

## **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](http://www.counselportfolios.ca) or the SEDAR+ website at [www.sedarplus.ca](http://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.*

# COUNSEL CANADIAN CORE FIXED INCOME

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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 Canadian Core Fixed Income (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 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.

### Risk

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

The Fund is suitable for long-term investors looking for interest income, who can handle the volatility of bond markets and who have a low 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 in the current and previous periods is shown in the *Past Performance* section of the report. 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 8.1% (after deducting fees and expenses paid by the series). This compares with the FTSE Canada Universe Bond Index return of 7.7%. 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 during 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.

The Fund outperformed the index, with a longer duration (higher sensitivity to changes in interest rates) in government bonds, particularly federal bonds, contributing to performance as interest rates fell. Long government bond futures, held to manage duration, also contributed to performance.

Holdings in corporate bonds in the financial sector detracted from performance.

Over the period, the sub-advisor, Mackenzie, increased the Fund's exposure to higher-quality federal bonds amid heightened volatility. The Fund's cash position decreased.

During the period, the U.S. dollar ("USD") appreciated 6.20% relative to the Canadian dollar ("CAD"), contributing to the Fund's performance. The Fund's hedges against the USD offset this impact. At period-end, the Fund was hedging its USD exposures.

#### Net Assets

The Fund's net assets decreased by 1.4% during the period to \$289.8 million. This change was composed primarily of \$21.3 million in net income (including any interest and/or dividend income) from investment performance, after deducting fees and expenses, and a decrease of \$25.4 million due to net securityholder activity (including sales, redemptions and cash distributions).

#### Fees and Expenses

The management expense ratio ("MER") during the year ended March 31, 2025, was similar to 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. No management fee or administration fee, other than certain specific fund costs, is charged to the Fund. The MERs are presented in the *Financial Highlights* section of this report.

#### Recent Developments

The sub-advisor believes that the Bank of Canada's policy rate cuts during the period were justified by weak economic data. In the sub-advisor's view, higher tariffs and trade conflicts have increased the risk of a recession, adding to existing economic pressure from high levels of household debt. Because the sub-advisor expects the Bank of Canada to ease monetary policy, the sub-advisor favours short duration (lower sensitivity to changes in interest rates) investment grade corporate bonds in Canada.

The Fund is currently hedged against foreign currencies. Currency hedging may vary between 0% and 100% at the sub-advisor's discretion based on its assessment of currency market conditions.

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 Fees

The Fund pays no management fees. Management fees from other funds managed by CLIML that invest in the Fund were used to pay Mackenzie for investment advisory services, including managing the investment portfolio and providing investment analysis and recommendations, making investment decisions, and making brokerage arrangements for the purchase and sale of the investment portfolio.

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## Management and Administration Services

Other investment funds managed by the Manager (“Top Funds”) represent 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. 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 100.0% 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.

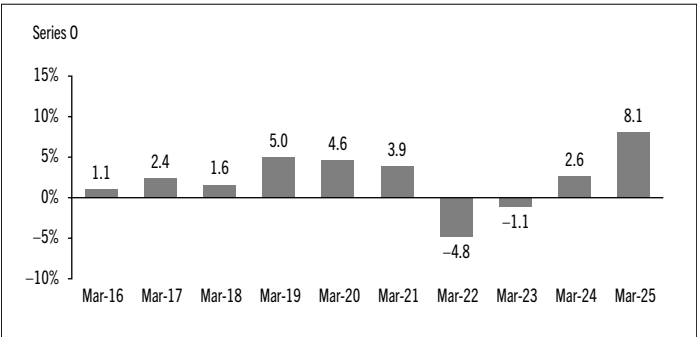
The Fund did not rely on an approval, positive recommendation or standing instruction from the Counsel Funds’ Independent Review Committee with respect to any related party transactions in the period.

## 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 chart presents the performance of Series O of the Fund for each of the fiscal periods shown. The chart shows, 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*.



## Annual Compound Returns

The following table compares the historical annual compound total returns 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 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Series O	8.1	3.1	1.6	n/a	2.5
FTSE Canada Universe Bond Index	7.7	2.5	0.9	n/a	1.9

*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.*

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## Summary of Investment Portfolio at March 31, 2025

PORTFOLIO ALLOCATION	% OF NAV
Bonds	100.8
Bonds	97.3
Long bond futures*	3.5
Other assets (liabilities)	0.9
Cash and cash equivalents	(1.7)

REGIONAL ALLOCATION	% OF NAV
Canada	99.5
United States	1.1
Other assets (liabilities)	0.9
Germany	0.2
Cash and cash equivalents	(1.7)

SECTOR ALLOCATION	% OF NAV
Corporate bonds	51.4
Federal bonds	28.2
Provincial bonds	20.9
Other assets (liabilities)	0.9
Municipal bonds	0.3
Cash and cash equivalents	(1.7)

BONDS BY CREDIT RATING**	% OF NAV
AAA	26.4
AA	18.0
A	17.4
BBB	24.2
Less than BBB	0.1
Unrated	11.2

\* Notional values represent 3.5% of NAV for long bond futures.

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

TOP 25 POSITIONS	% OF NAV
Issuer	
Government of Canada 2.75% 12-01-2055	4.6
Canada Housing Trust 1.90% 09-15-2026	4.3
Government of Canada 3.25% 12-01-2034	3.7
Province of Ontario 4.60% 12-02-2055	3.6
Province of Quebec 4.40% 12-01-2055	3.0
Government of Canada 3.00% 06-01-2034	2.9
Province of Quebec 4.45% 09-01-2034	2.4
Province of Ontario 3.60% 06-02-2035	2.2
Cash and cash equivalents	1.8
Government of Canada 3.50% 09-01-2029	1.8
Government of Canada 2.75% 06-01-2033	1.6
Government of Canada 3.25% 06-01-2035	1.3
Canadian Pacific Railway Ltd. 2.54% 02-28-2028	1.1
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	1.0
The Toronto-Dominion Bank F/R 04-22-2030 Callable 2025	1.0
The Bank of Nova Scotia 5.50% 12-29-2025	0.9
Government of Canada 0.50% 12-01-2050	0.9
North West Redwater Partnership 2.80% 06-01-2027	0.9
TransCanada Trust F/R 05-18-2077 Callable 2027	0.8
Province of Ontario 3.80% 12-02-2034	0.8
Province of Ontario 4.05% 02-02-2032	0.8
Province of Alberta 3.10% 06-01-2050	0.8
Bank of Montreal F/R 11-26-2080	0.7
Province of Ontario 2.65% 12-02-2050	0.7
OMERS Finance Trust 1.55% 04-21-2027	0.6

Top long positions as a percentage of total net asset value	44.2
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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](http://www.counselportfolios.ca).

# COUNSEL CANADIAN CORE FIXED INCOME

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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 2025	Mar. 31 2024	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021
<b>Net assets, beginning of period</b>	<b>8.79</b>	8.87	9.31	10.01	10.38
<b>Increase (decrease) from operations:</b>					
Total revenue	0.34	0.32	0.27	0.23	0.31
Total expenses	—	—	—	—	—
Realized gains (losses) for the period	(0.04)	(0.20)	(0.47)	(0.20)	0.33
Unrealized gains (losses) for the period	0.38	0.10	0.13	(0.50)	(0.25)
<b>Total increase (decrease) from operations²</b>	<b>0.68</b>	0.22	(0.07)	(0.47)	0.39
<b>Distributions:</b>					
From net investment income (excluding Canadian dividends)	(0.37)	(0.31)	(0.33)	(0.23)	(0.29)
From Canadian dividends	—	—	—	—	—
From capital gains	—	—	—	—	(0.51)
Return of capital	—	—	—	—	—
<b>Total annual distributions³</b>	<b>(0.37)</b>	(0.31)	(0.33)	(0.23)	(0.80)
<b>Net assets, end of period</b>	<b>9.11</b>	8.79	8.87	9.31	10.01

(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

Series 0	Mar. 31 2025	Mar. 31 2024	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021
Total net asset value (\$000)¹	289,840	293,887	307,458	283,388	291,474
Securities outstanding (000)¹	31,814	33,459	34,667	30,423	29,119
Management expense ratio (%)²	—	—	—	—	—
Management expense ratio before waivers or absorptions (%)²	—	—	—	—	—
Trading expense ratio (%)³	—	—	—	—	—
Portfolio turnover rate (%)⁴	72.19	75.83	94.24	70.74	98.32
Net asset value per security (\$)	9.11	8.78	8.87	9.31	10.01

(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 (%)
Series O <sup>1</sup>	January 7, 2016	–	–	–

(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.