

IPC Canadian Equity

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended September 30, 2021

Fund Manager

Counsel Portfolio Services Inc.

Sub-Advisor

Guardian Capital LP

This Interim Management Report of Fund Performance contains financial highlights but does not contain either the annual or interim financial statements of the investment fund. If you have not received a copy of the financial statements with this report, you may obtain a copy 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.counselervices.com or by visiting the SEDAR website at 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 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, 2021; 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.

CAUTION 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.

Management Discussion of Fund Performance

November 11, 2021

This Management Discussion of Fund Performance presents the views of Counsel Portfolio Services Inc. (“Counsel”) on the significant factors and developments that have affected the Fund during the period from the fund’s inception to September 30, 2021.

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 growth of capital by investing primarily in Canadian equities. The Fund seeks exposure to Canadian equities with a lower risk profile than could be expected with the S&P/TSX Composite Index. Recognizing that the Canadian equity market has a high exposure to the volatile resource market, the fund re-allocates exposure from the Energy and Materials sectors to other areas of the Canadian market in an attempt to reduce volatility. The Fund may invest up to 30% of its assets in foreign 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 Canadian equity fund to hold as part of their portfolio; want a medium to long-term investment; can handle the volatility of the stock markets; and have a medium tolerance for risk. The Fund is not available to retail investors and is only available to other institutional investors (primarily other Counsel Funds) on a prospectus-exempt basis.

Results of Operations

Investment Performance

As with all new funds, in accordance with securities laws, the Fund’s performance can be discussed only when annual audited financial statements have been produced.

Canadian equities continued their upward momentum over the period, reaching new highs as ongoing COVID-19 vaccination programs and broader use of health and safety protocols facilitated further economic reopening. Significant government and central bank stimulus, both globally and in Canada, continued to underpin economic growth and equity valuations. The combination of

economic reopening and tight supply supported a strong rise in oil prices, benefiting the Canadian energy sector. Within the S&P/TSX Composite Index, Information Technology, Energy and Real Estate were the strongest sectors, while Health Care, Consumer Discretionary and Materials were the weakest. The Fund’s largest exposures are to Financials at 22.8%, Consumer Discretionary at 14.3%, and Industrials at 13.5%.

Net Assets

The Fund’s NAV increased to \$0.6 million as at September 30, 2021, primarily due to sales to other Counsel funds.

Recent Developments

Ongoing uncertainty regarding the duration and long-term impact of the COVID-19 pandemic and the implementation of vaccination programs, as well as the efficacy of government and central bank monetary and fiscal interventions, may continue to affect the Fund’s performance in future periods.

The uncertainty associated with both timing and pace of the economic recovery has led to a balanced positioning within the Fund with varying levels of cyclical and defensive characteristics. Although the sub-advisor continues to see friction in supply chains, the vast majority of the Fund’s holdings have been able to pass through input cost increases associated with inflationary pressures. The sub-advisor expects the shortage of both labour and semiconductors will continue to impact the economy and certain positions within the Fund. As these normalize, the Fund is positioned to benefit from a period of sustained demand in the coming years, with backlogs indicating significant pent-up demand. This enhanced visibility into orders will benefit companies as they reposition supply chains to respond to this demand.

Effective September 22, 2021, Atul Tiwari was appointed to the Counsel Funds’ Independent Review Committee.

Related Party Transactions

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

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 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. As at September 30, 2021, Top Funds owned 76.0% of the Fund’s NAV. As of September 30, 2021, Counsel had not received notice of any large redemptions. Additionally, Counsel maintained an initial seed capital investment of 24.0% of the Fund’s NAV, this investment was subsequently redeemed following the period end. All related party transactions are based on the NAV per security on each transaction day.

The Fund did not rely on an approval, standing instruction, or positive recommendation from the Counsel Funds’ Independent Review Committee (“IRC”) with respect to any related party transactions.

Past Performance

Past performance has not been shown for the Fund because the Fund has not reached its first fiscal year-end.

Summary of Investment Portfolio

as at September 30, 2021

The largest holdings of the Fund (up to 25) as at the end of the period and the major asset classes in which the Fund was invested are indicated below. The investments and percentages may have changed by the time you purchase securities of this Fund. The top 25 holdings are made available quarterly, 60 days after quarter-end, except for March 31, which is the fiscal year-end for the Fund, when they are available after 90 days. Please see the front page for information about how they can be obtained.

Summary of Top 25 Holdings

	% of net asset value
Magna International Inc.	5.0
Bausch Health Cos. Inc.	4.6
Open Text Corp.	4.5
Royal Bank of Canada	4.4
TELUS Corp.	4.4
CGI Inc.	4.4
Restaurant Brands International Inc.	4.3
Bank of Montreal	4.1
Gildan Activewear Inc.	3.7
Brookfield Asset Management Inc. Class A (CAD)	3.5
Cash and cash equivalents	3.4
Finning International Inc.	3.3
Shopify Inc. Class A	3.1
The Toronto-Dominion Bank	3.0
Canadian Pacific Railway Ltd.	3.0
Canadian Imperial Bank of Commerce	3.0
Suncor Energy Inc.	2.8
Boyd Group Services Inc.	2.5
Brookfield Renewable Partners LP	2.4
Canadian National Railway Co.	2.4
Maple Leaf Foods Inc.	2.3
Stantec Inc.	2.2
Rogers Communications Inc. Class B non-voting	1.8
Manulife Financial Corp.	1.6
CCL Industries Inc. Class B non-voting	1.6
	81.3

Summary of Composition of the Portfolio

	% of net asset value
BY ASSET TYPE	
Equities	94.1
Cash and cash equivalents	3.4
Other	2.5
Total	100.0
BY SECTOR	
Financials	22.8
Consumer Discretionary	14.3
Industrials	13.5
Information Technology	12.0
Communication Services	6.2
Energy	5.9
Materials	5.3
Health Care	4.6
Consumer Staples	4.4
Utilities	3.9
Real Estate	1.2
Cash and cash equivalents	3.4
Other	2.5
	100.0

Series Information

The Fund may issue an unlimited number of securities for each series. The number of issued and outstanding securities of each series is disclosed in the Fund's financial statements. A 10-year history of the major changes affecting the Fund can be found in the Fund's Annual Information Form, available at www.counselservices.com.

Series	Date of Inception	Minimum Investment (\$)	Management Fee (%)	Administration Fee (%)
Series O ¹	June 16, 2021	–	–	–

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.

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