

Annual Management Report of Fund Performance

For the Year Ended March 31, 2025

This Annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You may obtain a copy of the annual financial statements, at no cost, by calling toll-free at 1-877-216-4979, by writing to us at 255 Dufferin Ave., London, Ontario, N6A 4K1, or by visiting our website at www.counselportfolios.ca or 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 interim financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure. For more information, please refer to the Fund's Annual Information Form, which may also be obtained, at no cost, using any of the methods outlined above.

For the Fund's current net asset values per security 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 that 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 that 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 securities laws and regulations, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, outbreaks of disease or pandemics (such as COVID-19), and the ability of Canada Life Investment Management Ltd. 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 4, 2025

This Management Discussion of Fund Performance presents the portfolio management team's view on the significant factors and developments that have affected the performance and outlook of Counsel North American High Yield Bond (the "Fund") in the financial year ended March 31, 2025 (the "period"). If the Fund was established during the period, "period" represents the period since inception.

In this report, "CLIML" and "the Manager" refer to Canada Life Investment Management Ltd., which is an indirect, wholly owned subsidiary of The Canada Life Assurance Company ("Canada Life"). From the beginning of the period until September 30, 2024, Counsel Portfolio Services Inc. ("Counsel") was the manager of the Fund. On October 1, 2024, Counsel was amalgamated with CLIML, whereupon CLIML, which is the amalgamated company, became the Fund's Manager. The Manager has entered into a fund administration agreement with Mackenzie Financial Corporation ("Mackenzie"), an affiliate of the Manager and Canada Life, for administrative services. In addition, net asset value ("NAV") refers to the value of the Fund as calculated for transaction purposes, on which the discussion of Fund performance is based.

Please read *A Note on Forward-Looking Statements* on the first page of this document.

Investment Objective and Strategies

The Fund seeks a high level of income with the potential for long-term growth by investing, either directly or through securities of other mutual funds, primarily in Canadian and U.S. fixed income securities, as well as mortgage-backed securities, equities and equity-like securities that are expected to produce income.

Risk

The risks of the Fund remain as discussed in the Fund's initial Simplified Prospectus.

The Fund is suitable for short- to medium-term investors looking for a North American fixed income fund to hold as part of their portfolio, who can handle the volatility of bond markets and who have a low to medium tolerance for risk.

The Fund is currently available only to institutional investors (primarily other Counsel funds) on a prospectus-exempt basis.

Results of Operations

Investment Performance

The performance of all series in the current and previous periods is shown in the *Past Performance* section of the report. Performance will vary by series primarily because fees and expenses differ between 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 each series. The following comparison to market indices is intended to help investors understand the Fund's performance relative to the general performance of the markets. However, the Fund's mandate may be different from that of the indices shown.

During the period, the Fund's Series O securities returned 14.3% (after deducting fees and expenses paid by the series). This compares with a return of 7.7% for the Fund's broad-based index, the FTSE Canada Universe Bond Index, and a return of 14.3% for the Fund's narrow index, the ICE BofA US High Yield 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, which are not reflected in the index returns.

In response to weak economic data, the Bank of Canada reduced its policy rate seven times over the period to 2.75% from 5.00%. Canada's unemployment rate rose to 6.6%, highlighting labour market weakness. Economic uncertainty rose in the period amid heightened trade tensions and the likelihood that U.S. tariffs could slow economic activity and increase inflationary pressures in Canada. High-yield spreads (the difference in yield between high-yield and investment grade bonds) widened because of concerns about economic growth, faltering consumer confidence and a weakening labour market.

The Fund outperformed the broad-based index because of its focus on U.S. high-yield bonds, which outperformed Canadian investment grade bonds in the period. Given the Fund's mandate, the return of the narrow index is a more meaningful comparison.

The Fund performed in line with the narrow index, with exposure to credit default swaps contributing to performance. Security selection among corporate bonds in the financial sector also contributed to performance. Security selection among corporate bonds in the industrial and communication sectors detracted from performance.

Over the period, neither portfolio activity nor market developments significantly changed the positioning of the Fund. Changes to the portfolio included a new position in CCO Holdings LLC (4.75%, 02-01-2032) and the elimination of the position in Endeavor Energy Resources LP (5.75%, 01-30-2028).

During the period, the U.S. dollar ("USD") appreciated 6.20% relative to the Canadian dollar ("CAD"), contributing to the Fund's performance. Selected hedging positions held against the USD slightly offset this impact. At period-end, the Fund had no hedging positions.

Net Assets

The Fund's net assets increased by 46.3% during the period to \$116.3 million. This change was composed primarily of \$12.8 million in net income (including any interest and/or dividend income) from investment performance, after deducting fees and expenses, and an increase of \$23.9 million due to net securityholder activity (including sales, redemptions and cash distributions).

Fees and Expenses

The management expense ratio ("MER") for each series during the year ended March 31, 2025, was unchanged from the MER for the year ended March 31, 2024. Total expenses paid vary from period to period mainly as a result of changes in average assets in each series. No management fee is charged to the Fund; see the *Series Information* section of this report for further details. The MERs for all series are presented in the *Financial Highlights* section of this report.

Recent Developments

The sub-advisor, Putnam Investments Canada ULC, expects resilient corporate fundamentals and positive technical signals to persist, with potential bouts of volatility. The U.S. high-yield default rate fell in March and remained well below long-term averages. Technical indicators remained solid, with strong demand and low supply by historical standards. Yields were above their long-term median at period-end, and spreads (the difference in yield between high-yield and investment grade bonds) had widened to more attractive levels. Risks to the sub-advisor's outlook include higher-than-expected inflation, central bank policy missteps, a more severe slowdown or recession, and heightened geopolitical tension. The sub-advisor is cautious about deeply distressed issuers, focusing instead on industry and company fundamentals, the health of balance sheets, the generation and use of free cash flow, and potential resilience to slower economic growth.

The Fund remains unhedged against foreign currencies. Currency hedging is dynamic and may vary between 0% and 100% at the Manager's discretion based on its assessment of currency market conditions.

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Effective October 1, 2024, the manager, trustee, portfolio manager and promoter of the Fund, Counsel, amalgamated with CLIML, whereupon the amalgamated company, named CLIML, continued to serve as the manager, trustee, portfolio manager and promoter of the Fund.

Related Party Transactions

Management and Administration Services

Other investment funds managed by the Manager (“Top Funds”) represent nearly all of the Fund’s investors. As a result, the Manager 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

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. 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 the Manager. As a result of these investments, the Fund is subject to large transaction risk as discussed in its initial Simplified Prospectus. The Manager 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 March 31, 2025, Top Funds owned over 99.9% of the Fund’s NAV, and Series Private Wealth investors owned less than 0.1% of the Fund’s NAV. As of March 31, 2025, the Manager had not received notice of any large redemptions. All related party transactions are based on the NAV per security on each transaction day.

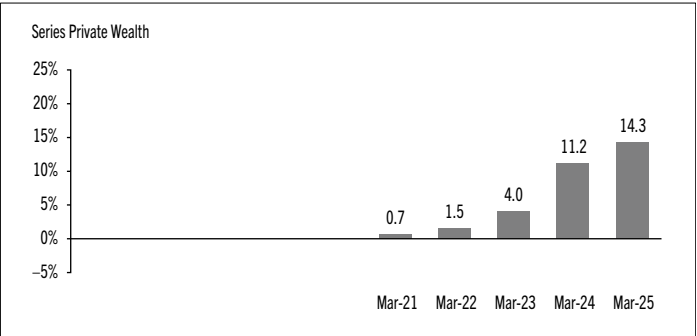
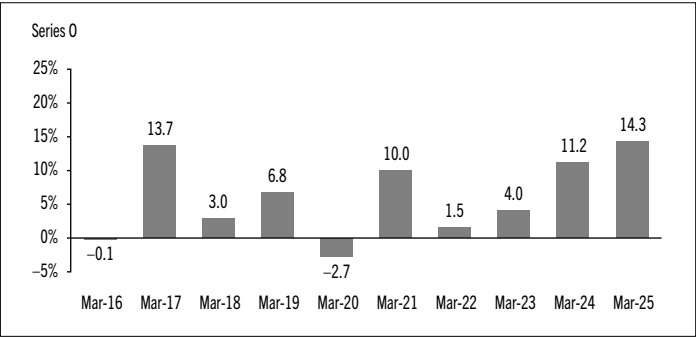
The Fund did not rely on an approval, positive recommendation or standing instruction from the Counsel Funds’ Independent Review Committee with respect to any related party transactions in the period.

Past Performance

The Fund’s performance information assumes all distributions made by the Fund in the periods presented are reinvested in additional securities of the relevant series of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges, or income taxes payable by any investor that would have reduced returns or performance. The past performance of the Fund is not necessarily an indication of how it will perform in the future.

Year-by-Year Returns

The following bar charts present the performance of each series of the Fund for each of the fiscal periods shown. The charts show, in percentage terms, how much an investment made on the first day of each fiscal period, or on the series inception or reinstatement date, as applicable, would have increased or decreased by the last day of the fiscal period presented. Series inception or reinstatement dates can be found under *Series Information*.



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Annual Compound Returns

The following table compares the historical annual compound total returns for each series of the Fund with the relevant index or indices shown below for each of the periods ended March 31, 2025. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in these performance figures.

All index returns are calculated in Canadian dollars on a total return basis, meaning that all dividend payments, interest income accruals and interest payments are reinvested.

Percentage Return: ¹	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception ²
Series O	14.3	9.8	8.1	n/a	6.4
Series Private Wealth	14.3	9.8	n/a	n/a	7.0
FTSE Canada Universe Bond Index*	7.7	2.5	0.9	n/a	Note 3
ICE BofA US High Yield Index	14.3	9.9	7.6	n/a	Note 4

* Broad-based index

The FTSE Canada Universe Bond Index is a broad measure of Canadian bonds with terms to maturity of more than one year. It includes federal, provincial, municipal and corporate bonds rated “BBB” or higher.

The ICE BofA US High Yield Index tracks the performance of non-investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Qualifying bonds must have at least one year remaining term to maturity, a fixed coupon schedule and a minimum amount outstanding of US\$100 million.

- (1) The percentage return differs for each series because the management fee rate and expenses differ for each series.
- (2) The return since inception for each series will differ when the inception date differs and is only provided when a series has been active for a period of less than 10 years.
- (3) The return of the FTSE Canada Universe Bond Index since inception for each applicable series is as follows: Series O 2.1%, Series Private Wealth –0.4%.
- (4) The return of the ICE BofA US High Yield Index since inception for each applicable series is as follows: Series O 6.6%, Series Private Wealth 6.6%.

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Summary of Investment Portfolio at March 31, 2025

PORTFOLIO ALLOCATION	% OF NAV
Bonds	92.3
Cash and cash equivalents	6.4
Equities	1.1
Other assets (liabilities)	0.1
Swaps*	0.1

REGIONAL ALLOCATION	% OF NAV
United States	79.0
Cash and cash equivalents	6.4
Canada	4.1
United Kingdom	2.4
France	1.7
Italy	1.0
Israel	1.0
Germany	0.9
Spain	0.8
Luxembourg	0.7
Other	0.5
Ireland	0.3
Mexico	0.3
Austria	0.3
Bermuda	0.3
Australia	0.2
Other assets (liabilities)	0.1

SECTOR ALLOCATION	% OF NAV
Corporate bonds	85.3
Term loans	7.0
Cash and cash equivalents	6.4
Utilities	0.3
Industrials	0.3
Consumer discretionary	0.2
Financials	0.2
Other assets (liabilities)	0.1
Information technology	0.1
Other	0.1

BONDS BY CREDIT RATING**	% OF NAV
A	0.3
BBB	5.1
BB	38.4
B	34.6
Less than B	10.1
Unrated	3.8

* Notional values represent 1.3% of NAV for swaps.

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

TOP 25 POSITIONS	% OF NAV
Issuer	
Cash and cash equivalents	6.4
CCO Holdings LLC 4.75% 02-01-2032	1.0
CCO Holdings LLC 4.75% 03-01-2030 Callable	0.9
Boise Cascade Co. 4.88% 07-01-2030	0.8
Kinetik Holdings LP 5.88% 06-15-2030	0.7
WESCO Distribution Inc. 6.63% 03-15-2032	0.7
Matador Resources Co. 6.25% 04-15-2033	0.7
Opal Bidco SAS 6.50% 03-31-2032	0.6
Snap Inc. 6.88% 03-01-2033	0.6
Kedrion SpA 6.50% 09-01-2029	0.6
FirstCash Inc. 6.88% 03-01-2032	0.6
Wynn Resorts Finance LLC 7.13% 02-15-2031	0.6
Sinclair Television Group Inc. 8.13% 02-15-2033	0.6
MPT Operating Partnership LP 8.50% 02-15-2032	0.6
PHH Escrow Issuer LLC 9.88% 11-01-2029	0.6
Mr Cooper Group Inc. 5.75% 11-15-2031	0.6
Condor Merger Sub Inc. 7.38% 02-15-2030	0.6
Community Health Systems Inc. 5.25% 05-15-2030	0.6
PRA Group Inc. 8.88% 01-31-2030	0.6
Jane Street Group LLC 6.13% 11-01-2032	0.6
Grifols Escrow Issuer SA 3.88% 10-15-2028	0.6
Encino Acquisition Partners Holdings LLC 8.50% 05-01-2028	0.6
White Cap Parent LLC 6.88% 10-15-2028	0.6
New Red Finance Inc. 4.00% 10-15-2030	0.5
Hess Midstream Operations LP 5.50% 10-15-2030	0.5

Top long positions as a percentage of total net asset value	21.8
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The Fund held no short positions at the end of the period.

The investments and percentages may have changed since March 31, 2025, due to the ongoing portfolio transactions of the Fund. Quarterly updates of holdings are available within 60 days of the end of each quarter except for March 31, the Fund's fiscal year-end, when they are available within 90 days. The quarterly updates are available by visiting www.counselportfolios.ca.

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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 2025	Mar. 31 2024	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021
Series O					
Net assets, beginning of period	9.25	8.86	9.08	9.43	9.05
Increase (decrease) from operations:					
Total revenue	0.63	0.59	0.54	0.50	0.51
Total expenses	—	—	—	—	—
Realized gains (losses) for the period	0.18	(0.11)	(0.49)	0.02	(0.14)
Unrealized gains (losses) for the period	0.46	0.46	0.16	(0.36)	0.52
Total increase (decrease) from operations²	1.27	0.94	0.21	0.16	0.89
Distributions:					
From net investment income (excluding Canadian dividends)	(0.66)	(0.57)	(0.56)	(0.50)	(0.52)
From Canadian dividends	—	—	—	—	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
Total annual distributions³	(0.66)	(0.57)	(0.56)	(0.50)	(0.52)
Net assets, end of period	9.87	9.25	8.86	9.08	9.43
	Mar. 31 2025	Mar. 31 2024	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021
Series Private Wealth					
Net assets, beginning of period	9.73	9.30	9.51	9.86	10.00
Increase (decrease) from operations:					
Total revenue	0.68	0.36	0.57	0.53	0.25
Total expenses	—	(0.01)	—	—	—
Realized gains (losses) for the period	0.17	(2.62)	(0.37)	(0.02)	(0.43)
Unrealized gains (losses) for the period	0.50	0.28	0.17	(0.37)	0.25
Total increase (decrease) from operations²	1.35	(1.99)	0.37	0.14	0.07
Distributions:					
From net investment income (excluding Canadian dividends)	(0.59)	(0.57)	(0.57)	(0.51)	(0.21)
From Canadian dividends	—	—	—	—	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
Total annual distributions³	(0.59)	(0.57)	(0.57)	(0.51)	(0.21)
Net assets, end of period	10.49	9.73	9.30	9.51	9.86

(1) These calculations are prescribed by securities regulations and are not intended to be a reconciliation between opening and closing net assets per security. This information is derived from the Fund's audited annual financial statements. The net assets per security presented in the financial statements may differ from the net asset value per security calculated for fund pricing purposes. An explanation of these differences, if any, can be found in the *Notes to Financial Statements*.

(2) Net assets and distributions 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 fiscal period.

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

RATIOS AND SUPPLEMENTAL DATA

	Mar. 31 2025	Mar. 31 2024	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021
Series O					
Total net asset value (\$000) ¹	116,316	79,431	87,003	105,903	107,150
Securities outstanding (000) ¹	11,790	8,595	9,821	11,668	11,367
Management expense ratio (%) ²	—	—	—	—	—
Management expense ratio before waivers or absorptions (%) ²	—	—	—	—	—
Trading expense ratio (%) ³	—	—	—	—	—
Portfolio turnover rate (%) ⁴	42.60	47.86	42.50	43.30	54.16
Net asset value per security (\$)	9.87	9.24	8.86	9.08	9.43
	Mar. 31 2025	Mar. 31 2024	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021
Series Private Wealth					
Total net asset value (\$000) ¹	1	1	1	1	1
Securities outstanding (000) ¹	—	—	—	—	—
Management expense ratio (%) ²	0.17	0.17	0.17	0.17	0.17
Management expense ratio before waivers or absorptions (%) ²	0.17	0.17	0.17	0.17	0.17
Trading expense ratio (%) ³	—	—	—	—	—
Portfolio turnover rate (%) ⁴	42.60	47.86	42.50	43.30	54.16
Net asset value per security (\$)	10.49	9.72	9.30	9.51	9.86

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

(2) Management expense ratio ("MER") is based on total expenses, excluding commissions and other portfolio transaction costs, income taxes and withholding taxes, for the stated period and is expressed as an annualized percentage of daily average net assets during the period, except as noted. In the period a series is established, the MER is annualized from the date of inception to the end of the period. Where the Fund directly invests in securities of another fund (including exchange-traded funds or "ETFs"), the MERs presented for the Fund include the portion of MERs of the other fund(s) attributable to this investment. Any income distributions received from ETFs managed by affiliates of the Manager, with the intention of offsetting fees paid within those ETFs but which are not considered to be duplicative fees under regulatory requirements, are treated as waived expenses for MER purposes. The Manager may waive or absorb operating expenses at its discretion and stop waiving or absorbing such expenses at any time without notice.

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

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate 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 the Fund's portfolio turnover rate 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 year. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is not provided when the Fund is less than one year old. The value of any trades to realign the Fund's portfolio after a fund merger, if any, is excluded from the portfolio turnover rate.

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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) The Manager may, at its discretion, waive or lower the administration fee payable by investors.