

COUNSEL NORTH AMERICAN HIGH YIELD BOND

Interim Management Report of Fund Performance

For the Period Ended September 30, 2023

Fund Manager

Counsel Portfolio Services Inc.

Sub-advisor

Putnam Investments Canada ULC

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.counselservices.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 O 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 O securities returned 2.54%. This compares with a -4.53% return of the mandate-specific index Bank of America Merrill Lynch High Yield Total Return Index and a 2.07% return of the FTSE TMX Canada Bond Universe Total Return. 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.

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 TMX Canada Bond Universe Total Return Index. The broad-based index is comprised of Canadian fixed-income securities and has no exposure to high-yield fixed income, whereas the Fund invests in both Canadian and U.S. high-yield fixed-income securities which outperformed investment grade securities in the period. Given the Fund's composition, the mandate-specific index provides a more meaningful comparison. The Fund outperformed the mandate-specific index primarily due to its exposure to Industrials and Financial sector.

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 \$7.7 million, or 8.9%, to \$79.3 million as at September 30, 2023, from \$87.0 million as at March 31, 2023. Of this decrease, \$9.9 million was attributable to net redemptions and partially offset by a \$2.2 million increase due to investment performance.

Fees and Expenses

The annualized management expense ratio ("MER") for each series during the period ended September 30, 2023, was generally similar to the MER for the year ended March 31, 2023. Total expenses paid vary from period to period mainly as a result of changes in average assets in each series. Please note that no management

fees are charged to the Fund; see the *Series Information* section of this report for further details. 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

The sub-advisor 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.

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.

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 and Administration Services

Top Funds represent nearly all of the Fund's investors. As a result, Counsel pays all costs and expenses (other than certain specified fund costs) required to operate the Fund. No management or administration fees are paid by the Fund.

Other Related Party Transactions

Other investment funds managed by Counsel ("Top Funds") invest in Series O securities offered by the Fund on a prospectus-exempt basis in accordance with the investment objectives of those funds. As a result of these investments, the Fund is subject to large transaction risk as discussed in the Counsel Funds' 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, Top Funds owned nearly 100% of the Fund's NAV. As of September 30, 2023, Counsel had not received any additional notice of 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

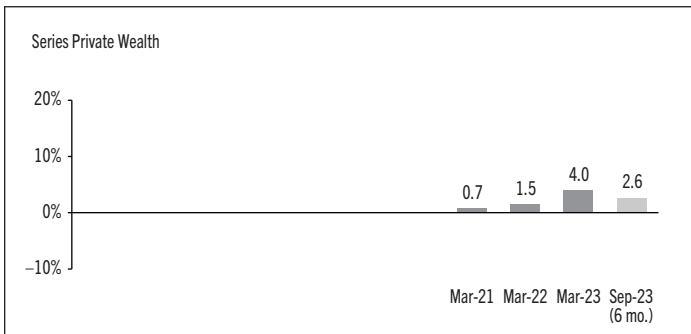
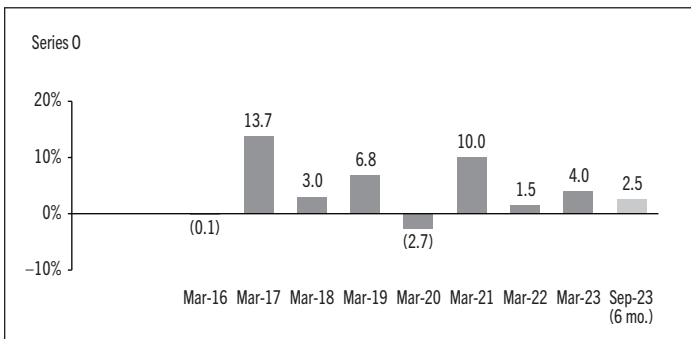
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or increase your capital loss when you later redeem from the Fund, thereby ensuring that you are not taxed on this amount again. Please consult your tax advisor regarding your personal tax situation.

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 September 30, 2023

EFFECTIVE ASSET TYPE	% OF NAV
Corporate bonds	88.5
Term loans	7.9
Equities	0.9
Cash and cash equivalents	1.7
Other	1.0

EFFECTIVE COUNTRY ALLOCATION	% OF NAV
United States	87.5
Canada	4.4
Israel	1.3
France	0.9
United Kingdom	0.8
Luxembourg	0.8
Germany	0.8
Zambia	0.4
Netherlands	0.4
Austria	0.3
Bermuda	0.3
Peru	0.2
Ireland	0.2
Cash and cash equivalents	1.7

BONDS BY CREDIT RATING*	% OF NAV
A	0.2
BBB	3.2
BB	37.7
B	40.6
Less than B	9.8
Unrated	3.8

* Credit ratings and rating categories are based on ratings issued by a designated rating organization.

The effective allocation shows the country and asset type exposure of the Fund calculated by combining its direct investments, exchange traded funds, and derivatives.

TOP 25 POSITIONS	% OF NAV
Issuer	
Cash and cash equivalents	1.7
CCO Holdings LLC 4.75% 03-01-2030 Callable 2024	1.0
Endeavor Energy Resources LP 5.75% 01-30-2028 Callable 2023	0.7
Southwestern Energy Co. 5.38% 02-01-2029	0.6
GFL Environmental Inc. 4.75% 06-15-2029	0.6
Teva Pharmaceutical Finance Netherlands III BV 3.15% 10-01-2026	0.6
Imola Merger Corp. 4.75% 05-15-2029	0.5
Picard Midco Inc. 6.50% 03-31-2029	0.5
Mozart Debt Merger Sub Inc. 3.88% 04-01-2029	0.5
Altice France 5.50% 01-15-2028	0.5
PetSmart Inc. Term Loan B 1st Lien F/R 01-29-2028	0.5
Watco Cos LLC 6.50% 06-15-2027	0.5
Boyd Gaming Corp. 4.75% 06-15-2031	0.5
Great Lakes Dredge & Dock Corp. 5.25% 06-01-2029	0.5
American Builders & Contractors Supply Co. Inc. 4.00% 01-15-2028	0.5
Permian Resources Corp. 6.88% 04-01-2027	0.5
Caesars Entertainment Inc. 4.63% 10-15-2029	0.5
Rockcliff Energy II LLC 5.50% 10-15-2029	0.5
ZoomInfo Technologies LLC 3.88% 02-01-2029	0.5
Crowdstrike Holdings Inc. 3.00% 02-15-2029	0.5
Mav Acquisition Corp. 5.75% 08-01-2028	0.5
Novelis Inc. 4.75% 01-30-2030 Callable 2025	0.4
Energy Transfer Partners LP F/R 02-15-2166 Perpetual Callable 2028	0.4
Square Inc. 3.50% 06-01-2031	0.4
First Quantum Minerals Ltd. 8.63% 06-01-2031	0.4

Top long positions as a percentage of total net asset value	14.3
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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 O	2023	2023	2022	2021	2020	2019
Net assets, beginning of period	8.86	9.08	9.43	9.05	9.87	9.81
Increase (decrease) from operations:						
Total revenue	0.29	0.54	0.50	0.51	0.57	0.61
Total expenses	-	-	-	-	-	-
Realized gains (losses) for the period	(0.07)	(0.49)	0.02	(0.14)	0.03	(0.41)
Unrealized gains (losses) for the period	0.01	0.16	(0.36)	0.52	(0.86)	0.44
Total increase (decrease) from operations²	0.23	0.21	0.16	0.89	(0.26)	0.64
Distributions:						
From income (excluding Canadian dividends)	(0.28)	(0.56)	(0.50)	(0.52)	(0.57)	(0.59)
From Canadian dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total annual distributions³	(0.28)	(0.56)	(0.50)	(0.52)	(0.57)	(0.59)
Net assets at period end	8.80	8.86	9.08	9.43	9.05	9.87

	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	9.30	9.51	9.86	10.00	n/a	n/a
Increase (decrease) from operations:						
Total revenue	0.29	0.57	0.53	0.25	n/a	n/a
Total expenses	-	-	-	-	n/a	n/a
Realized gains (losses) for the period	(0.06)	(0.37)	(0.02)	(0.43)	n/a	n/a
Unrealized gains (losses) for the period	-	0.17	(0.37)	0.25	n/a	n/a
Total increase (decrease) from operations²	0.23	0.37	0.14	0.07	n/a	n/a
Distributions:						
From income (excluding Canadian dividends)	(0.29)	(0.57)	(0.51)	(0.21)	n/a	n/a
From Canadian dividends	-	-	-	-	n/a	n/a
From capital gains	-	-	-	-	n/a	n/a
Return of capital	-	-	-	-	n/a	n/a
Total annual distributions³	(0.29)	(0.57)	(0.51)	(0.21)	n/a	n/a
Net assets at period end	9.24	9.30	9.51	9.86	n/a	n/a

(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.

RATIOS AND SUPPLEMENTAL DATA

	Sep. 30	Mar. 31	Mar. 31	Mar. 31	Mar. 31	Mar. 31
Series O	2023	2023	2022	2021	2020	2019
Total net asset value (\$000's)¹	79,288	87,003	105,903	107,150	87,402	81,315
Securities Outstanding (000's)¹	9,013	9,821	11,668	11,367	9,654	8,242
Management expense ratio (%)²	-	-	-	-	-	-
Management expense ratio before waivers or absorptions (%)²	-	-	-	-	-	-
Trading expense ratio (%)³	-	-	-	-	0.01	0.01
Portfolio turnover rate (%)⁴	20.86	42.50	43.30	54.16	-	30.36

	Sep. 30	Mar. 31	Mar. 31	Mar. 31	Mar. 31	Mar. 31
Series Private Wealth	2023	2023	2022	2021	2020	2019
Total net asset value (\$000's)¹	1	1	1	1	n/a	n/a
Securities Outstanding (000's)¹	-	-	-	-	n/a	n/a
Management expense ratio (%)²	0.17	0.17	0.17	0.17	n/a	n/a
Management expense ratio before waivers or absorptions (%)²	0.17	0.17	0.17	0.17	n/a	n/a
Trading expense ratio (%)³	-	-	-	-	n/a	n/a
Portfolio turnover rate (%)⁴	20.86	42.50	43.30	54.16	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 ("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 (%)	Administration fee (%) ³
Series O ¹	October 29, 2015	–	–	–
Series Private Wealth ²	October 19, 2020	–	–	0.15

(1) 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.

(2) 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.

(3) Counsel may, at its discretion, waive or lower the administration fee payable by investors.