

Interim Management Report of Fund Performance

For the Period Ended September 30, 2023

Fund Manager
Counsel Portfolio Services Inc.

This Interim Management Report of Fund Performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the investment fund. You may obtain a copy of the interim financial report or annual 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.counsel.services.com or by visiting the SEDAR+ website at 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 and Annual Information Form, which may also be obtained, at no cost, using any of the methods outlined above.

Every effort has been made to ensure that the information contained in this report is accurate as of September 30, 2023; however, the Fund cannot guarantee the accuracy or the completeness of this material. Please refer to the Fund's Simplified Prospectus and audited annual financial statements for more information.

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 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

November 13, 2023

This Management Discussion of Fund Performance presents the views of Counsel Portfolio Services Inc. (“Counsel”) on the significant factors and developments during the period ended September 30, 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, on which the discussion of Fund performance is based.

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 six-month period, the Fund’s Series A securities returned 1.32% (after deducting fees and expenses). This compares with a 2.07% return of Bank of America U.S. High Yield Master II Total Return Index (the “New 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.

The Fund changed its blended benchmark index from 30% Bank of America U.S. Emerging Market Liquid Corporate Plus Total Return Index (the “Old Blended Benchmark”) to 70% Bank of America U.S. High Yield Master II Total Return Index, which had a return of 1.32%, in line with the Fund. The Bank of America U.S. Emerging Market Liquid Corporate Plus Total Return Index is no longer freely available for comparison.

In response to elevated inflation, the U.S. Federal Reserve increased its federal funds rate by 50 basis points over the period to a target range of 5.25%–5.50%. High-yield bond prices rose and yields moved lower in response to expectations the U.S. economy might avoid a significant recession. High-yield bond spreads (the difference in yield between high-yield and investment grade bonds) narrowed. In response, high-yield bonds outperformed investment grade corporate bonds.

The Fund outperformed the broad-based FTSE Canada Universe Total Return Index which returned –4.53%. The broad-based index is comprised of Canadian fixed-income securities and has no exposure to below investment grade bonds and bonds outside of Canada, whereas the Fund invests in North American high yield bonds as well as emerging market bonds. Given the Fund’s composition, the New Index provides a more meaningful comparison.

The Fund underperformed the New Index due to its investment in BlueBay Emerging Markets Corporate Bond Fund. The underlying fund detracted from performance due to allocation to China’s Real Estate sector. Overweight allocation to Argentinian government bonds and South Africa also detracted from performance.

During the period, the U.S. dollar (“USD”) appreciated 0.36% against the Canadian dollar (“CAD”) contributing the Fund’s performance.

Net Assets

The Fund’s NAV declined by \$0.9 million, or 2.9%, to \$31.4 million as at September 30, 2023, from \$32.3 million as at March 31, 2023. Of this decrease, \$1.5 million was attributable to net redemptions, partially offset by a \$0.6 million increase due to investment performance (after deducting fees and expenses).

Fees and Expenses

The annualized management expense ratios (“MER”) for Series A and F during the period ended September 30, 2023, were lower than the MER for the year ended March 31, 2023. Total expenses paid may also vary from period to period mainly as a result of changes in average assets in each series. The MERs decreased due to management and administration fee reductions as noted in the *Series Information* section of the report. The MERs for all series (before and after waivers or absorptions, if any) are presented in the *Financial Highlights* section of this report.

Recent Developments

Putnam Investments, sub-advisor to the underlying Counsel North American High Yield Bond, is expecting slower growth or a mild recession in 2024 and notes that while valuation is still somewhat attractive, particularly in high yield bonds and lower dollar prices, credit spreads (the difference in yield between a sovereign government bond and a corporate bond of the same maturity) are pricing in a continued increase in defaults along with slower growth, and do not indicate a harsh recession.

BlueBay, sub-advisor to the underlying BlueBay Emerging Market Corporate Bond Fund, notes that emerging markets countries have largely completed their rate-hiking cycles and, with inflation trending consistently lower, investor attention is turning to the possibility of rate cuts. Emerging-market corporate bonds with lower credit ratings offer some opportunities, but the sub-advisor recognizes that valuations have returned to average levels in many areas. Bond yields and income remain attractive relative to historical levels and should continue to support emerging-market bonds.

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 prior to the end of 2023. During the initial period following completion of the transaction, Counsel will continue to operate as manager of the Counsel Funds and no material changes to the Fund’s operations are expected. However, there will be changes to the membership of the Fund’s Independent Review Committee and Counsel’s Board of Directors in connection with the completion of the transaction.

The Fund remains overweight its allocation to North American High Yield at 75%. The Fund remains unhedged against foreign currencies. Counsel introduced a 45% hedge against the USD in October 2023. Currency hedging is dynamic and may vary between 0-100% at our discretion based on our assessment of currency market conditions.

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 41% 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 44% of the management fees paid. This amount is an average

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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.

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 directly in securities of mutual funds other than Counsel Funds. The Fund pays no brokerage commissions or fees on these investment transactions.

Other Related Party Transactions

Series Private Wealth securities are issued on a prospectus-exempt basis to investors in discretionary managed account programs offered by IPC Securities Corporation, an affiliate of Counsel. As a result of these investments, the Fund is subject to large transaction risk as discussed in its Simplified Prospectus. Counsel manages this risk to reduce the possibility of any adverse effect on the Fund or on its investors, through such processes as requiring advance notice of large redemptions. At September 30, 2023, Series Private Wealth investors owned 73.7% of the Fund's NAV. As of September 30, 2023, Counsel had not received notice of any large redemptions. All related party transactions are based on the NAV per security on each transaction day.

During the period, 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

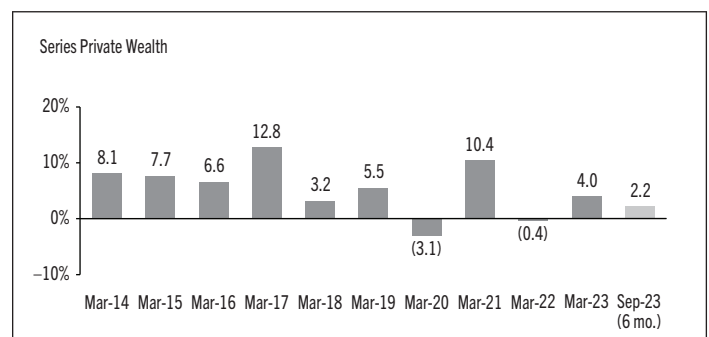
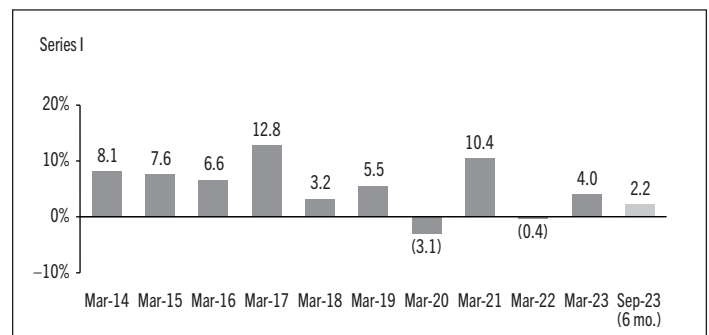
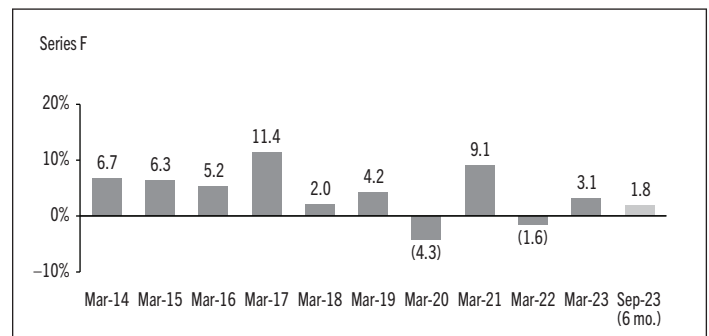
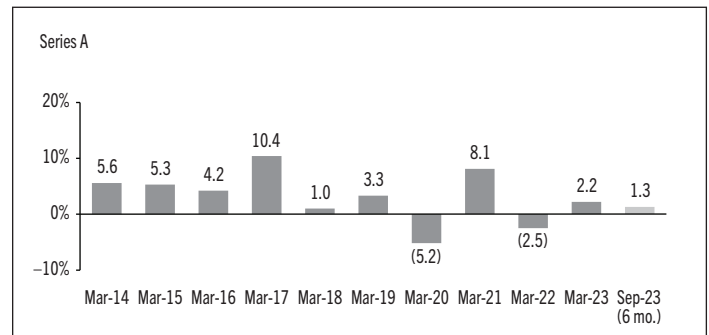
The indicated rates of return are the historical annual compound total returns, including changes in NAV per security and assuming reinvestment of all distributions. They do not take into account sales, redemption, distribution or optional sales charges, management fees directly payable by investors 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.

Past performance may have been impacted by the waiving of certain fees or expenses by the Manager.

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 September 30, 2023

EFFECTIVE ASSET TYPE	% OF NAV
Corporate bonds	86.7
Loans	5.9
Government bonds	2.0
Equities	0.7
Cash	0.7
Other	4.0

EFFECTIVE COUNTRY ALLOCATION	% OF NAV
United States	67.0
Canada	7.6
United Arab Emirates	2.5
Mexico	2.0
Israel	1.9
United Kingdom	1.8
Netherlands	1.6
Colombia	1.5
Saudi Arabia	1.2
Brazil	0.8
Hong Kong	0.8
China	0.7
Cash	0.7
Other countries	9.9

EFFECTIVE CREDIT RATING	% OF NAV
AA	3.5
A	3.3
BBB	8.8
BB	35.5
B	32.9
Less than B	8.6
Unrated	2.0

The effective allocation shows the country and asset type exposure 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.sedarplus.com.

TOP 25 POSITIONS	% OF NAV
Issuer/Underlying Fund	
Counsel North American High Yield Bond Series O	74.2
Bluebay Emerging Markets Corporate Bond Fund Series O	25.4
Cash	0.7
Top long positions as a percentage of total net asset value	100.3

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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

	Sep. 30	Mar. 31	Mar. 31	Mar. 31	Mar. 31	Mar. 31
Series A	2023	2023	2022	2021	2020	2019
Net assets, beginning of period	8.46	8.65	9.11	8.67	9.38	9.35
Increase (decrease) from operations:						
Total revenue	0.26	0.50	0.46	0.50	0.53	0.54
Total expenses	(0.07)	(0.15)	(0.20)	(0.20)	(0.21)	(0.21)
Realized gains (losses) for the period	(0.04)	(0.55)	(0.09)	(0.14)	(0.03)	(0.29)
Unrealized gains (losses) for the period	(0.03)	0.37	(0.36)	0.55	(0.75)	0.26
Total increase (decrease) from operations²	0.12	0.17	(0.19)	0.71	(0.46)	0.30
Distributions:						
From income (excluding Canadian dividends)	(0.19)	(0.36)	(0.23)	(0.26)	(0.25)	(0.26)
From Canadian dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total annual distributions³	(0.19)	(0.36)	(0.23)	(0.26)	(0.25)	(0.26)
Net assets at period end	8.38	8.46	8.65	9.11	8.67	9.38
	Sep. 30	Mar. 31	Mar. 31	Mar. 31	Mar. 31	Mar. 31
Series F	2023	2023	2022	2021	2020	2019
Net assets, beginning of period	8.60	8.79	9.25	8.81	9.53	9.48
Increase (decrease) from operations:						
Total revenue	0.26	0.51	0.46	0.50	0.53	0.55
Total expenses	(0.04)	(0.08)	(0.12)	(0.12)	(0.12)	(0.12)
Realized gains (losses) for the period	(0.04)	(0.47)	(0.09)	0.02	(0.03)	(0.30)
Unrealized gains (losses) for the period	(0.03)	0.38	(0.36)	0.55	(0.77)	0.27
Total increase (decrease) from operations²	0.15	0.34	(0.11)	0.95	(0.39)	0.40
Distributions:						
From income (excluding Canadian dividends)	(0.23)	(0.45)	(0.32)	(0.35)	(0.34)	(0.34)
From Canadian dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total annual distributions³	(0.23)	(0.45)	(0.32)	(0.35)	(0.34)	(0.34)
Net assets at period end	8.51	8.60	8.79	9.25	8.81	9.53

Series I	Sep. 30	Mar. 31	Mar. 31	Mar. 31	Mar. 31	Mar. 31
	2023	2023	2022	2021	2020	2019
Net assets, beginning of period	7.72	7.89	8.30	7.90	8.56	8.49
Increase (decrease) from operations:						
Total revenue	0.24	0.47	0.42	0.45	0.48	0.49
Total expenses	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Realized gains (losses) for the period	(0.03)	(0.23)	(0.09)	(0.15)	(0.02)	(0.27)
Unrealized gains (losses) for the period	(0.02)	0.34	(0.33)	0.51	(0.69)	0.25
Total increase (decrease) from operations²	0.18	0.57	(0.01)	0.80	(0.24)	0.46
Distributions:						
From income (excluding Canadian dividends)	(0.24)	(0.47)	(0.39)	(0.41)	(0.41)	(0.39)
From Canadian dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total annual distributions³	(0.24)	(0.47)	(0.39)	(0.41)	(0.41)	(0.39)
Net assets at period end	7.64	7.72	7.89	8.30	7.90	8.56
	Sep. 30	Mar. 31	Mar. 31	Mar. 31	Mar. 31	Mar. 31
Series Private Wealth	2023	2023	2022	2021	2020	2019
Net assets, beginning of period	8.61	8.80	9.27	8.82	9.55	9.47
Increase (decrease) from operations:						
Total revenue	0.26	0.50	0.46	0.49	0.54	0.55
Total expenses	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Realized gains (losses) for the period	(0.04)	(0.82)	(0.05)	(0.14)	0.03	(0.30)
Unrealized gains (losses) for the period	(0.03)	0.37	(0.36)	0.54	0.77	0.27
Total increase (decrease) from operations²	0.18	0.04	0.04	0.88	0.27	0.51
Distributions:						
From income (excluding Canadian dividends)	(0.27)	(0.52)	(0.43)	(0.46)	(0.45)	(0.43)
From Canadian dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total annual distributions³	(0.27)	(0.52)	(0.43)	(0.46)	(0.45)	(0.43)
Net assets at period end	8.53	8.61	8.80	9.27	8.82	9.55

- 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.
- 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.
- Distributions were paid in cash, reinvested in additional securities of the Fund, or both.

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RATIOS AND SUPPLEMENTAL DATA

	Sep. 30	Mar. 31	Mar. 31	Mar. 31	Mar. 31	Mar. 31
	2023	2023	2022	2021	2020	2019
Series A						
Total net asset value (\$000's) ¹	4,053	4,914	5,365	5,895	6,002	6,193
Securities Outstanding (000's) ¹	484	581	620	647	693	660
Management expense ratio (%) ²	1.82	1.94	2.28	2.28	2.30	2.33
Management expense ratio before waivers or absorptions (%) ²	1.86	1.97	2.31	2.31	2.36	2.36
Trading expense ratio (%) ³	–	–	–	–	–	0.01
Portfolio turnover rate (%) ⁴	7.12	63.41	10.03	59.99	182.98	49.12
Series F						
Total net asset value (\$000's) ¹	1,703	1,441	1,163	1,487	2,457	2,830
Securities Outstanding (000's) ¹	200	168	132	161	279	297
Management expense ratio (%) ²	0.92	1.01	1.33	1.34	1.37	1.39
Management expense ratio before waivers or absorptions (%) ²	0.95	1.07	1.36	1.38	1.43	1.42
Trading expense ratio (%) ³	–	–	–	–	–	0.01
Portfolio turnover rate (%) ⁴	7.12	63.41	10.03	59.99	182.98	49.12
Series I						
Total net asset value (\$000's) ¹	2,485	1,960	799	774	709	878
Securities Outstanding (000's) ¹	325	254	101	93	90	103
Management expense ratio (%) ²	0.15	0.18	0.17	0.18	0.20	0.21
Management expense ratio before waivers or absorptions (%) ²	0.19	0.21	0.20	0.21	0.23	0.25
Trading expense ratio (%) ³	–	–	–	–	–	0.01
Portfolio turnover rate (%) ⁴	7.12	63.41	10.03	59.99	182.98	49.12
Series Private Wealth						
Total net asset value (\$000's) ¹	23,114	24,021	32,176	39,472	29,456	38,515
Securities Outstanding (000's) ¹	2,711	2,790	3,654	4,260	3,340	4,035
Management expense ratio (%) ²	0.16	0.18	0.17	0.18	0.20	0.22
Management expense ratio before waivers or absorptions (%) ²	0.19	0.21	0.19	0.20	0.23	0.24
Trading expense ratio (%) ³	–	–	–	–	–	0.01
Portfolio turnover rate (%) ⁴	7.12	63.41	10.03	59.99	182.98	49.12

(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	Inception/ Reinstatement Date	Minimum Investment (\$)	Management fee (%) ⁵	Administration fee (%) ⁵
Series A ¹	July 13, 2012	1,000	1.45	0.20
Series F ²	July 13, 2012	1,000	0.70	0.15
Series I ^{2,3,5}	July 13, 2012	1,000	–	0.15
Series Private Wealth ⁴	July 24, 2012	–	–	0.15

- (1) Series A is the only series 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 option but may be acquired through switching from other Counsel funds. Effective June 15, 2022, this series' administration fee was reduced from 0.25%.
- (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 0.70% and is payable directly to Counsel generally through the monthly redemption of securities.
- (4) 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.
- (5) 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 management fee rates for all series was reduced by 0.35% to rates stated above.