

# IPC HIGH INTEREST SAVINGS FUND

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## **Annual Management Report of Fund Performance**

*For the Year Ended March 31, 2024*

Fund Manager  
Counsel Portfolio Services Inc.

*This Annual Management Report of Fund Performance contains financial highlights but does not contain either the annual or interim financial statements of the investment fund. You may obtain a copy of the financial statements, at no cost, by calling toll-free at 1-877-216-4979, by writing to us at Counsel Portfolio Services Inc, 5015 Spectrum Way, Suite 300, Mississauga, Ontario, L4W 0E4, by visiting our website at [www.ipcportfolios.ca](http://www.ipcportfolios.ca) or by visiting the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).*

*Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure. For more information, please refer to the Fund's Simplified Prospectus, Annual Information Form and Fund Facts, which may also be obtained, at no cost, using any of the methods outlined above.*

*For the Fund's current net asset value per security for series available via prospectus and for more recent information on general market events, please visit our website.*

### **A NOTE ON FORWARD-LOOKING STATEMENTS**

*This report may contain forward-looking statements which reflect our current expectations or forecasts of future events. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as: "expects", "anticipates", "intends", "plans", "believes", "estimates", "preliminary", "typical" and other similar expressions. In addition, these statements may relate to future corporate actions, future financial performance of a fund or a security and their future investment strategies and prospects. Forward-looking statements are inherently subject to, among other things, risks, uncertainties and assumptions which could cause actual events, results, performance or prospects to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, the volatility of global equity and capital markets, business competition, technological change, changes in securities legislation, changes in government regulations, changes in tax law, unexpected judicial or regulatory proceedings, catastrophic events, outbreaks of disease or pandemics (such as COVID-19), and the ability of Counsel Portfolio Services Inc. to attract or retain key employees. The foregoing list of important risks, uncertainties and assumptions is not exhaustive. Please consider these and other factors carefully and do not place undue reliance on forward-looking statements.*

*The forward-looking information contained in this report is current only as of the date of this report. There should not be an expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.*

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## Management Discussion of Fund Performance

June 5, 2024

This Management Discussion of Fund Performance presents the views of Counsel Portfolio Services Inc. (“Counsel” or “we”) on the significant factors and developments during the year from the Fund’s inception to March 31, 2024 that have affected the Fund’s performance and outlook.

In addition, net asset value (NAV) refers to the value of the Fund or a series, as calculated for transaction purposes, on which the discussion of Fund performance is based.

### Investment Objective and Strategies

The Fund seeks to provide investors with a high rate of monthly interest income, while preserving capital and providing liquidity, by investing primarily in high interest deposit accounts. Prior to October 30, 2023, the Fund had a NAV which could vary. Effective that date, the Fund moved to fixed \$10 NAV where distributions accrue to investors every day.

### Risks

The risks of investing in the Fund remain as discussed in the Fund’s Simplified Prospectus. The Fund is suitable for investors who seek a Canadian fund with higher interest income than a traditional money market fund would offer; want a short-term investment; and have a low tolerance for risk.

### Results of Operations

#### Investment Performance

The performance of the Fund’s Series A securities is discussed below. The performance of all other series offered by the Fund is shown in the *Past Performance* section of this report. Where series returns differ, it is primarily because different levels of fees and expenses were charged to each series, or because securities of a series were not issued and outstanding for the entire reporting period. Please refer to the *Series Information* section of this report for the varying management and administration fees payable by series.

During the year, the Fund’s Series A securities returned 4.74% (after deducting fees and expenses). This compares with a 4.92% return of the FTSE Canada 30 Day T-Bills Index (the “Index”). All index and series returns are calculated on a total return basis in Canadian dollar terms. Investors cannot invest in an index without incurring fees, expenses, and commissions, none of which are reflected in the index returns.

Looking to tame high inflation, the Bank of Canada raised its policy rate by 50 basis points over the period to 5.00%, its highest level since 2001. In response, short-term yields, including yields on treasury bills, bankers’ acceptances, short-term notes and high interest bank accounts, increased.

The Fund performed in line with the index as the Fund’s investments in high interest savings funds achieved returns slightly lower than the Index due to the Fund’s cash holdings held while investing investor subscriptions.

As of March 31, 2024, the current yield was 4.86% for Series A, 4.97% for Series F, 5.00% for Series C, 5.10% for Series Private Wealth, and 5.09% for Series I. Yields on 30-day treasury bills increased from 4.27%, as of March 31, 2023, to 4.97% at March 31, 2024.

#### Net Assets

The Fund’s NAV increased by \$290.1 million, or 287.2%, to \$391.1 million as at March 31, 2024, from \$101.0 million as at March 31, 2023. Of this increase, \$278.8 million was attributable to net sales and \$11.3 million to investment performance (after deducting fees and expenses).

## Fees and Expenses

The annualized management expense ratio (“MER”) for each series during the year ended March 31 2024, was generally similar to the MER for the period ended March 31, 2023. Total expenses paid vary from period to period mainly as a result of changes in average assets in each series. The MERs for all series are presented in the *Financial Highlights* section of this report.

### Recent Developments

The Counsel portfolio management team expects falling inflation to allow the Bank of Canada, the European Central Bank and the Bank of England to cut rates in the second quarter of 2024.

On November 30, 2023 (the “Transaction Date”), The Canada Life Assurance Company acquired Investment Planning Counsel Inc. (the parent company of Counsel). Counsel continues to operate as manager of the Fund. Effective on the Transaction Date, changes to the membership of the Fund’s Independent Review Committee and Counsel’s Board of Directors were made to align governance structures with Counsel’s affiliated entity Canada Life Investment Management Ltd.

### Related Party Transactions

#### Management Fees

The management fee for each applicable series is calculated and accrued daily as a percentage of its NAV. The Fund’s management fees were used by the Manager to pay for: costs of managing the investment portfolio; providing investment analysis and recommendations; making investment decisions; the purchase and sale of the investment portfolio; and providing other services. The Manager also used the management fees to fund trailing commissions and other compensation (collectively, “Distribution Related Payments”) paid to registered dealers and brokers whose clients invest in the Fund.

The following dealers affiliated with Counsel may be entitled to Distribution Related Payments from Counsel on the same basis as unrelated registered brokers and dealers: IPC Securities Corporation, Investors Group Securities Inc., IPC Investment Corporation, Investors Group Financial Services Inc., and Quadrus Investment Services Ltd.

Counsel used approximately 42% of the total management fee revenues received from all Counsel funds to fund Distribution Related Payments to registered dealers and brokers. In comparison, such Distribution Related Payments for the Fund represented 17% of the management fees paid. This amount is an average percentage of the management fees paid by all series. The actual percentage for each series may be higher or lower than the average depending on the level of trailing commissions paid for that series. The lower proportion of Distribution Related Payments is primarily attributable to Series A having a lower trailer fee rate compared to other Counsel Funds.

#### Management and Administration Services

For each applicable series, the Fund paid management fees and administration fees to Counsel at the annual rates specified under *Series Information* in this report and as more fully described in the Simplified Prospectus. In return for the administration fees, Counsel pays all costs and expenses (other than certain specified fund costs) required to operate the Fund. See also *Management Fees*.

#### Portfolio Transaction Services

IPC Investment Corporation, an affiliate of Counsel, provides portfolio transaction services to the Fund when the Fund invests in high interest savings funds. The Fund pays no brokerage commissions or fees on these investment transactions.

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## Other Related Party Transactions

During the year, the Fund did not rely on an approval, positive recommendation, or standing instruction from the Counsel Funds' Independent Review Committee ("IRC") with respect to any related party transactions.

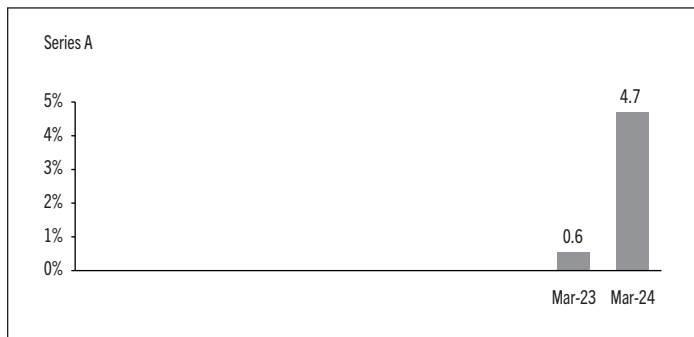
## Past Performance

The indicated rates of return are the historical annual compound total returns, including changes in NAV per security and assuming reinvestment of all distributions. They do not take into account sales, redemption, distribution or optional sales charges, management fees directly payable by investors or income taxes payable by any investor that would have reduced returns. Returns for each series primarily differ because fees and expenses vary for each series. Please refer to *Series Information* for further information. The past performance of the Fund is not necessarily an indication of how it will perform in the future.

If you hold this Fund outside of a registered plan, income and capital gains distributions paid to you increase your income for tax purposes, whether paid in cash or reinvested in additional securities. The amount of reinvested taxable distributions is added to the adjusted cost base of the securities that you own. This would decrease your capital gain or increase your capital loss when you later redeem from the Fund, thereby ensuring that you are not taxed on this amount again. Please consult your tax advisor regarding your personal tax situation.

## Year-by-Year Returns

The bar charts show how much an investment made on the first day of each financial year would have increased or decreased by the end of the respective periods. For the first year of a series, the percentage shown will be the actual return of the series from its inception date, which can be found under *Series Information*. The charts illustrate how the Fund's performance has changed over time.



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## Summary of Investment Portfolio

at March 31, 2024

ASSET TYPE	% OF NAV
High interest savings accounts	99.3
Money market funds	0.1
Other assets (liabilities)	0.6

## TOP 25 POSITIONS

Issuer/Underlying Fund	% OF NAV
Equitable Bank High Interest Savings Account	70.1
BNS Investment Savings Account	29.2
Counsel Money Market Fund Series O	0.1
<b>Top long positions as a percentage of total net asset value</b>	<b>99.4</b>

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## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for each of the fiscal periods presented below. If during the period a fund or series was established or reinstated, "period" represents the period from inception to the end of that fiscal period. Series inception dates can be found under *Series Information*.

### NET ASSETS PER SECURITY (\$)¹

	Mar. 31 2024	Mar. 31 2023
<b>Series A</b>		
<b>Net assets, beginning of period</b>	10.01	10.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.49	0.07
Total expenses	(0.03)	–
Realized gains (losses) for the period	0.01	–
Unrealized gains (losses) for the period	–	–
<b>Total increase (decrease) from operations²</b>	0.47	0.07
<b>Distributions:</b>		
From income (excluding Canadian dividends)	(0.46)	(0.04)
From Canadian dividends	–	–
From capital gains	–	–
Return of capital	(0.02)	–
<b>Total annual distributions³</b>	(0.48)	(0.04)
<b>Net assets at period end</b>	10.00	10.01
<b>Series C</b>		
<b>Net assets, beginning of period</b>	10.01	10.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.36	0.10
Total expenses	(0.02)	–
Realized gains (losses) for the period	0.14	(0.07)
Unrealized gains (losses) for the period	–	–
<b>Total increase (decrease) from operations²</b>	0.48	0.03
<b>Distributions:</b>		
From income (excluding Canadian dividends)	(0.48)	(0.05)
From Canadian dividends	–	–
From capital gains	–	–
Return of capital	(0.03)	–
<b>Total annual distributions³</b>	(0.51)	(0.05)
<b>Net assets at period end</b>	10.00	10.01

	Mar. 31 2024	Mar. 31 2023
<b>Series F</b>		
<b>Net assets, beginning of period</b>	10.01	10.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.53	0.07
Total expenses	(0.02)	–
Realized gains (losses) for the period	(0.03)	–
Unrealized gains (losses) for the period	–	–
<b>Total increase (decrease) from operations²</b>	0.48	0.07
<b>Distributions:</b>		
From income (excluding Canadian dividends)	(0.47)	(0.04)
From Canadian dividends	–	–
From capital gains	–	–
Return of capital	(0.02)	–
<b>Total annual distributions³</b>	(0.49)	(0.04)
<b>Net assets at period end</b>	10.00	10.01
<b>Series I</b>		
<b>Net assets, beginning of period</b>	10.01	10.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.53	0.14
Total expenses	(0.01)	–
Realized gains (losses) for the period	(0.03)	(0.08)
Unrealized gains (losses) for the period	–	–
<b>Total increase (decrease) from operations²</b>	0.49	0.06
<b>Distributions:</b>		
From income (excluding Canadian dividends)	(0.49)	(0.05)
From Canadian dividends	–	–
From capital gains	–	–
Return of capital	(0.02)	–
<b>Total annual distributions³</b>	(0.51)	(0.05)
<b>Net assets at period end</b>	10.00	10.01

(1) These calculations are prescribed by securities regulations and are not intended to be a reconciliation between opening and closing net assets per security. The information presented is derived from the Fund's financial statements prepared in accordance with IFRS. The net assets presented here in this table and in the financial statements may differ from the NAV; an explanation of these differences can be found in Note 3 of the Fund's Financial Statements.

(2) NAV and distributions per security figures are based on the actual number of securities outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of securities outstanding over the financial period.

(3) Distributions were paid in cash, reinvested in additional securities of the Fund, or both.

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## THE FUND'S NET ASSETS PER SECURITY (\$) <sup>1</sup> (cont'd)

	Mar. 31 2024	Mar. 31 2023
<b>Series Private Wealth</b>		
Net assets, beginning of period	10.01	10.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.43	0.05
Total expenses	(0.01)	–
Realized gains (losses) for the period	0.07	0.02
Unrealized gains (losses) for the period	–	–
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.49</b>	<b>0.07</b>
<b>Distributions:</b>		
From income (excluding Canadian dividends)	(0.49)	(0.05)
From Canadian dividends	–	–
From capital gains	–	–
Return of capital	(0.02)	–
<b>Total annual distributions<sup>3</sup></b>	<b>(0.51)</b>	<b>(0.05)</b>
<b>Net assets at period end</b>	<b>10.00</b>	<b>10.01</b>

## RATIOS AND SUPPLEMENTAL DATA

	Mar. 31 2024	Mar. 31 2023
<b>Series A</b>		
Total net asset value (\$000's) <sup>1</sup>	216,949	48,424
Securities Outstanding (000's) <sup>1</sup>	21,695	4,836
Management expense ratio (%) <sup>2</sup>	0.28	0.28
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	0.28	0.28
Trading expense ratio (%) <sup>3</sup>	–	–
Portfolio turnover rate (%) <sup>4</sup>	n/a	n/a
	Mar. 31 2024	Mar. 31 2023
<b>Series C</b>		
Total net asset value (\$000's) <sup>1</sup>	24	3
Securities Outstanding (000's) <sup>1</sup>	2	–
Management expense ratio (%) <sup>2</sup>	0.16	0.15
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	0.16	0.15
Trading expense ratio (%) <sup>3</sup>	–	–
Portfolio turnover rate (%) <sup>4</sup>	n/a	n/a
	Mar. 31 2024	Mar. 31 2023
<b>Series F</b>		
Total net asset value (\$000's) <sup>1</sup>	84,756	37,240
Securities Outstanding (000's) <sup>1</sup>	8,476	3,719
Management expense ratio (%) <sup>2</sup>	0.17	0.16
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	0.17	0.16
Trading expense ratio (%) <sup>3</sup>	–	–
Portfolio turnover rate (%) <sup>4</sup>	n/a	n/a
	Mar. 31 2024	Mar. 31 2023
<b>Series I</b>		
Total net asset value (\$000's) <sup>1</sup>	13,221	5,216
Securities Outstanding (000's) <sup>1</sup>	1,322	521
Management expense ratio (%) <sup>2</sup>	0.06	0.05
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	0.06	0.05
Trading expense ratio (%) <sup>3</sup>	–	–
Portfolio turnover rate (%) <sup>4</sup>	n/a	n/a

(1) This information is provided as at the end of the fiscal period shown.

(2) MER and MER before waivers or absorptions ("Gross MER") are based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of average daily NAV during the period. In the period a series is established, the MERs and Gross MERs are annualized from the date of inception to the end of the period. MER and Gross MER may be impacted by decreases and/or increases in management fees and/or administration fees as discussed under Series Information. Where the Fund invests in securities of an Underlying Fund, the MERs and Gross MERs presented for the Fund include the portion of MERs of the Underlying Fund(s) attributable to this investment.

(3) The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs incurred as an annualized percentage of the daily average NAV during the period. Where the Fund invests in securities of an Underlying Fund, the TERs presented for the Fund include the portion of TERs of its Underlying Fund(s) attributable to this investment.

(4) The portfolio turnover rate is not disclosed for the Fund, as it is not applicable to money market funds.

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## RATIOS AND SUPPLEMENTAL DATA (cont'd)

<b>Series Private Wealth</b>	<b>Mar. 31 2024</b>	<b>Mar. 31 2023</b>
Total net asset value (\$000's) <sup>1</sup>	76,105	10,144
Securities Outstanding (000's) <sup>1</sup>	7,611	1,013
Management expense ratio (%) <sup>2</sup>	0.06	0.05
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	0.06	0.05
Trading expense ratio (%) <sup>3</sup>	–	–
Portfolio turnover rate (%) <sup>4</sup>	n/a	n/a

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## Series Information

Series	Inception/ Reinstatement Date	Minimum Investment (\$)	Management fee (%) <sup>6</sup>	Administration fee (%) <sup>6</sup>
Series A <sup>1</sup>	January 24, 2023	500	0.20	0.05
Series C <sup>1,4</sup>	January 24, 2023	500	0.10	0.05
Series F <sup>2</sup>	January 24, 2023	500	0.10	0.05
Series I <sup>2,3,5</sup>	January 24, 2023	500	–	0.05
Series Private Wealth <sup>6</sup>	January 24, 2023	–	–	0.05
Series S <sup>7</sup>	May 10, 2024	–	–	0.05

(1) Series A and C are the only series subject to sales charges. Securities may be subject to a negotiated fee of up to 5% at time of initial purchase.

(2) 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.

(3) The management fee for this series is 0.10% and is payable directly to Counsel generally through the monthly redemption of securities.

(4) This series is only available to investors utilizing the Counsel Advisor-Directed Rebalancing ("Counsel ADR") service.

(5) Counsel may, at its discretion, waive or lower the management fee (either directly or indirectly) and/or administration fee payable by investors.

(6) 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.

(7) This series is offered to The Canada Life Assurance Company for its in its segregated funds, but may be sold to other investors as determined by Counsel.