

Annual Management Report of Fund Performance

For the Year Ended March 31, 2024

Fund Manager

Counsel Portfolio Services Inc.

Sub-advisor

Mackenzie Financial Corporation

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.counsellservices.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, 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, 2024

This Management Discussion of Fund Performance presents the views of Counsel Portfolio Services Inc. (“Counsel” or “we”) on the significant factors and developments during the year ended March 31, 2024 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.

Investment Objective and Strategies

The Fund seeks to achieve a steady flow of income by investing primarily, either directly or indirectly through other investment funds, in a diversified portfolio of Canadian government and corporate fixed-income securities. The Fund may invest up to 30% of its assets in foreign securities.

Risks

The risks of investing in the Fund generally remain as discussed in the Fund’s initial Simplified Prospectus. The Fund is suitable for investors who are seeking interest income over the short to medium-term; can handle the volatility of bond markets; and have a low tolerance for risk. The Fund is only available on a prospectus-exempt basis and is not available to retail investors.

Results of Operations

Investment Performance

During the year, the Fund’s Series O securities returned 2.61%. This compares with a 2.10% return of the FTSE Canada Bond Universe Total Return Index (the “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 Bank of Canada paused interest rate increases in the period, holding its policy rate at 5.00% after two 25-basis-point rises. Bond yields reached peak levels and then fell in response to the policy shift. Wage growth moderated but remained around 5%. Inflation decreased significantly because of slower food price growth, and the Consumer Price Index ended the period near 3%. The Bank of Canada continued to express concerns about inflation but signalled the possibility of a policy rate cut later in 2024 backed by weaker economic data.

The Fund outperformed the Index due to shorter duration positioning and overweight exposure to Corporate bonds and underweight exposure to Government bonds. Bond selection in Energy sector also contributed to performance.

Net Assets

The Fund’s NAV declined by \$13.6 million, or 4.4%, to \$293.9 million as at March 31, 2024, from \$307.5 million as at March 31, 2023. Of this decrease, \$21.0 million was attributable to net redemptions and partially offset by a \$7.4 million increase due to investment performance (after deducting fees and expenses).

Fees and Expenses

The annualized management expense ratio (“MER”) during the year ended March 31, 2024, was generally similar to the MER for the year ended March 31, 2023. No management fee or administration fee, other than certain specific fund costs, is charged to the Fund.

Recent Developments

The first quarter of 2024 was marked by a reversal of the strong fixed income rally we saw across North American markets in the fourth quarter of 2023 and both the U.S. and Canadian government bond curves sold off in near-perfect parallel fashion. As such curve shape remained largely unchanged during the quarter. The entire U.S. yield curve remains inverted and the Canadian curve is considerably more inverted. Most of this inversion of the Canadian curve is in the short term reflecting a high Bank of Canada policy rate against the backdrop of weakening economic metrics.

The explanation for the reversal in yields can once again be attributed to stronger economic data including unemployment and inflation data in early Q1 2024. However, as the quarter progressed these stronger readings have abated. With other metrics such as credit card delinquencies and business insolvencies spiking, the sub-advisor continues to feel that the Bank of Canada will be forced to take policy action to support the economy in the near future.

The sub-advisor prefers to be invested in high-grade (low-beta) Corporate Bonds at the short end of the curve (2-5 years but especially 2-3 years). They also prefer the Canadian curve over the U.S. curve in this sector. With fragilities seemingly on the horizon in the Canadian market, led by the growing strains on consumers caused by mortgage resets, there is, in addition to the elevated yield, the potential for significant price appreciation of these securities. The longer duration end of the Canadian market is less convincing with 30 year Canadian bonds yielding less than their U.S. equivalents, making the U.S. more attractive. Should the two central banks indeed pivot away somewhat from their laser focus on inflation, this could have a positive effect on inflation linked-bonds relative to nominal bonds.

On November 30, 2023 (the “Transaction Date”), The Canada Life Assurance Company acquired Investment Planning Counsel Inc. (the parent company of Counsel). Counsel continues to operate as manager of the Fund. Effective on the Transaction Date, changes to the membership of the Fund’s Independent Review Committee and Counsel’s Board of Directors were made to align governance structures with Counsel’s affiliated entity Canada Life Investment Management Ltd.

Related Party Transactions

Management and Administration Services

Other investment funds managed by Counsel (“Top Funds”) represent 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

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 March 31, 2024, Top Funds owned 100% of the Fund’s NAV. As of March 31, 2024, 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 year, the Fund relied on standing instructions from the Counsel Funds’ Independent Review Committee (“IRC”) with respect to trades with other Counsel Funds.

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

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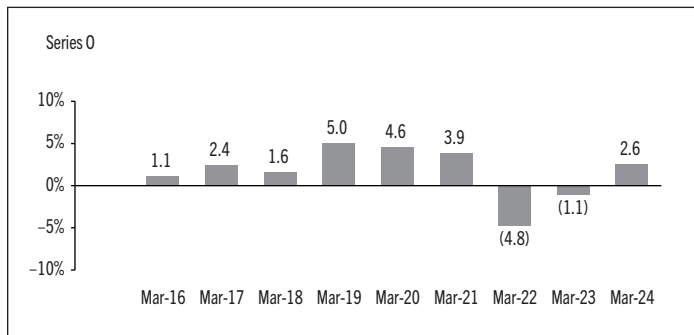
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fees directly payable by investors or income taxes payable by any investor that would have reduced returns. Returns for each series primarily differ because fees and expenses vary for each series. Please refer to *Series Information* for further information. 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.



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, 2024. The annual compound total return is also compared to the Fund's benchmark(s)¹ calculated on the same compound basis.

(%)	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Series 0	2.61	(1.13)	0.99	n/a	1.81
FTSE Canada Universe Bond Index	2.10	(1.52)	0.28	n/a	1.32

(1) The FTSE Canada Universe Bond Index is a broad measure of the total return of Canadian bonds that mature in more than one year. It includes a broad range of Canadian federal, provincial, municipal and corporate bonds rated BBB or higher.

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Summary of Investment Portfolio

at March 31, 2024

PORTFOLIO ALLOCATION	% OF NAV
Bonds	95.6
<i>Bonds</i>	91.9
<i>Long bond futures</i>	3.7
Cash and cash equivalents	7.3
Other assets (liabilities)	(2.9)

EFFECTIVE ASSET TYPE	% OF NAV
Corporate bonds	53.2
Provincial bonds	24.6
Federal bonds	17.2
Mortgage backed	0.4
Municipal bonds	0.2
Cash and cash equivalents	7.3
Other assets (liabilities)	(2.9)

EFFECTIVE COUNTRY ALLOCATION	% OF NAV
Canada	95.3
United States	0.3
Cash and cash equivalents	7.3
Other assets (liabilities)	(2.9)

BONDS BY CREDIT RATING*	% OF NAV
AAA	14.2
AA	13.6
A	32.3
BBB	21.2
Unrated	10.6

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

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

TOP 25 LONG POSITIONS	% OF NAV
Issuer	
Cash and cash equivalents	7.3
Province of Ontario 3.65% 06-02-2033	6.9
Province of Quebec 4.40% 12-01-2055	3.3
Government of Canada 1.75% 12-01-2053	2.9
Government of Canada 3.00% 06-01-2034	2.6
Province of Quebec 3.60% 09-01-2033	2.3
Government of Canada 0.50% 12-01-2050	2.2
Government of Canada 2.75% 06-01-2033	2.0
Province of Ontario 4.15% 12-02-2054	1.8
Province of Alberta 3.10% 06-01-2050	1.8
Province of Ontario 4.15% 06-02-2034	1.6
Province of Alberta 2.95% 06-01-2052	1.1
OMERS Finance Trust 1.55% 04-21-2027	1.0
Canadian Pacific Railway Ltd. 2.54% 02-28-2028	1.0
The Toronto-Dominion Bank F/R 04-22-2030 Callable 2025	1.0
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	1.0
Canada Housing Trust 2.90% 06-15-2024	0.9
Province of British Columbia 4.15% 06-18-2034	0.9
North West Redwater Partnership Co. Ltd. 2.80% 06-01-2027	0.8
Bank of Montreal 4.71% 12-07-2027	0.8
Province of Saskatchewan 2.80% 12-02-2052	0.7
Province of Ontario 4.05% 02-02-2032	0.7
Enbridge Inc. F/R 04-12-2078 Callable 2028	0.7
Brookfield Renewable Energy Partners ULC 3.63% 01-15-2027 Callable 2026	0.6
Rogers Communications Inc. 3.75% 04-15-2029	0.6

Top long positions as a percentage of total net asset value	46.5
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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 0	Mar. 31 2024	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020
Net assets, beginning of period	8.87	9.31	10.01	10.38	10.24
Increase (decrease) from operations:					
Total revenue	0.32	0.27	0.23	0.31	0.21
Total expenses	-	-	-	-	-
Realized gains (losses) for the period	(0.20)	(0.47)	(0.20)	0.33	0.25
Unrealized gains (losses) for the period	0.10	0.13	(0.50)	(0.25)	(0.01)
Total increase (decrease) from operations²	0.22	(0.07)	(0.47)	0.39	0.45
Distributions:					
From income (excluding Canadian dividends)	(0.31)	(0.33)	(0.23)	(0.29)	(0.23)
From Canadian dividends	-	-	-	-	-
From capital gains	-	-	-	(0.51)	(0.09)
Return of capital	-	-	-	-	-
Total annual distributions³	(0.31)	(0.33)	(0.23)	(0.80)	(0.32)
Net assets at period end	8.79	8.87	9.31	10.01	10.38

(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

Series 0	Mar. 31 2024	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020
Total net asset value (\$000's)¹	293,887	307,458	283,388	291,474	288,148
Securities Outstanding (000's)¹	33,459	34,667	30,423	29,119	27,760
Management expense ratio (%)²	-	-	-	-	-
Management expense ratio before waivers or absorptions (%)²	-	-	-	-	-
Trading expense ratio (%)³	-	-	-	-	-
Portfolio turnover rate (%)⁴	75.83	94.24	70.74	98.32	-
Net asset value per unit (pricing NAV) (\$)	8.78	8.87	9.31	10.01	10.38

(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	January 7, 2016	–	–	–
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.