerging Markets Equity Fund's investment objective is to optimize returns by way of capital appreciation and generate investment income through an internationally well-diversified portfolio comprised primarily of publicly traded companies exposed to more rapidly growing developing economies. This fund is financed entirely through capital provided by its investors. As at December 31, 2023, the net assets attributable to holders of redeemable units of Letko Brosseau Emerging Markets Equity Fund are \$1,540,911,128 (2022: \$1,406,904,472) and the Fund's maximum exposure to loss is \$69,704,421 (2022: \$59,737,929), which is equivalent to the fair value of the investment held.

7. Redeemable units in circulation

The Fund is authorized to issue an unlimited number of series of units each of which can contain an unlimited number of units, without par value. All units are voting, participating and redeemable by the unitholders at the net asset value.

Since its inception, the Fund has issued only one series of redeemable units.

	2023	2022
Number of redeemable units in circulation, beginning of year	36,149,658	33,263,303
Number of redeemable units issued and redeemed during the year		
Issued for cash and other consideration	1,353,279	3,555,002
Issued on reinvestment of distributions	1,224,230	1,392,386
Redeemed	(5,742,624)	(2,061,033)
Number of redeemable units in circulation, end of year	32,984,543	36,149,658

8. Valuation of redeemable units and distributions

The net asset value per unit, which represents the redemption amount, is determined by dividing the Fund's net assets at fair value by the number of redeemable units in circulation at the end of each valuation date.

Income from dividends, interest and securities lending, net of expenses of the Fund, is accounted for in the net assets attributable to holders of redeemable units. At the end of each month, income received, net of expenses paid, is distributed and reinvested as additional redeemable units or, at the discretion of the unitholders, is paid in cash. Realized gains and losses resulting from the sale of investments are accounted for in the net assets attributable to holders of redeemable units and net realized gains are distributed and reinvested at the end of the fiscal year as additional redeemable units or, at the discretion of the unitholders, are paid in cash. Upon request from the Manager, additional income and capital gain distributions may occur at different times during the fiscal year under exceptional circumstances.

9. Capital management

The capital of the Fund is represented by redeemable units issued and in circulation. According to its mission, substantially all of the Fund's capital is invested in securities. Information about the Fund's objectives, policies and procedures for managing its capital is disclosed in note 14. The Fund is not subject to any particular external requirement for managing its capital.



io. Related party transactions

The following table presents a summary of the transactions during the year between the Fund and related parties. Related parties are represented by the Manager, the investment funds and limited partnerships it manages, directors of the Manager, corporations controlled by the directors of the Manager, family members of the directors and a deferred profit-sharing plan for the benefit of the Manager's employees.

2023	Manager \$	Other related parties \$
Redeemable units issued and redeemed		
Issued for cash and other consideration	-	57,500
Issued on reinvestment of distributions	66,329	1,843,740
Redeemed	-	(55,562)
	66,329	1,845,678

2022	Manager \$	Other related parties \$
Redeemable units issued and redeemed		
Issued for cash and other consideration	-	48,500
Issued on reinvestment of distributions	66,001	1,833,809
Redeemed	-	(587)
	66,001	1,881,722

These transactions took place in the normal course of operations and are measured at the net asset value at the date of the transactions.

As at December 31, related parties held units of the Fund with an aggregate fair market value of the following:

	2023 \$	2022 \$
Manager	1,848,708	1,659,568
Other related parties	51,378,332	46,119,980
	53,227,040	47,779,548

ii. Net securities lending income

The Fund takes part in a securities lending program with the Trustee. Securities lending transactions involve the temporary exchange of securities for collateral with a commitment to return the same securities to the Fund on a future date. In accordance with the terms of the program, the Fund receives collateral of at least 102% of the fair value of the securities on loan. The collateral consists primarily of debt securities with high credit ratings. The fair value of the securities loaned is determined in accordance with standard market practices and additional collateral is requested if necessary.



II. Net securities lending income (continued)

The table below presents the aggregate fair value of the securities on loan and collateral held under securities lending transactions as at December 31. The securities on loan continue to be included in the statements of financial position.

	2023	2022
	\$	\$
Total fair value of securities on loan	130,164,092	102,996,127
Total collateral held	132,859,454	105,058,060

Securities lending income reported in the statements of comprehensive income is net of securities lending charges which the Fund's Trustee is entitled to receive as per the terms of the program. For the years ended December 31, securities lending income was as follows:

	2023	2022
	\$	\$
Gross securities lending income	231,502	177,878
Securities lending charges	(92,601)	(71,151)
Net securities lending income	138,901	106,727
Securities lending charges as a % of the gross securities lending income	40.0%	40.0%

12. Fees

Trustee fees are calculated according to an agreement between the Manager and the Trustee.

Management fees of the Manager are invoiced directly to the unitholders.

13. Income taxes

In accordance with provisions of the Income Tax Act (Canada) and the Quebec Taxation Act, the Fund qualifies as a mutual fund trust and has elected to choose a December 15th taxation year-end. The Fund is taxed on its income received and not distributed to unitholders. The Fund distributes to unitholders the total income from dividends, interest and securities lending, net of expenses and a sufficient portion of net realized taxable capital gains to eliminate the income taxes.

14. Risks associated with financial instruments

Analysis of risk management

The Fund has as its objective to generate income and capital appreciation through the creation of a well-diversified portfolio balanced between equity and fixed income instruments. The fixed income portion primarily comprises Canadian government and corporate bonds. The equity portion primarily comprises publicly traded equities diversified across countries, industries and companies.

When the Fund invests in other investment funds, it may be indirectly exposed to risks related to the financial instruments held by these funds, according to their investment objectives and the type of securities they hold.



14. Risks associated with financial instruments (continued)

Credit risk

The Fund's maximum exposure to credit risk is the fair value of debt securities included in investments, as well as interest, dividends and other receivables presented on the statements of financial position.

The majority of the credit risk to which the Fund is exposed to arises from its investments in debt securities. The Manager is of the opinion that the credit risk associated with these investments in debt securities is limited given that the Fund invests in issuers with high credit ratings. The Fund holds bonds for which the credit rating breakdown is as follows:

Bonds by credit rating	2023 % of net assets	2022 % of net assets
AAA	6.46	3.89
AA	4.08	3.00
A	13.72	15.24
BBB	4.21	3.30
BB	0.13	0.20

Credit ratings attributed to money market securities are not presented above since the related credit risk is insignificant given their short-term maturities.

The Fund is not exposed to a significant credit risk through its investment in the Letko Brosseau Emerging Markets Equity Fund given that this fund's holdings in debt securities are not significant.

The credit risk associated with securities lending transactions is considered minimal given the nature and the value of the collateral held by the Fund in connection with these transactions.

The risk of default on transactions with counterparties related to investments is considered minimal since the transaction would fail if either party did not fulfill its obligation.

Liquidity risk

The Fund's units are redeemable at the option of the holder thereby exposing the Fund to liquidity risk. Although the Fund is exposed to redemptions of units, liquidity risk is mitigated by the fact that the majority of its assets consists of investments traded on a stock exchange or an organized market, which can be readily liquidated. In addition, at the Manager's discretion, the Fund may pay the redemptions in securities instead of cash.

Market risks

For the disclosure of market risks, IFRS requires that a sensitivity analysis be presented showing the effects of reasonable possible changes in relevant risk variables on the value of net assets attributable to holders of redeemable units.

The Manager considers that this sensitivity analysis, showing the impact on the value of financial instruments from changes in the market, is based on a highly unlikely assumption that all other variables remain constant. Moreover, considering the many interrelationships between the various components of market risk, the Manager is of the opinion that it is not possible to quantify the impact of market fluctuations due to the interdependence of these components. Consequently, in practice, actual results may differ from the sensitivity analyses presented herein and differences could be material.



14. Risks associated with financial instruments (continued)

Market risks (continued)

Price risk

Given the uncertainty regarding the investments' future prices, the Fund is exposed to the inherent risk associated with fluctuations in the market. Consequently, the maximum risk to which the Fund is exposed corresponds to the fair value of its investments.

The Manager's best estimate of the upward or downward impact on the Fund's investments and net assets as a result of reasonable probable changes in benchmark indices, with all other variables being equal, is as follows:

Benchmark indices	Changes in %	2023 Impact \$	2022 Impact \$
FTSE Canada 91 Day T-Bill Total Return Index	0.25	25,000	156,000
FTSE Canada Universe Bond Total Return Index	1.00	1,690,000	1,553,000
S&P/TSX Composite Total Return Capped Index	3.00	3,624,000	3,592,000
MSCI All Country World Total Return Net Index	3.00	8,627,000	7,877,000

Currency risk

The Fund holds securities of foreign issuers in its investment portfolio. The value of these securities is dependent on fluctuations in currency rates. These fluctuations may increase the short-term volatility of foreign securities in the markets and affect the short-term performance of the Fund.

The Fund holds assets denominated in foreign currencies for which the distribution is as follows:

Foreign currencies	2023 % of net assets	2022 % of net assets
U.S. dollars	25.84	25.41
Euros	9.01	8.66
Other currencies representing less than 5% individually	15.10	11.86

As at December 31, 2023, an increase or decrease of 3% in the value of Canadian currency compared to foreign currencies, with all other variables being equal, would have resulted in an upward or downward variation of the Fund's investments and net assets of \$8,829,000 (2022: \$8,293,000).

The currency distribution presented above and the calculated variation take into account the Fund's investment in the Letko Brosseau Emerging Markets Equity Fund which holds investments in foreign currencies.

Interest rate risk

The Fund is exposed to interest rate risk primarily on its bonds with maturity dates as follows:

Bonds by maturity date	2023 \$	2022 \$
Less than 1 year	3,273,711	23,761,577
1 to 5 years	115,991,028	122,703,975
5 to 10 years	49,275,080	7,825,386
Total	168,539,819	154,290,938



14. Risks associated with financial instruments (continued)

Market risks (continued)

Interest rate risk (continued)

An increase or decrease of 1% in interest rates, with all other variables being equal, would have resulted in a downward or upward variation of the Fund's investments and net assets in the amount of \$6,017,000 (2022: \$3,945,000). Interest rate fluctuations have an insignificant impact on money market securities given their short-term maturities.

The Fund's investments in equities are also exposed to interest rate risk. This is due to the fact that their value is dependent on the rate used in discounting future dividends and to the general effect from changes in interest rates on the economy as a whole, the availability of credit and the profitability of companies. The Manager believes that it is not possible to quantify the impact of the variations taking into account the interdependence of these components.

15. Information on fair value of financial instruments

The financial instruments measured at fair value are classified according to a hierarchy which includes three levels, reflecting the reliability of the inputs involved in the fair value determination:

- Level 1: financial instruments for which the fair value is determined using quoted prices in active markets;
- Level 2: financial instruments for which the fair value is determined using pricing models based on market observable inputs;
- Level 3: financial instruments for which the fair value is determined using pricing models based on market unobservable inputs.

The investments held by the Fund and measured at fair value are classified as follows:

	Level 1	Level 2	Level 3	Total
2023	\$	\$	\$	\$
Equities, excluding investment fund	339,589,998	-	-	339,589,998
Investment fund	-	69,704,421	-	69,704,421
Bonds	116,419,414	52,120,405	-	168,539,819
Money market securities	9,447,332	-	-	9,447,332
	465,456,744	121,824,826	-	587,281,570

	Level 1	Level 2	Level 3	Total
2022	\$	\$	\$	\$
Equities, excluding investment fund	324,196,305	-	-	324,196,305
Investment fund	-	59,737,929	-	59,737,929
Bonds	114,316,694	39,974,244	-	154,290,938
Money market securities	61,684,498	-	-	61,684,498
	500,197,497	99,712,173	-	599,909,670

No investments were transferred within the levels during the years ended December 31, 2023 and 2022.

The financial instruments not measured at fair value through profit or loss are short term financial assets and liabilities whose carrying amounts approximate fair value.



16. Filing exemption for financial statements

The Fund has advised the CSA that it is exempt under section 2.11 of NI 81-106 from annual filing requirements to the Canadian regulation authorities since all the requirements have been met.