

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

*For the Year Ended March 31, 2023*

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.sedar.com](http://www.sedar.com).*

*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, 2023

This Management Discussion of Fund Performance presents the views of Counsel Portfolio Services Inc. (“Counsel”) on the significant factors and developments during the year ended March 31, 2023 that have affected the Fund’s performance and outlook. For information on the Fund’s longer-term performance, please refer to the *Past Performance* section of the report.

In addition, net asset value (NAV) refers to the value of the Fund or a series, as calculated for transaction purposes.

### Investment Objective and Strategies

The Fund seeks to achieve long-term capital growth. The Fund will primarily invest either directly, or through securities of other investment funds, in equity securities of a variety of Canadian, U.S. and international issuers. The Fund’s asset class weightings generally are between 90–100% in equity securities and 0–10% in fixed income securities.

### Risk

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 global equity fund to hold as a key part of their portfolio; want a medium to long-term investment; can handle the volatility of stock markets; and have a medium tolerance for risk.

### Results of Operations

#### Investment Performance

During the year, the Fund’s Series A securities returned –4.36% (after deducting fees and expenses). This compares with an –0.74% return of a blended benchmark comprised of 75% MSCI World Total Return Index (returned 0.74%) and 25% S&P/TSX Composite Index (returned –5.17%) (the “Blended Benchmark”). 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 return.

Global and Canadian equities fell over the period in local currency terms, driven lower by rising interest rates, volatile commodity prices and forecasts of economic weakness. Employment remained strong, and persistently high inflation led many global central banks to raise their policy rates significantly. Higher interest rates contributed to a crisis in the U.S. banking system in March 2023. In Canada, consumer spending was resilient. Within the MSCI World (Net) Index, Denmark, Ireland and Spain were the strongest-performing markets, while Norway, Israel and Canada were the weakest. The Energy, Consumer Staples and Industrials sectors were the strongest performers, while Real Estate, Communication Services and Consumer Discretionary were the weakest.

The Fund underperformed the broad-based MSCI World Total Return Index. The broad-based index is comprised of equities weighted by market capitalization to different regions, whereas the Fund has a substantially larger allocation to Canada. Given the Fund’s composition, the Blended Benchmark provides a more meaningful comparison.

The Fund underperformed the Blended Benchmark primarily due to its bias toward growth stocks. Security selection in the underlying Counsel U.S. Growth within the Information Technology and Consumer Discretionary sectors detracted from performance. Security selection in the underlying Counsel International Growth within the Information Technology and Financials sectors also detracted.

During the year, the U.S. dollar (“USD”) and Euro (“EUR”), and British Pound (“GBP”) appreciated 8.22%, 6.10%, and 1.88% respectively against the Canadian dollar (“CAD”) contributing to the Fund’s performance as its underlying equity funds were generally unhedged against those currencies. The Japanese Yen (“JPY”)

depreciated 0.78% against the CAD detracting from the Fund’s performance. As of year-end, the underlying equity funds maintained a target hedge of 12.5% against the GBP established on March 28, 2023 but was otherwise unhedged as of March 31, 2023.

### Net Assets

The Fund’s NAV increased by \$10.3 million, or over 100%, to \$19.0 million as at March 31, 2023, from \$8.7 million at March 31, 2022. Of this increase, \$10.0 million was attributable to net sales and \$0.3 million due 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, 2023, was generally similar to the MER for the period ended March 31, 2022. 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

Late in the period, global economic growth picked up, supported by a warm winter in Europe and the end of China’s “zero-Covid” policy. Purchasing Manager Indexes (“PMIs”) suggest that real activity in advanced economies continues to shrug off the effects of higher interest rates. According to the flash PMIs, GDP and employment growth both got off to a strong start in Q2 2023, even amid the banking sector turmoil. Mitigating this tailwind is the fact that inflationary pressures are no longer easing, meaning that central banks may need to raise interest rates a bit further in order to deflate wage pressures and bring sticky core inflation back to target. However, Counsel’s portfolio management team believes that the majority of central banks globally have now reached or are approaching the end of their cycle of rate increases. The team expects that a systemic banking crisis will be avoided, but that a further tightening in credit conditions will nonetheless add to pressures on the global economy that we already expected to slip into recession later this year. With that in mind, we expect equities to struggle from here. Supporting this view is a group of financial conditions indices that the team tracks which show that financial conditions in advanced economies are about the tightest that they have been since the Global Financial Crisis in 2008-09 and so are likely to act as a headwind to economic activity. Despite market expectations, the team does not expect interest rate cuts in the near term.

On April 3, 2023, The Canada Life Assurance Company announced an agreement to acquire Investment Planning Counsel Inc. (the parent company of Counsel). The transaction is expected to be completed within 2023. Counsel will continue operate as manager of the Counsel Funds and the agreement is not expected to impact the Fund’s operations.

In late April 2023, Counsel increased the target GBP hedge from 12.5% to 25.0% and introduced a 12.5% hedge against the EUR within the underlying equity funds. Currency hedging is dynamic and may vary between 0-100% at our discretion based on our assessment of currency market conditions.

Effective March 31, 2023, KPMG LLP was appointed as the auditor of the Fund.

### 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

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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 and Investors Group Financial Services Inc.

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 33% 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 the higher proportion of retail investors in series which do not pay a trailer fee 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*.

## Other Related Party Transactions

During the year, the Fund relied on standing instructions from the IRC Independent Review Committee ("IRC") with regards to asset re-allocations.

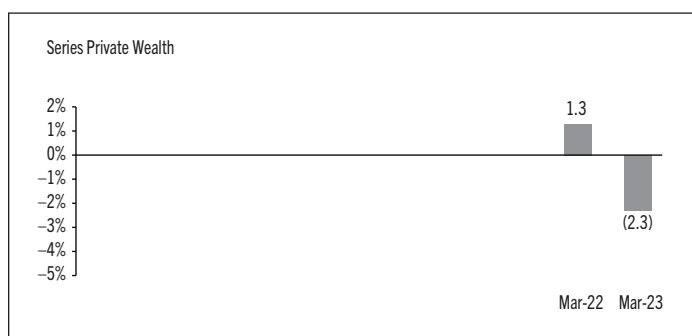
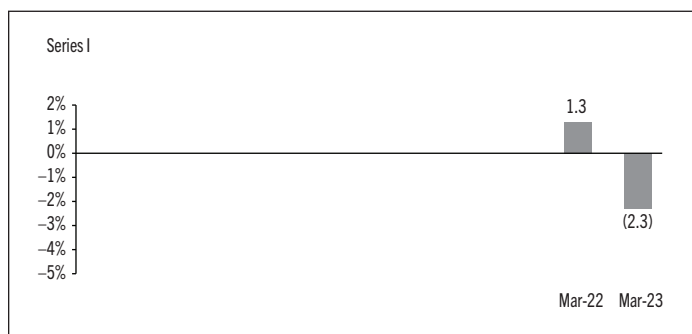
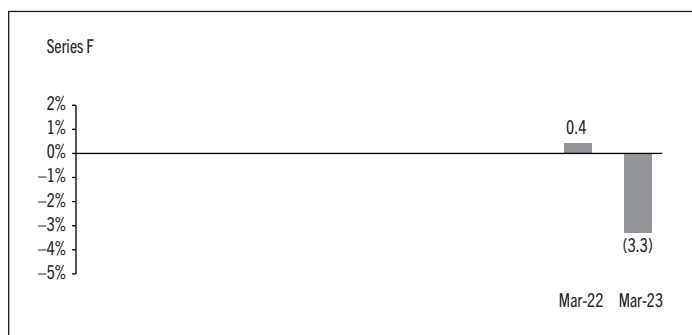
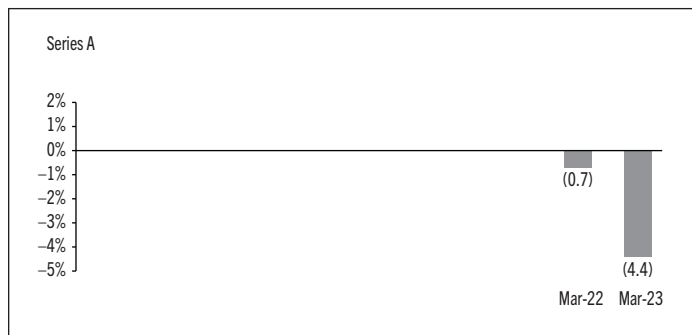
## Past Performance

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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## Annual Compound Returns

The Annual Compound Return table shows the annual compound total return for each series of the Fund for the periods shown ended March 31, 2023. The annual compound total return is also compared to the Fund's benchmark(s)<sup>1</sup> calculated on the same compound basis.

(%)	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Series A	(4.36)	n/a	n/a	n/a	(2.62)
Series F	(3.27)	n/a	n/a	n/a	(1.51)
Series I	(2.32)	n/a	n/a	n/a	(0.56)
Series Private Wealth	(2.33)	n/a	n/a	n/a	(0.53)
Blended Benchmark	(0.74)	n/a	n/a	n/a	3.92
MSCI World Total Return Index	0.74	n/a	n/a	n/a	3.20
S&P/TSX Total Return Index	(5.17)	n/a	n/a	n/a	5.92

(1) The Blended Benchmark is composed of 75% MSCI World Total Return Index and 25% S&P/TSX Total Return Index. The return of the Blended Benchmark will not equal the proportionate sum of the returns of its components due to monthly rebalancing factored in the calculation of the Blended Benchmark's returns.

The MSCI World Total Return Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets.

The S&P/TSX Total Return Index tracks the performance of some of the largest and most widely held stocks listed on the Toronto Stock Exchange.

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## Summary of Investment Portfolio at March 31, 2023

UNDERLYING FUND TYPE	% OF NAV
U.S. equity funds	38.1
International equity funds	36.1
Canadian equity funds	25.8
Cash	0.2
Other	(0.2)

EFFECTIVE SECTOR ALLOCATION	% OF NAV
Information technology	19.3
Financials	18.8
Industrials	15.0
Consumer discretionary	10.3
Health care	9.0
Communication services	6.8
Materials	5.6
Energy	5.5
Consumer staples	3.8
Utilities	0.9
Real estate	0.7
Cash	0.2
Other	4.1

EFFECTIVE COUNTRY ALLOCATION	% OF NAV
United States	39.7
Canada	25.8
Netherlands	6.6
United Kingdom	6.2
Denmark	2.9
France	2.9
Japan	2.4
Germany	1.9
Italy	1.3
Taiwan	1.3
China	1.0
Other countries	7.8
Cash and cash equivalents	0.2

*The effective allocation shows the country, regional, and sector of the Fund calculated by including the Fund's proportionate share of its holdings in underlying investment funds. The Simplified Prospectus and other information about each of the Underlying Funds are available on the SEDAR website at [www.sedar.com](http://www.sedar.com).*

TOP 25 POSITIONS	% OF NAV
Issuer/Underlying Fund	
Counsel U.S. Growth	38.1
Counsel International Growth	36.1
Counsel Canadian Growth	25.8
Cash and cash equivalents	0.2
Top long positions as a percentage of total net asset value	100.2

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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

Series A	Mar. 31 2023	Mar. 31 2022
<b>Net assets, beginning of period</b>	<b>9.89</b>	<b>10.00</b>
<b>Increase (decrease) from operations:</b>		
Total revenue	0.16	0.09
Total expenses	(0.20)	(0.23)
Realized gains (losses) for the period	(0.12)	0.41
Unrealized gains (losses) for the period	0.27	(0.97)
<b>Total increase (decrease) from operations²</b>	<b>0.11</b>	<b>(0.70)</b>
<b>Distributions:</b>		
From income (excluding Canadian dividends)	–	–
From Canadian dividends	–	–
From capital gains	–	(0.05)
Return of capital	–	–
<b>Total annual distributions³</b>	<b>–</b>	<b>(0.05)</b>
<b>Net assets at period end</b>	<b>9.46</b>	<b>9.89</b>

Series F	Mar. 31 2023	Mar. 31 2022
<b>Net assets, beginning of period</b>	<b>9.84</b>	<b>10.00</b>
<b>Increase (decrease) from operations:</b>		
Total revenue	0.15	0.09
Total expenses	(0.10)	(0.12)
Realized gains (losses) for the period	0.04	0.28
Unrealized gains (losses) for the period	0.27	(0.96)
<b>Total increase (decrease) from operations²</b>	<b>0.36</b>	<b>(0.71)</b>
<b>Distributions:</b>		
From income (excluding Canadian dividends)	–	–
From Canadian dividends	(0.05)	–
From capital gains	–	(0.22)
Return of capital	–	–
<b>Total annual distributions³</b>	<b>(0.05)</b>	<b>(0.22)</b>
<b>Net assets at period end</b>	<b>9.46</b>	<b>9.84</b>

Series I	Mar. 31 2023	Mar. 31 2022
<b>Net assets, beginning of period</b>	<b>9.79</b>	<b>10.00</b>
<b>Increase (decrease) from operations:</b>		
Total revenue	0.16	0.10
Total expenses	(0.02)	(0.02)
Realized gains (losses) for the period	(0.48)	0.23
Unrealized gains (losses) for the period	0.28	(1.08)
<b>Total increase (decrease) from operations²</b>	<b>(0.06)</b>	<b>(0.77)</b>
<b>Distributions:</b>		
From income (excluding Canadian dividends)	(0.03)	–
From Canadian dividends	(0.07)	–
From capital gains	(0.09)	(0.37)
Return of capital	–	–
<b>Total annual distributions³</b>	<b>(0.19)</b>	<b>(0.37)</b>
<b>Net assets at period end</b>	<b>9.36</b>	<b>9.79</b>

Series Private Wealth	Mar. 31 2023	Mar. 31 2022
<b>Net assets, beginning of period</b>	<b>9.80</b>	<b>10.00</b>
<b>Increase (decrease) from operations:</b>		
Total revenue	0.16	0.06
Total expenses	(0.02)	(0.02)
Realized gains (losses) for the period	1.12	(1.59)
Unrealized gains (losses) for the period	0.28	(0.70)
<b>Total increase (decrease) from operations²</b>	<b>1.54</b>	<b>(2.25)</b>
<b>Distributions:</b>		
From income (excluding Canadian dividends)	(0.03)	–
From Canadian dividends	(0.07)	–
From capital gains	(0.09)	(0.37)
Return of capital	–	–
<b>Total annual distributions³</b>	<b>(0.19)</b>	<b>(0.37)</b>
<b>Net assets at period end</b>	<b>9.36</b>	<b>9.80</b>

(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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## RATIOS AND SUPPLEMENTAL DATA

Series A	Mar. 31 2023	Mar. 31 2022
Total net asset value (\$000's) <sup>1</sup>	4,627	2,404
Securities Outstanding (000's) <sup>1</sup>	489	243
Management expense ratio (%) <sup>2</sup>	2.28	2.31
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	2.28	2.31
Trading expense ratio (%) <sup>3</sup>	0.09	0.06
Portfolio turnover rate (%) <sup>4</sup>	17.13	16.96

Series F	Mar. 31 2023	Mar. 31 2022
Total net asset value (\$000's) <sup>1</sup>	7,867	3,249
Securities Outstanding (000's) <sup>1</sup>	831	330
Management expense ratio (%) <sup>2</sup>	1.15	1.18
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	1.15	1.18
Trading expense ratio (%) <sup>3</sup>	0.09	0.06
Portfolio turnover rate (%) <sup>4</sup>	17.13	16.96

Series I	Mar. 31 2023	Mar. 31 2022
Total net asset value (\$000's) <sup>1</sup>	4,214	2,842
Securities Outstanding (000's) <sup>1</sup>	450	290
Management expense ratio (%) <sup>2</sup>	0.18	0.22
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	0.18	0.22
Trading expense ratio (%) <sup>3</sup>	0.09	0.06
Portfolio turnover rate (%) <sup>4</sup>	17.13	16.96

Series Private Wealth	Mar. 31 2023	Mar. 31 2022
Total net asset value (\$000's) <sup>1</sup>	2,306	230
Securities Outstanding (000's) <sup>1</sup>	246	23
Management expense ratio (%) <sup>2</sup>	0.19	0.23
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	0.19	0.23
Trading expense ratio (%) <sup>3</sup>	0.09	0.06
Portfolio turnover rate (%) <sup>4</sup>	17.13	16.96

- (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 ("PTR") indicates how actively the portfolio advisor manages the investments. A PTR of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher PTR in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high PTR and the performance of the Fund. Costs incurred to realign the Fund's portfolio after a fund merger, if any, are excluded from the PTR.

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## Series Information

Series	Date of Inception	Minimum Investment (\$)	Management Fee <sup>4</sup> (%)	Administration Fee <sup>4</sup> (%)
Series A <sup>1</sup>	April 12, 2021	500	1.85	0.15
Series F <sup>2</sup>	April 12, 2021	500	0.85	0.15
Series I <sup>2,3,4</sup>	April 12, 2021	500	–	0.15
Series Private Wealth <sup>5</sup>	April 12, 2021	–	–	0.15

(1) Series A is 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 0.85% and is payable directly to Counsel generally through the monthly redemption of securities.

(4) Counsel may, at its discretion, waive or lower the management fee (either directly or indirectly) and/or administration fee payable by investors. Individual investors may be eligible for a management fee reduction subject to meeting certain requirements as discussed in the Fund's Simplified Prospectus. Effective June 15, 2022, the administration fee was reduced from 0.20%.

(5) 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.