

**COUNSEL | PORTFOLIO SERVICES**

# Counsel Money Market

INTERIM UNAUDITED FINANCIAL STATEMENTS

For the period ended September 30, 2023

These Financial Statements do not contain the Management Report of Fund Performance ("MRFP") of the investment fund.

A copy of the Fund's current Simplified Prospectus, Annual Information Form, Management Report of Fund Performance, Fund Fact Sheets, quarterly portfolio disclosures and proxy voting policies and disclosures will be provided, without charge, by: calling toll-free 1-877-625-9885, writing to Counsel Portfolio Services Inc., 5015 Spectrum Way, Suite 300, Mississauga, ON, L4W 0E4, by visiting our website at [www.counselervices.com](http://www.counselervices.com) or by visiting [www.sedarplus.ca](http://www.sedarplus.ca).

# COUNSEL MONEY MARKET

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

## STATEMENTS OF FINANCIAL POSITION

at (in \$ 000 except per security amounts)

	Sep. 30 2023	Mar. 31 2023 (Audited)
<b>ASSETS</b>		
<b>Current assets</b>		
Investments at fair value	13,514	20,609
Cash	1	64
Accrued interest receivable	66	18
Accounts receivable for investments sold	–	–
Accounts receivable for securities issued	–	–
<b>Total assets</b>	<b>13,581</b>	<b>20,691</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable for investments purchased	1	–
Accounts payable for securities redeemed	–	–
Distributions payable	55	75
Due to manager	–	–
<b>Total liabilities</b>	<b>56</b>	<b>75</b>
<b>Net assets attributable to securityholders</b>	<b>13,525</b>	<b>20,616</b>

## STATEMENTS OF COMPREHENSIVE INCOME

for the periods ended September 30 (in \$ 000 except per security amounts)

	2023	2022
<b>Income</b>		
Interest income for distribution purposes	398	267
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	–	–
Net unrealized gain (loss)	–	–
<b>Total income (loss)</b>	<b>398</b>	<b>267</b>
<b>Expenses (note 6)</b>		
Management fees	53	98
Administration fees	14	24
Independent Review Committee fees	–	–
<b>Expenses before amounts absorbed by Manager</b>	<b>67</b>	<b>122</b>
Expenses absorbed by Manager	–	22
<b>Net expenses</b>	<b>67</b>	<b>100</b>
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>331</b>	<b>167</b>
Foreign withholding tax expense (recovery)	–	–
Foreign income tax expense (recovery)	–	–
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>331</b>	<b>167</b>

	Net assets attributable to securityholders (note 3)			
	per security		per series	
	Sep. 30 2023	Mar. 31 2023 (Audited)	Sep. 30 2023	Mar. 31 2023 (Audited)
Series A	10.00	10.00	12,066	16,376
Series C	10.00	10.00	1	1
Series F	10.00	10.00	1,191	2,935
Series I	10.00	10.00	243	1,281
Series Private Wealth	10.00	10.00	24	23
			<b>13,525</b>	<b>20,616</b>

	Increase (decrease) in net assets attributable to securityholders from operations (note 3)			
	per security		per series	
	2023	2022	2023	2022
Series A	0.20	0.05	269	108
Series C	0.22	0.06	1	1
Series F	0.21	0.06	39	19
Series I	0.23	0.09	21	36
Series Private Wealth	0.24	0.08	1	3
			<b>331</b>	<b>167</b>

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

# COUNSEL MONEY MARKET

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

for the periods ended September 30 (in \$ 000 except per security amounts)

	Total		Series A		Series C		Series F		Series I		
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>											
Beginning of period	20,616	22,953	16,376	20,047	1	1	2,935	2,377	1,281	484	
Increase (decrease) in net assets from operations	331	167	269	108	1	1	39	19	21	36	
Distributions paid to securityholders:											
Investment income	(331)	(167)	(271)	(109)	–	–	(38)	(19)	(21)	(36)	
Capital gains	–	–	–	–	–	–	–	–	–	–	
Total distributions paid to securityholders	(331)	(167)	(271)	(109)	–	–	(38)	(19)	(21)	(36)	
Security transactions:											
Proceeds from securities issued	3,642	19,124	3,318	11,032	71	115	138	3,386	115	4,281	
Reinvested distributions	322	120	271	72	–	–	38	12	12	33	
Payments on redemption of securities	(11,055)	(12,021)	(7,897)	(9,541)	(72)	(66)	(1,921)	(1,804)	(1,165)	(610)	
Total security transactions	(7,091)	7,223	(4,308)	1,563	(1)	49	(1,745)	1,594	(1,038)	3,704	
Increase (decrease) in net assets attributable to securityholders	(7,091)	7,223	(4,310)	1,562	–	50	(1,744)	1,594	(1,038)	3,704	
<b>End of period</b>	<b>13,525</b>	<b>30,176</b>	<b>12,066</b>	<b>21,609</b>	<b>1</b>	<b>51</b>	<b>1,191</b>	<b>3,971</b>	<b>243</b>	<b>4,188</b>	
<b>Increase (decrease) in fund securities (in thousands) (note 7):</b>											
Securities outstanding – beginning of period			Securities	1,637	2,005	–	–	294	238	128	48
Issued			332	1,103	7	12	14	338	12	429	
Reinvested distributions			28	7	–	–	4	1	1	3	
Redeemed			(790)	(954)	(7)	(7)	(193)	(180)	(117)	(61)	
Securities outstanding – end of period			1,207	2,161	–	5	119	397	24	419	

	Series Private Wealth	
	2023	2022
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>		
Beginning of period	23	44
Increase (decrease) in net assets from operations	1	3
Distributions paid to securityholders:		
Investment income	(1)	(3)
Capital gains	–	–
Total distributions paid to securityholders	(1)	(3)
Security transactions:		
Proceeds from securities issued	–	310
Reinvested distributions	1	3
Payments on redemption of securities	–	–
Total security transactions	1	313
Increase (decrease) in net assets attributable to securityholders	1	313
<b>End of period</b>	<b>24</b>	<b>357</b>
<b>Increase (decrease) in fund securities (in thousands) (note 7):</b>		
Securities outstanding – beginning of period	2	4
Issued	–	32
Reinvested distributions	–	–
Redeemed	–	–
Securities outstanding – end of period	2	36

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

# COUNSEL MONEY MARKET

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

## STATEMENTS OF CASH FLOWS

for the periods ended September 30 (in \$ 000)

	2023	2022
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	331	167
Adjustments for:		
Net realized loss (gain) on investments	—	—
Change in net unrealized loss (gain) on investments	—	—
Purchase of investments	(172,632)	(472,140)
Proceeds from sale and maturity of investments	179,728	464,930
(Increase) decrease in accounts receivable and other assets	(48)	(39)
<b>Net cash provided by (used in) operating activities</b>	<b>7,379</b>	<b>(7,082)</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	3,642	19,124
Payments on redemption of securities	(11,055)	(12,020)
Distributions paid net of reinvestments	(29)	1
<b>Net cash provided by (used in) financing activities</b>	<b>(7,442)</b>	<b>7,105</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(63)</b>	<b>23</b>
Cash (Bank indebtedness) at beginning of period	64	6
Effect of exchange rate fluctuations on cash and cash equivalents	—	—
<b>Cash (Bank indebtedness), end of period</b>	<b>1</b>	<b>29</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	—	—
Foreign taxes paid	—	—
Interest received	407	263
Interest paid	—	—

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

# COUNSEL MONEY MARKET

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

## SCHEDULE OF INVESTMENTS

as at September 30, 2023

	Country	Sector	Par Value/ Shares/ Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS</b>					
Bank of Montreal F/R 03-27-2024	Canada	Corporate - Non Convertible	200,000	200	200
Bank of Montreal F/R 09-19-2024	Canada	Corporate - Non Convertible	60,000	60	60
The Bank of Nova Scotia F/R 03-28-2024	Canada	Corporate - Non Convertible	400,000	400	400
Canada Housing Trust 2.55% 12-15-2023	Canada	Federal Government	160,000	159	159
Canadian Imperial Bank of Commerce F/R 03-27-2024	Canada	Corporate - Non Convertible	100,000	100	100
City of Toronto 3.40% 05-21-2024	Canada	Municipal Governments	30,000	30	30
Municipal Finance Authority of British Columbia 2.80% 12-03-2023	Canada	Municipal Governments	60,000	60	60
National Bank of Canada F/R 02-07-2024	Canada	Corporate - Non Convertible	1,000,000	1,000	1,000
OMERS Realty Corp. 2.86% 02-23-2024 Callable 2024	Canada	Corporate - Non Convertible	100,000	99	99
Regional Municipality of Peel 1.95% 10-15-2023	Canada	Municipal Governments	20,000	20	20
Royal Bank of Canada F/R 11-24-2023	Canada	Corporate - Non Convertible	250,000	250	250
Royal Bank of Canada 2.35% 07-02-2024	Canada	Corporate - Non Convertible	100,000	98	98
The Toronto-Dominion Bank F/R 01-31-2025	Canada	Corporate - Non Convertible	300,000	300	300
<b>Total bonds</b>				<b>2,776</b>	<b>2,776</b>
<b>SHORT-TERM NOTES</b>					
Alectra Inc. 5.12% 10-03-2023	Canada		40,000	40	40
Bank of China (Canada) 5.50% 11-07-2023	Canada		390,000	386	386
Bay Street Funding Trust 5.33% 11-03-2023	Canada		97,000	96	96
Central One Credit Union 5.20% 10-03-2023	Canada		150,000	149	149
Central One Credit Union 5.24% 12-07-2023	Canada		240,000	237	237
City of Ottawa 5.06% 10-04-2023	Canada		190,000	189	189
City of Ottawa 5.05% 10-18-2023	Canada		50,000	50	50
City of Ottawa 5.05% 10-25-2023	Canada		100,000	100	100
Enbridge Pipelines Inc. 5.23% 10-03-2023	Canada		60,000	60	60
Energir Inc. 5.11% 10-11-2023	Canada		40,000	40	40
Energir Inc. 5.13% 10-16-2023	Canada		30,000	30	30
EPCOR Utilities Inc. 5.14% 10-17-2023	Canada		30,000	30	30
EPCOR Utilities Inc. 5.14% 10-18-2023	Canada		100,000	100	100
Greater Toronto Airports Authority 5.14% 10-17-2023	Canada		50,000	50	50
HSBC Bank Canada 5.18% 10-16-2023	Canada		40,000	40	40
Hydro Ottawa Holdings Inc. 5.12% 10-03-2023	Canada		50,000	50	50
Plaza Trust 5.34% 11-06-2023	Canada		60,000	59	59
Plaza Trust 5.36% 01-03-2024	Canada		245,000	242	242
Province of Alberta 5.11% 10-16-2023	Canada		200,000	198	198
Province of Manitoba 5.10% 10-18-2023	Canada		500,000	494	494
Province of Newfoundland 5.09% 10-03-2023	Canada		200,000	198	198
Province of Newfoundland 5.11% 10-26-2023	Canada		60,000	59	59
Province of Newfoundland 5.12% 10-26-2023	Canada		60,000	59	59
Province of Newfoundland 5.05% 11-06-2023	Canada		100,000	99	99
Province of Newfoundland 5.20% 11-20-2023	Canada		470,000	465	465
Province of Newfoundland 5.14% 12-04-2023	Canada		190,000	188	188
Province of Newfoundland 5.17% 12-07-2023	Canada		500,000	494	494
Province of Newfoundland 5.18% 12-14-2023	Canada		30,000	30	30
Province of Prince Edward Island 5.00% 10-03-2023	Canada		40,000	40	40
Province of Prince Edward Island 5.11% 10-31-2023	Canada		3,000,000	2,961	2,961
Province of Prince Edward Island 5.10% 11-07-2023	Canada		200,000	197	197
Regional Municipality of York 5.12% 10-24-2023	Canada		1,000,000	988	988
Royal Bank of Canada 4.95% 10-03-2023	Canada		1,606,000	1,606	1,606
Royal Bank of Canada 5.28% 10-23-2023	Canada		300,000	296	296
Sumitomo Mitsui Banking Corp. 5.24% 10-27-2023	Canada		50,000	50	50
TMX Group Ltd. 5.11% 10-17-2023	Canada		50,000	50	50
TMX Group Ltd. 5.11% 10-19-2023	Canada		50,000	50	50
Toronto Hydro 5.11% 10-04-2023	Canada		50,000	50	50
Toronto Hydro 5.12% 10-10-2023	Canada		50,000	50	50

# COUNSEL MONEY MARKET

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

## SCHEDULE OF INVESTMENTS (cont'd)

as at September 30, 2023

	Country	Sector	Par Value/ Shares/ Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>SHORT-TERM NOTES (cont'd)</b>					
Vancouver City Savings Credit Union 5.18% 11-07-2023	Canada		50,000	50	50
Vancouver City Savings Credit Union 5.25% 12-08-2023	Canada		60,000	59	59
Vancouver City Savings Credit Union 5.25% 12-13-2023	Canada		60,000	59	59
<b>Total short-term notes</b>				<b>10,738</b>	<b>10,738</b>
<b>Total investments</b>				<b>13,514</b>	<b>13,514</b>
Cash					1
Other assets less liabilities					10
<b>Net assets attributable to securityholders</b>					<b>13,525</b>

# COUNSEL MONEY MARKET

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

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## SUMMARY OF INVESTMENT PORTFOLIO

SEPTEMBER 30, 2023

ASSET TYPE	% OF NAV
Provincial short-term discount notes	40.5
Corporate bonds	18.5
Canadian term deposits	11.9
Municipal short-term discount notes	9.8
Corporate short-term discount notes	7.3
Bearer deposit discount notes	4.5
Commercial papers	2.9
Banker's acceptance discount notes	2.5
Federal bonds	1.2
Municipal bonds	0.8
Other	0.1

MARCH 31, 2023

ASSET TYPE	% OF NAV
Provincial short-term discount notes	32.9
Corporate bonds	20.2
Short-term discount notes	17.2
Corporate short-term discount notes	9.3
Canadian term deposits	8.2
Bearer deposit discount notes	4.5
Provincial governments	2.9
Commercial papers	2.1
Banker's acceptance discount notes	1.9
Federal government	0.8
Cash	0.3
Other	(0.3)

# COUNSEL MONEY MARKET

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

## NOTES TO FINANCIAL STATEMENTS

### 1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the six-month period ended or as at September 30, 2023 and 2022, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2023, as applicable. In the year a series is established, 'period' represents the period from inception to the period end of that fiscal period. In a period where a series is terminated the period represents from the beginning of the fiscal year to the termination date. Refer to Note 9 for series inception and termination dates.

The Fund is organized as an open-ended mutual fund trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust as amended and restated from time to time. The address of the Fund's registered office is 5015 Spectrum Way, Suite 300, Mississauga, Ontario, Canada. The Fund is authorized to issue an unlimited number of units (referred to as "security" or "securities") of multiple series. Series of the Fund are available for sale under Simplified Prospectus and/or exempt distribution options.

Counsel Portfolio Services Inc. (the "Manager" or "Counsel") acts as the Fund's manager and trustee.

### 2. Basis of Preparation and Presentation

These unaudited interim financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These financial statements were prepared using the same accounting policies, critical accounting judgments and estimates as applied in the Fund's most recent audited annual financial statements for the year ended March 31, 2023. A summary of the Fund's significant accounting policies under IFRS is presented in Note 3.

These financial statements are presented in Canadian dollars, which is the Fund's functional currency, and are rounded to the nearest thousand unless otherwise indicated. These financial statements are prepared on a going concern basis using the historical cost basis, except for financial assets and liabilities that have been measured at fair value through profit or loss ("FVTPL").

These financial statements were authorized for issue by Counsel's Board of Directors on November 13, 2023.

### 3. Significant Accounting Policies

#### (a) Financial instruments

Financial instruments include financial assets such as short-term debt securities. The Fund classifies and measures financial instruments in accordance with IFRS 9 Financial Instruments. Upon initial recognition, financial instruments are classified as "FVTPL". All financial instruments are recognized in the Statements of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial assets are derecognized when the right to receive cash flows from the instrument has expired. Financial liabilities are derecognized when the Fund has transferred substantially all risks and rewards of ownership. Investment purchase and sale transactions are recorded as of the trade date.

The Fund's redeemable securities entitle securityholders the right to redeem their interest in the Fund for cash equal to their proportionate share of the net asset value of the Fund, amongst other contractual rights. The Fund's redeemable securities meet the criteria for classification as financial liabilities under IAS 32, Financial Instruments: Presentation. The Fund's obligation for net assets attributable to securityholders is presented at the redemption amount.

IAS 7, Statement of Cash Flows, requires disclosures related to changes in liabilities and assets, such as the securities of the Fund, arising from financing activities. Changes in securities of the Fund, including both changes from cash flows and non-cash changes, are included in the Statement of Changes in Financial Position. Any changes in the securities not settled in cash as at the end of the period are presented as either Accounts receivable for securities issued or Accounts payable for securities redeemed in the Statement of Financial Position. These accounts receivable and accounts payable amounts typically settle shortly after period-end.

#### (b) Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments are valued at cost which, together with accrued interest, approximates fair value. The cost of investments is determined on a weighted average cost basis. Fair value of investments is determined based on the last traded market price where this price falls within the quoted bid-ask spread for the investment. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The Fund's financial instruments carried at fair value are classified using the following fair value hierarchy:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

As at September 30, 2023 and March 31, 2023, all investments were classified as Level 2. There were no significant transfers between Level 1 and Level 2 during the periods.

#### (c) Income recognition

Interest income for distribution purposes from interest bearing investments is recognized using the effective interest method based on amortized cost of investments.

Income, realized gains (losses), and unrealized gains (losses) are allocated daily among the series on a pro-rata basis.



# COUNSEL MONEY MARKET

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

#### (d) Securities lending, repurchase and reverse repurchase transactions

The Fund is permitted to enter into securities lending, repurchase and reverse repurchase transactions as set out in the Fund's Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date.

Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is included in the Statements of Comprehensive Income and recognized when earned. Securities lending transactions are administered by the Canadian Imperial Bank of Commerce (the "Securities Lending Agent"). The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased.

#### (e) Net assets attributable to securityholders per security

Net assets attributable to securityholders per security is computed by dividing the net assets attributable to securityholders of a series of securities on a business day by the total number of securities of the series outstanding on that day.

#### (f) Net asset value per security

Net asset value per security is determined for the purchase and redemption of securities in accordance with the methods disclosed in the Fund's Simplified Prospectus and Annual Information Form. These methods may vary from valuation principles under IFRS. As at September 30, 2023 and March 31, 2023, there were no such differences.

#### (g) Increase (decrease) in net assets attributable to securityholders from operations per security

Increase (decrease) in net assets attributable to securityholders from operations per security in the Statements of Comprehensive Income represents the increase (decrease) in net assets attributable to securityholders from operations for the period, divided by the weighted average number of securities outstanding during the period.

#### (h) Comparative amounts

Certain prior period comparative amounts have been reclassified to conform to the current period's presentation.

#### (i) Future accounting changes

Counsel has determined there are no material implications to the Fund's financial statements arising from IFRS issued but not yet effective.

### 4. Critical Accounting Estimates and Judgments

The preparation of these financial statements requires management to make estimates and assumptions that primarily affect the valuation of investments. Estimates and assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

#### Use of Judgments

##### *Classification and measurement of investments*

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9. The Manager has considered the Fund's business model, commitments to securityholders, and the manner in which investments are managed and evaluated as a group and has determined that irrevocable designation of financial instruments as financial assets or financial liabilities at fair value through profit or loss provides the most appropriate measurement and presentation of the Fund's investments and financial instruments.

##### *Functional currency*

The Fund's functional and presentation currency is the Canadian dollar, which is the currency considered to best represent the economic effects of the Fund's underlying transactions, events and conditions taking into consideration the manner in which securities are issued and redeemed and how returns and performance by the Fund are measured.

### 5. Income Taxes

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its securityholders as at the end of the taxation year. The Fund maintains a December 31 year-end for tax purposes. The Fund will distribute sufficient amounts from net income for tax purposes, as required, so that the Fund will not pay income taxes other than refundable tax on capital gains, if applicable.

Losses of the Fund cannot be allocated to securityholders and are retained in the Fund for use in future years. Non-capital losses incurred may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Net capital losses may be carried forward indefinitely to reduce future realized capital gains. The Fund has no loss carryforwards to offset future taxable income.

### 6. Management Fees and Operating Expenses

Counsel is paid a management fee for arranging for the management of the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements relating to the purchase and sale of the investment portfolio and making arrangements with registered dealers for the purchase and sale of securities of the Fund by securityholders.

# COUNSEL MONEY MARKET

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

## NOTES TO FINANCIAL STATEMENTS

### 6. Management Fees and Operating Expenses (*cont'd*)

Each series of the Fund, excluding Series O, is charged a fixed rate annual administration fee (“Administration Fee”), as applicable, and in return, Counsel bears all of the operating expenses of the Fund, other than certain specified fund costs.

Other fund costs include taxes (including, but not limited to GST/HST and income tax), interest and borrowing costs, all fees and expenses of the Counsel Funds’ Independent Review Committee, costs of complying with the regulatory requirement to produce Fund Facts, and any new fees related to external services that were not commonly charged in the Canadian mutual fund industry after the date of the Fund’s most recently filed Simplified Prospectus.

Counsel may waive or absorb management fees and/or Administration Fees at its discretion and stop waiving or absorbing such fees at any time without notice. Refer to Note 9 for the management fee and Administration Fee rates charged to each series of securities.

### 7. Fund’s Capital

The capital of the Fund is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at September 30, 2023 and 2022 and securities issued, reinvested and redeemed for the periods are presented in the Statements of Changes in Financial Position. Counsel manages the capital of the Fund in accordance with the investment objectives and strategies as discussed in Note 8 (a).

### 8. Financial Instruments Risk

#### (a) Risk exposure and management

The Fund’s investment activities expose it to a variety of financial risks, as defined in IFRS 7 Financial Instruments: Disclosures (“IFRS 7”). The Fund’s exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, grouped by asset type, with geographic and sector information.

The Manager seeks to minimize potential adverse effects of financial risks on the Fund’s performance by employing professional, experienced portfolio advisors, by monitoring the Fund’s positions and market events daily, by diversifying the investment portfolio within the constraints of the Fund’s investment objectives and strategies. To assist in managing risks, Counsel also maintains a governance structure that oversees the Fund’s investment activities and monitors compliance with the Fund’s stated investment strategy, internal guidelines, and securities regulations.

The investment portfolio is comprised primarily of high-quality short-term Canadian money market securities and floating rate notes. The Fund selects investments that include short-term debt issued or guaranteed by federal, provincial or municipal governments, promissory notes, non-government obligations issued by chartered banks and commercial paper issued by corporations.

#### (b) Liquidity risk

Liquidity risk arises when the Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable securities. In order to monitor the liquidity of its assets, the Fund utilizes a liquidity risk management program that calculates the number of days to convert the investments held by the Fund into cash using a multi-day liquidation approach. This liquidity risk analysis assesses the Fund’s liquidity against pre-determined minimum liquidity percentages, established for different time periods. In addition, the Fund has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions. In order to comply with securities regulations, the Fund must maintain at least 85% of its assets in liquid investments (i.e. investments that can be readily sold).

Other investment funds managed by Counsel (“Top Funds”) may invest in Series O securities offered by the Fund on a prospectus-exempt basis in accordance with the investment objectives of those funds.

From time to time, these holdings may be rebalanced by either reducing an allocation to the Fund or eliminating such investments in the Fund entirely. In either case, depending on the size of the investment by a large investor, this could cause a significant redemption from the Fund. Meeting such a redemption may require the Fund to sell portfolio holdings. This could result in the Fund selling a particular holding before it has achieved the valuation sought by the Manager thus affecting Fund returns. This could also result in the Fund realizing capital gains on its holdings earlier than planned, which could result in capital gains distributed to investors in the Fund (which could result in income tax payable by the investor) that might not have occurred or might have occurred at a later date.

For the amounts held by and the changes thereto during the period pertaining to Series O, please refer to the amounts disclosed in the Statements of Financial Position and Statements of Changes in Financial Position.

#### (c) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment into which it has entered with the Fund. The table below summarizes the Fund’s exposure, if applicable and significant, to credit risk through fixed income instruments. Where presented, credit ratings and rating categories are based on ratings issued by a designated rating organization.

As at September 30, 2023 and March 31, 2023, debt securities by credit rating are as follows:

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## NOTES TO FINANCIAL STATEMENTS

### 8. Financial Instruments Risk (cont'd)

Bond Rating	September 30, 2023	March 31, 2023
	% of Net Assets	% of Net Assets
R1 (High)	18.8	13.5
R1 (Mid)	18.6	34.7
R1 (Low)	56.9	44.6
Unrated	5.6	7.2
Total	99.9	100.0

As at September 30, 2023, the maximum exposure to any one debt issuer was 23.6% of net assets (March 31, 2023 – 17.0%).

All transactions in listed securities are executed with approved brokers.

To minimize the possibility of settlement default, securities are exchanged for payment simultaneously, where market practices permit, through the facilities of a central depository and/or clearing agency where customary.

The carrying amount of investments and other assets represents the maximum credit risk exposure as at the dates of the Statements of Financial Position. The Fund may enter into securities lending transactions with counterparties and it may also be exposed to credit risk from the counterparties to the derivative instruments it may use. Credit risk associated with these transactions is considered minimal as all counterparties have an approved credit rating equivalent to a Standard & Poor's credit rating of not less than A-1 (low) on their short-term debt and of A on their long-term debt, as applicable.

#### (d) Currency risk

Currency risk is the risk that financial instruments which are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's functional currency, will fluctuate due to changes in exchange rates. Generally, foreign denominated investments increase in value when the value of the Canadian dollar (relative to foreign currencies) falls. Conversely, when the value of the Canadian dollar rises relative to foreign currencies, the values of foreign denominated investments fall.

As at September 30, 2023 and March 31, 2023, the Fund did not have a significant exposure to currency risk.

#### (e) Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Generally, these securities increase in value when interest rates fall and decrease in value when interest rates rise.

As at September 30, 2023 and March 31, 2023, the Fund did not have a significant exposure to interest rate risk as its investments have short terms to maturity or are floating rate notes.

#### (f) Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategy.

As at September 30, 2023 and March 31, 2023, the Fund did not have a significant exposure to other price risk.

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## NOTES TO FINANCIAL STATEMENTS

### 9. Series Information

Series	Inception/ Reinstatement Date	Minimum Investment (\$)	Management fee (%) <sup>6</sup>	Administration fee (%) <sup>6</sup>
Series A <sup>1</sup>	February 15, 2000	1,000	0.65	0.15
Series C <sup>1,5</sup>	January 26, 2007	1,000	0.40	0.15
Series F <sup>2</sup>	November 27, 2009	1,000	0.40	0.15
Series I <sup>2,3,6</sup>	January 21, 2008	1,000	—	0.15
Series O <sup>4</sup>	November 7, 2023	—	—	—
Series Private Wealth <sup>7</sup>	October 19, 2020	—	—	0.15

<sup>1</sup> Series A and C are subject to sales or redemption charges; these charges are based on purchase options chosen. Securities purchased under the sales charge option may be subject to a negotiated fee of up to 5% at time of initial purchase. Securities previously purchased under the redemption charge purchase option may be subject to a redemption fee of up to 4.0% (based on date of initial purchase); new securities are not available under this options but may be acquired through switching from other Counsel funds. Effective June 15, 2022, the administration fee was reduced from 0.16%.

<sup>2</sup> A negotiable advisory or asset-based fee (plus sales taxes) is payable by investors to their dealer(s) in connection with the securities held in this series. The fee may be collected by Counsel from the investor's account through redemption of securities and remitted to the dealer at the investor's request. Alternatively, the dealer may collect it directly from the investor.

<sup>3</sup> The management fee for this series is 0.40% and is payable directly to Counsel generally through the monthly redemption of securities.

<sup>4</sup> There are no management or administration fees for this series since these securities are designed to facilitate fund-of-fund investing where duplication of management fees is prohibited.

<sup>5</sup> This series is only available to investors utilizing the Counsel Advisor-Directed Rebalancing ("Counsel ADR") service.

<sup>6</sup> Counsel may, at its discretion, waive or lower the management fee (either directly or indirectly) and/or administration fee payable by investors. Effective June 15, 2022, the management fee rates for all series were reduced 0.30% to rates stated above.

<sup>7</sup> There are no management fees for Series Private Wealth. An investor must enter into an agreement to participate in a discretionary managed program offered by IPC Securities Corporation and agree to pay certain asset-based fees.