

**COUNSEL | PORTFOLIO SERVICES**

# Counsel Short Term Bond

ANNUAL FINANCIAL STATEMENTS

For the year ended March 31, 2024

These Financial Statements do not contain the Management Report of Fund Performance ("MRFP") of the investment fund.

A copy of the Fund's current Simplified Prospectus, Annual Information Form, Management Report of Fund Performance, Fund Fact Sheets, quarterly portfolio disclosures and proxy voting policies and disclosures will be provided, without charge, by: calling toll-free 1-877-625-9885, writing to Counsel Portfolio Services Inc., 5015 Spectrum Way, Suite 300, Mississauga, ON, L4W 0E4, by visiting our website at [www.counselservices.com](http://www.counselservices.com) or by visiting [www.sedarplus.ca](http://www.sedarplus.ca).

# COUNSEL SHORT TERM BOND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## MANAGEMENT REPORT

### Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Counsel Portfolio Services Inc. (the "Manager"), as Manager of Counsel Short Term Bond (the "Fund"). The Manager is responsible for the integrity, objectivity and reliability of the data presented. This responsibility includes selecting appropriate accounting principles and making judgments and estimates consistent with IFRS Accounting Standards. The Manager is also responsible for the development of internal controls over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors (the "Board") of Counsel Portfolio Services Inc. is responsible for reviewing and approving the financial statements and overseeing the Manager's performance of its financial reporting responsibilities. The Board meets regularly with the Manager, internal auditors and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.

KPMG LLP is the external auditor of the Fund. It is appointed by the Board. The external auditor has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the securityholders its opinion on the financial statements. Its report is set out below.



Sam Febraro  
President and Chief Executive Officer



Paulette Jervis  
Chief Financial Officer

June 5, 2024

## INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Counsel Short Term Bond (the "Fund")

### Opinion

We have audited the financial statements of the Fund, which comprise:

- the statements of financial position as at March 31, 2024 and March 31, 2023
- the statements of comprehensive income for the periods then ended as indicated in note 1
- the statements of changes in financial position for the periods then ended as indicated in note 1
- the statements of cash flows for the periods then ended as indicated in note 1 and
- notes to the financial statements, including a summary of material accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2024 and March 31, 2023, and its financial performance and cash flows for the periods then ended as indicated in note 1 in accordance with IFRS Accounting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. Other information comprises:

- the information included in the Annual Management Report of Fund Performance of the Fund filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in the Annual Management Report of Fund Performance of the Fund filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

# COUNSEL SHORT TERM BOND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

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## INDEPENDENT AUDITOR'S REPORT (cont'd)

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Fund.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.  
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants,  
Licensed Public Accountants  
Toronto, Canada  
June 5, 2024

# COUNSEL SHORT TERM BOND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## STATEMENTS OF FINANCIAL POSITION

at March 31 (in \$ 000 except per security amounts)

	2024	2023
<b>ASSETS</b>		
<b>Current assets</b>		
Investments at fair value	86,601	68,757
Cash and cash equivalents	1,329	2,832
Accrued interest receivable	662	409
Accounts receivable for investments sold	2	1,477
Accounts receivable for securities issued	40	3
Due from manager	1	1
Margin on derivatives	90	204
Derivative assets	37	32
<b>Total assets</b>	<b>88,762</b>	<b>73,715</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable for investments purchased	157	3,601
Accounts payable for securities redeemed	279	88
Due to manager	1	–
Derivative liabilities	24	107
<b>Total liabilities</b>	<b>461</b>	<b>3,796</b>
<b>Net assets attributable to securityholders</b>	<b>88,301</b>	<b>69,919</b>

## STATEMENTS OF COMPREHENSIVE INCOME

for the periods ended March 31 (in \$ 000 except per security amounts)

	2024	2023
<b>Income</b>		
Interest income for distribution purposes	2,862	3,770
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(1,189)	(4,366)
Net unrealized gain (loss)	2,665	321
Securities lending income	9	21
Fee rebate income	1	13
<b>Total income (loss)</b>	<b>4,348</b>	<b>(241)</b>
<b>Expenses (note 6)</b>		
Management fees	79	101
Management fee rebates	(7)	(11)
Administration fees	26	30
Interest charges	1	1
Commissions and other portfolio transaction costs	2	10
Independent Review Committee fees	–	1
<b>Expenses before amounts absorbed by Manager</b>	<b>101</b>	<b>132</b>
Expenses absorbed by Manager	–	–
<b>Net expenses</b>	<b>101</b>	<b>132</b>
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>4,247</b>	<b>(373)</b>
Foreign withholding tax expense (recovery)	1	3
Foreign income tax expense (recovery)	–	–
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>4,246</b>	<b>(376)</b>

	Net assets attributable to securityholders (note 3)			
	per security		per series	
	2024	2023	2024	2023
Series A	9.13	9.00	4,725	5,685
Series F	9.18	9.05	4,699	5,257
Series I	9.22	9.09	228	365
Series O	9.17	9.04	72,638	52,603
Series Private Wealth	9.44	9.30	6,011	6,009
			<b>88,301</b>	<b>69,919</b>

	Increase (decrease) in net assets attributable to securityholders from operations (note 3)			
	per security		per series	
	2024	2023	2024	2023
Series A	0.32	(0.04)	185	(31)
Series F	0.37	0.03	202	19
Series I	0.40	0.01	13	1
Series O	0.50	(0.03)	3,623	(392)
Series Private Wealth	0.39	0.04	223	27
			<b>4,246</b>	<b>(376)</b>

The accompanying notes are an integral part of these financial statements.

# COUNSEL SHORT TERM BOND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

for the periods ended March 31 (in \$ 000 except per security amounts)

	Total		Series A		Series F		Series I		Series O	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
Beginning of period	69,919	161,241	5,685	7,682	5,257	5,846	365	687	52,603	139,579
Increase (decrease) in net assets from operations	4,246	(376)	185	(31)	202	19	13	1	3,623	(392)
Distributions paid to securityholders:										
Investment income	(2,643)	(4,984)	(112)	(152)	(132)	(177)	(10)	(20)	(2,219)	(4,395)
Capital gains	—	—	—	—	—	—	—	—	—	—
Management fee rebates	(7)	(11)	—	(1)	(7)	(10)	—	—	—	—
Total distributions paid to securityholders	(2,650)	(4,995)	(112)	(153)	(139)	(187)	(10)	(20)	(2,219)	(4,395)
Security transactions:										
Proceeds from securities issued	47,546	15,930	825	833	209	499	89	219	43,803	12,900
Reinvested distributions	2,649	4,987	112	153	138	180	10	19	2,219	4,395
Payments on redemption of securities	(33,409)	(106,868)	(1,970)	(2,799)	(968)	(1,100)	(239)	(541)	(27,391)	(99,484)
Total security transactions	16,786	(85,951)	(1,033)	(1,813)	(621)	(421)	(140)	(303)	18,631	(82,189)
<b>Increase (decrease) in net assets attributable to securityholders</b>	<b>18,382</b>	<b>(91,322)</b>	<b>(960)</b>	<b>(1,997)</b>	<b>(558)</b>	<b>(589)</b>	<b>(137)</b>	<b>(322)</b>	<b>20,035</b>	<b>(86,976)</b>
<b>End of period</b>	<b>88,301</b>	<b>69,919</b>	<b>4,725</b>	<b>5,685</b>	<b>4,699</b>	<b>5,257</b>	<b>228</b>	<b>365</b>	<b>72,638</b>	<b>52,603</b>
<b>Increase (decrease) in fund securities (in thousands) (note 7):</b>			<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>
Securities outstanding – beginning of period			632	832	581	627	40	73	5,818	14,980
Issued			91	93	24	55	10	24	4,880	1,414
Reinvested distributions			12	17	15	20	1	2	246	488
Redeemed			(218)	(310)	(108)	(121)	(26)	(59)	(3,024)	(11,064)
<b>Securities outstanding – end of period</b>			<b>517</b>	<b>632</b>	<b>512</b>	<b>581</b>	<b>25</b>	<b>40</b>	<b>7,920</b>	<b>5,818</b>

	Series Private Wealth	
	2024	2023
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>		
Beginning of period	6,009	7,447
Increase (decrease) in net assets from operations	223	27
Distributions paid to securityholders:		
Investment income	(170)	(240)
Capital gains	—	—
Management fee rebates	—	—
Total distributions paid to securityholders	(170)	(240)
Security transactions:		
Proceeds from securities issued	2,620	1,479
Reinvested distributions	170	240
Payments on redemption of securities	(2,841)	(2,944)
Total security transactions	(51)	(1,225)
<b>Increase (decrease) in net assets attributable to securityholders</b>	<b>2</b>	<b>(1,438)</b>
<b>End of period</b>	<b>6,011</b>	<b>6,009</b>
<b>Increase (decrease) in fund securities (in thousands) (note 7):</b>	<b>Securities</b>	
Securities outstanding – beginning of period	646	777
Issued	280	159
Reinvested distributions	18	26
Redeemed	(307)	(316)
<b>Securities outstanding – end of period</b>	<b>637</b>	<b>646</b>

The accompanying notes are an integral part of these financial statements.

# COUNSEL SHORT TERM BOND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## STATEMENTS OF CASH FLOWS

for the periods ended March 31 (in \$ 000)

	2024	2023
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	4,246	(376)
Adjustments for:		
Net realized loss (gain) on investments	1,119	5,438
Change in net unrealized loss (gain) on investments	(2,665)	(321)
Distributions received in-kind from underlying funds	(1)	(13)
Purchase of investments	(108,064)	(84,708)
Proceeds from sale and maturity of investments	89,707	151,824
(Increase) decrease in accounts receivable and other assets	(139)	391
Increase (decrease) in accounts payable and other liabilities	1	–
<b>Net cash provided by (used in) operating activities</b>	<b>(15,796)</b>	<b>72,235</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	47,509	16,046
Payments on redemption of securities	(33,218)	(106,915)
Distributions paid net of reinvestments	(1)	(8)
<b>Net cash provided by (used in) financing activities</b>	<b>14,290</b>	<b>(90,877)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(1,506)</b>	<b>(18,642)</b>
Cash and cash equivalents at beginning of period	2,832	21,477
Effect of exchange rate fluctuations on cash and cash equivalents	3	(3)
<b>Cash and cash equivalents, end of period</b>	<b>1,329</b>	<b>2,832</b>
Cash	638	563
Cash equivalents	691	2,269
<b>Cash and cash equivalents, end of period</b>	<b>1,329</b>	<b>2,832</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	–	–
Foreign taxes paid	1	3
Interest received	2,609	4,108
Interest paid	1	1

The accompanying notes are an integral part of these financial statements.

# COUNSEL SHORT TERM BOND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## SCHEDULE OF INVESTMENTS

as at March 31, 2024

	Country	Sector	Par Value/ Shares/ Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS</b>					
407 International Inc. 1.80% 05-22-2025 Callable 2025	Canada	Corporate - Non Convertible	30,000	30	29
407 International Inc. 4.22% 02-14-2028	Canada	Corporate - Non Convertible	28,000	28	28
AerCap Ireland Capital DAC 3.00% 10-29-2028	Ireland	Corporate - Non Convertible	USD 20,000	23	25
AIMCo Realty Investors LP 2.20% 11-04-2026	Canada	Corporate - Non Convertible	17,000	17	16
Air Lease Corp. 5.40% 06-01-2028	United States	Corporate - Non Convertible	183,000	183	186
Alectra Inc. 3.24% 11-21-2024 Callable 2024	Canada	Corporate - Non Convertible	20,000	21	20
Algonquin Power & Utilities Corp. F/R 01-18-2082	Canada	Corporate - Non Convertible	8,000	8	7
Alimentation Couche-Tard Inc. 4.60% 01-25-2029	Canada	Corporate - Non Convertible	59,000	59	59
AltaGas Ltd. 4.64% 05-15-2026	Canada	Corporate - Non Convertible	271,000	265	270
AltaGas Ltd. 2.17% 03-16-2027	Canada	Corporate - Non Convertible	5,000	5	5
AltaGas Ltd. F/R 01-11-2082	Canada	Corporate - Non Convertible	5,000	5	4
AltaGas Ltd. F/R 08-17-2082	Canada	Corporate - Non Convertible	8,000	8	8
AltaLink LP 2.75% 05-29-2026 Callable	Canada	Corporate - Non Convertible	2,323,000	2,236	2,238
Apple Inc. 2.51% 08-19-2024 Callable 2024	United States	Corporate - Non Convertible	2,091,000	2,068	2,071
ARC Resources Ltd. 2.35% 03-10-2026	Canada	Corporate - Non Convertible	124,000	122	118
Aroundtown SA 4.63% 09-18-2025 Callable 2025	Germany	Corporate - Non Convertible	40,000	40	39
Ascend Wellness Holdings Inc. Term Loan 1st Lien F/R 08-27-2025	United States	Term Loans	USD 6,000	8	8
Athene Global Funding F/R 04-09-2024	United States	Corporate - Non Convertible	261,000	260	262
Athene Global Funding 3.13% 03-10-2025	United States	Corporate - Non Convertible	78,000	78	76
Athene Global Funding 2.10% 09-24-2025	United States	Corporate - Non Convertible	40,000	40	38
Athene Global Funding 2.47% 06-09-2028	United States	Corporate - Non Convertible	30,000	27	27
Athene Global Funding 5.11% 03-07-2029	United States	Corporate - Non Convertible	55,000	55	55
Avolon Holdings Funding Ltd. 5.75% 03-01-2029 144A	Ireland	Corporate - Non Convertible	USD 102,000	137	138
Bank of America Corp. F/R 09-15-2027 (Fixed-To-Floating Rate)	United States	Corporate - Non Convertible	193,000	180	180
Bank of America Corp. F/R 03-16-2028	United States	Corporate - Non Convertible	448,000	421	433
Bank of Montreal 1.55% 05-28-2026	Canada	Corporate - Non Convertible	89,000	86	84
Bank of Montreal 3.65% 04-01-2027	Canada	Corporate - Non Convertible	377,000	374	367
Bank of Montreal 4.31% 06-01-2027	Canada	Corporate - Non Convertible	2,000	2	2
Bank of Montreal 4.71% 12-07-2027	Canada	Corporate - Non Convertible	603,000	599	606
Bank of Montreal 4.54% 12-18-2028	Canada	Corporate - Non Convertible	1,483,000	1,464	1,480
Bank of Montreal F/R 06-17-2030 Callable 2025	Canada	Corporate - Non Convertible	164,000	158	158
Bank of Montreal F/R 11-26-2080	Canada	Corporate - Non Convertible	26,000	25	25
Bank of Montreal F/R 11-26-2082	Canada	Corporate - Non Convertible	66,000	66	67
The Bank of Nova Scotia 1.95% 01-10-2025	Canada	Corporate - Non Convertible	50,000	48	49
The Bank of Nova Scotia 2.16% 02-03-2025	Canada	Corporate - Non Convertible	143,000	136	140
The Bank of Nova Scotia 5.50% 05-08-2026	Canada	Corporate - Non Convertible	1,292,000	1,289	1,311
The Bank of Nova Scotia 2.95% 03-08-2027	Canada	Corporate - Non Convertible	88,000	82	84
The Bank of Nova Scotia 4.68% 02-01-2029	Canada	Corporate - Non Convertible	107,000	107	107
The Bank of Nova Scotia F/R 05-03-2032	Canada	Corporate - Non Convertible	96,000	96	93
The Bank of Nova Scotia F/R 08-02-2033	Canada	Corporate - Non Convertible	40,000	40	41
The Bank of Nova Scotia F/R 07-27-2082	Canada	Corporate - Non Convertible	259,000	259	259
BCE Inc. 2.20% 05-29-2028	Canada	Corporate - Non Convertible	5,000	5	5
BCI QuadReal Realty 2.55% 06-24-2026	Canada	Corporate - Non Convertible	150,000	149	144
Bell Canada Inc. 3.60% 09-29-2027 Callable 2027	Canada	Corporate - Non Convertible	1,264,000	1,210	1,224
Bell Canada 5.15% 11-14-2028	Canada	Corporate - Non Convertible	10,000	10	10
Bell Canada 5.25% 03-15-2029	Canada	Corporate - Non Convertible	21,000	21	22
BP Capital Markets PLC 3.47% 05-15-2025	United Kingdom	Corporate - Non Convertible	220,000	225	216
Broadcast Media Partners 4.50% 05-01-2029	United States	Corporate - Non Convertible	USD 5,000	6	6
Broadcom Inc. 4.11% 09-15-2028	United States	Corporate - Non Convertible	USD 14,000	18	18
Brookfield Infrastructure Finance ULC 4.20% 09-11-2028 Callable 2028	Canada	Corporate - Non Convertible	576,000	561	563
Brookfield Renewable Energy Partners ULC 3.63% 01-15-2027 Callable 2026	Canada	Corporate - Non Convertible	620,000	626	602
Brookfield Residential Properties Inc. 6.25% 09-15-2027 Callable	Canada	Corporate - Non Convertible	USD 10,000	13	13
Brookfield Residential Properties Inc. 5.13% 06-15-2029	Canada	Corporate - Non Convertible	1,000	1	1
Bruce Power LP 4.70% 12-21-2027	Canada	Corporate - Non Convertible	670,000	653	672
Bruce Power LP 2.68% 12-21-2028	Canada	Corporate - Non Convertible	8,000	8	7
CAE Inc. 5.54% 06-12-2028	Canada	Corporate - Non Convertible	42,000	42	43
Canada Housing Trust 2.25% 12-15-2025	Canada	Federal Government	2,420,000	2,331	2,338

# COUNSEL SHORT TERM BOND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2024

	Country	Sector	Par Value/ Shares/ Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (cont'd)</b>					
Canadian Core Real Estate LP 3.30% 03-02-2027	Canada	Corporate - Non Convertible	82,000	82	77
Canadian Imperial Bank of Commerce 5.94% 07-14-2026	Canada	Corporate - Non Convertible	70,000	70	70
Canadian Imperial Bank of Commerce 5.00% 12-07-2026	Canada	Corporate - Non Convertible	104,000	104	105
Canadian Imperial Bank of Commerce 4.95% 06-29-2027	Canada	Corporate - Non Convertible	382,000	385	386
Canadian Imperial Bank of Commerce 5.05% 10-07-2027	Canada	Corporate - Non Convertible	100,000	100	101
Canadian Imperial Bank of Commerce F/R 04-07-2032	Canada	Corporate - Non Convertible	1,172,000	1,108	1,145
Canadian Imperial Bank of Commerce F/R 01-20-2033	Canada	Corporate - Non Convertible	87,000	87	88
Canadian Imperial Bank of Commerce F/R 04-20-2033	Canada	Corporate - Non Convertible	10,000	10	10
Canadian Imperial Bank of Commerce F/R 01-16-2034	Canada	Corporate - Non Convertible	74,000	74	75
Canadian Imperial Bank of Commerce F/R 07-28-2082	Canada	Corporate - Non Convertible	119,000	119	119
Canadian Mortgage Pools 3.84% 11-01-2028	Canada	Mortgage Backed	404,740	393	400
Canadian National Railway Co. 3.20% 07-31-2028	Canada	Corporate - Non Convertible	8,000	7	8
Canadian Natural Resources Ltd. 2.50% 01-17-2028	Canada	Corporate - Non Convertible	10,000	10	9
Canadian Pacific Railway Ltd. 2.54% 02-28-2028	Canada	Corporate - Non Convertible	62,000	60	58
Canadian Western Bank 2.60% 09-06-2024	Canada	Corporate - Non Convertible	92,000	87	91
Canadian Western Bank 2.61% 01-30-2025 Callable 2024	Canada	Corporate - Non Convertible	11,000	11	11
Canadian Western Bank 3.86% 04-21-2025	Canada	Corporate - Non Convertible	644,000	629	635
Canadian Western Bank 5.26% 12-20-2025	Canada	Corporate - Non Convertible	36,000	36	36
Canadian Western Bank 5.95% 01-29-2034	Canada	Corporate - Non Convertible	40,000	40	40
Canadian Western Bank F/R 07-31-2081	Canada	Corporate - Non Convertible	2,000	2	2
Cannabist Co. Holdings Inc. 6.00% 06-29-2025	Canada	Corporate - Convertible	USD 1,000	1	1
Capital Power Corp. 5.38% 01-25-2027	Canada	Corporate - Non Convertible	293,000	293	295
CDP Financial Inc. 1.50% 10-19-2026	Canada	Provincial Governments	170,000	166	159
Cenovus Energy Inc. 3.60% 03-10-2027 Callable 2026	Canada	Corporate - Non Convertible	48,000	47	47
Cenovus Energy Inc. 3.50% 02-07-2028 Callable 2027	Canada	Corporate - Non Convertible	67,000	65	64
Central 1 Credit Union 5.88% 11-10-2026	Canada	Corporate - Non Convertible	50,000	50	51
Central 1 Credit Union 4.65% 02-07-2028	Canada	Corporate - Non Convertible	610,000	582	601
CGI Inc. 2.10% 09-18-2028	Canada	Corporate - Non Convertible	2,000	2	2
Charter Communications Operating LLC 6.15% 11-10-2026	United States	Corporate - Non Convertible	USD 39,000	54	53
CHIP Mortgage Trust 1.50% 11-15-2024	Canada	Corporate - Non Convertible	218,000	212	213
Choice Properties Real Estate Investment Trust 3.55% 01-10-2025 Callable 2024	Canada	Corporate - Non Convertible	370,000	364	365
Choice Properties Real Estate Investment Trust 2.85% 05-21-2027	Canada	Corporate - Non Convertible	1,527,000	1,416	1,444
Coast Capital Savings Federal Credit Union F/R 05-02-2033	Canada	Corporate - Non Convertible	90,000	90	91
Cogeco Communications Inc. 6.13% 02-27-2029	Canada	Corporate - Non Convertible	68,000	68	69
Constellation Software Inc. 5.16% 02-16-2029 144A	Canada	Corporate - Non Convertible	USD 12,000	16	16
Corus Entertainment Inc. 5.00% 05-11-2028	Canada	Corporate - Non Convertible	3,000	3	2
Crombie Real Estate Investment Trust 3.92% 06-21-2027 Callable 2027	Canada	Corporate - Non Convertible	25,000	26	24
Curaleaf Holdings Inc. 8.00% 12-15-2026	United States	Corporate - Non Convertible	USD 10,000	13	12
Dollarama Inc. 1.87% 07-08-2026	Canada	Corporate - Non Convertible	300,000	273	282
Dollarama Inc. 5.53% 09-26-2028	Canada	Corporate - Non Convertible	113,000	113	117
Domtar Corp. 6.75% 10-01-2028	United States	Corporate - Non Convertible	USD 6,000	8	7
Dream Industrial Real Estate Investment Trust 3.97% 04-13-2026	Canada	Corporate - Non Convertible	51,000	51	50
Dream Industrial Real Estate Investment Trust 2.54% 12-07-2026	Canada	Corporate - Non Convertible	62,000	61	58
Dream Industrial Real Estate Investment Trust 2.06% 06-17-2027	Canada	Corporate - Non Convertible	221,000	202	202
Dream Industrial Real Estate Investment Trust 5.38% 03-22-2028	Canada	Corporate - Non Convertible	21,000	21	21
Dream Industrial Real Estate Investment Trust 5.38% 03-22-2028	Canada	Corporate - Non Convertible	39,000	39	39
The Empire Life Insurance Co. 5.50% 01-13-2033	Canada	Corporate - Non Convertible	73,000	73	73
The Empire Life Insurance Co. 3.63% 04-17-2081	Canada	Corporate - Non Convertible	2,000	2	2
Enbridge Gas Inc. 5.46% 10-06-2028	Canada	Corporate - Non Convertible	292,000	292	305
Enbridge Inc. 3.20% 06-08-2027 Callable 2027	Canada	Corporate - Non Convertible	475,000	436	455
Enbridge Inc. 4.90% 05-26-2028	Canada	Corporate - Non Convertible	33,000	33	33
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	1,419,000	1,360	1,358
Énergir Inc. 2.10% 04-16-2027 Callable 2027	Canada	Corporate - Non Convertible	10,000	10	9
Equitable Bank 1.88% 11-26-2025	Canada	Corporate - Non Convertible	13,000	12	12
Equitable Bank 3.36% 03-02-2026	Canada	Corporate - Non Convertible	65,000	65	63
Fédération des Caisses Desjardins du Québec 5.20% 10-01-2025	Canada	Corporate - Non Convertible	151,000	151	152



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## SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2024

	Country	Sector	Par Value/ Shares/ Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (cont'd)</b>					
Fédération des Caisses Desjardins du Québec 4.41% 05-19-2027	Canada	Corporate - Non Convertible	530,000	518	526
Fédération des Caisses Desjardins du Québec 5.48% 08-16-2028	Canada	Corporate - Non Convertible	951,000	954	984
Fédération des Caisses Desjardins du Québec 5.47% 11-17-2028	Canada	Corporate - Non Convertible	93,000	93	96
Fédération des Caisses Desjardins du Québec F/R 08-23-2032	Canada	Corporate - Non Convertible	672,000	650	673
First Capital Real Estate Investment Trust 3.45% 03-01-2028	Canada	Corporate - Non Convertible	38,000	34	36
First Capital Realty Inc. 5.57% 03-01-2031	Canada	Corporate - Non Convertible	40,000	40	40
First National Financial Corp. 6.26% 11-01-2027	Canada	Corporate - Non Convertible	68,000	68	68
Ford Credit Canada Co. 7.00% 02-10-2026	United States	Corporate - Non Convertible	28,000	28	29
Ford Credit Canada Co. 7.38% 05-12-2026	United States	Corporate - Non Convertible	15,000	15	16
Ford Credit Canada Co. 2.96% 09-16-2026	United States	Corporate - Non Convertible	4,000	4	4
Ford Credit Canada Co. 6.33% 11-10-2026	United States	Corporate - Non Convertible	360,000	359	368
Ford Credit Canada Co. 5.58% 02-22-2027	United States	Corporate - Non Convertible	674,000	678	679
General Motors Financial of Canada Ltd. 5.20% 02-09-2028	United States	Corporate - Non Convertible	55,000	55	56
General Motors Financial of Canada Ltd. 5.00% 02-09-2029	United States	Corporate - Non Convertible	56,000	56	56
GFL Environmental Inc. 3.50% 09-01-2028 144A	Canada	Corporate - Non Convertible	USD 26,000	31	32
Gibson Energy Inc. 5.80% 07-12-2026	Canada	Corporate - Non Convertible	460,000	460	460
Gibson Energy Inc. 2.85% 07-14-2027 Callable 2027	Canada	Corporate - Non Convertible	32,000	33	30
Gibson Energy Inc. F/R 12-22-2080	Canada	Corporate - Non Convertible	15,000	15	13
Gibson Energy Inc. F/R 07-12-2083	Canada	Corporate - Non Convertible	22,000	22	23
The Goldman Sachs Group Inc. 3.31% F/R 10-31-2025 Callable 2024	United States	Corporate - Non Convertible	150,000	152	148
The Goldman Sachs Group Inc. F/R 11-30-2027	United States	Corporate - Non Convertible	417,000	397	393
Government of Canada 4.25% 12-01-2026 Real Return	Canada	Federal Government	785,000	1,684	1,512
Government of Canada 2.75% 09-01-2027	Canada	Federal Government	1,593,000	1,537	1,547
Government of Canada 3.25% 09-01-2028	Canada	Federal Government	7,354,000	7,252	7,264
Granite Real Estate Investment Trust 3.06% 06-04-2027	Canada	Corporate - Non Convertible	2,000	2	2
Granite Real Estate Investment Trust 2.19% 08-30-2028	Canada	Corporate - Non Convertible	7,000	7	6
Granite REIT Holdings LP 6.07% 04-12-2029	Canada	Corporate - Non Convertible	29,000	29	30
Gray Television Inc. 5.38% 11-15-2031	United States	Corporate - Non Convertible	USD 11,000	14	10
H&R Real Estate Investment Trust 4.07% 06-16-2025 Callable 2025	Canada	Corporate - Non Convertible	549,000	545	539
Heathrow Funding Ltd. 3.25% 05-21-2025	United Kingdom	Corporate - Non Convertible	20,000	21	20
Heathrow Funding Ltd. 2.69% 10-13-2027	United Kingdom	Corporate - Non Convertible	3,000	3	3
Honda Canada Finance Inc. 4.87% 09-23-2027	Canada	Corporate - Non Convertible	48,000	48	49
Honda Canada Finance Inc. 5.73% 09-28-2028	Canada	Corporate - Non Convertible	55,000	55	58
HSBC Bank Canada 3.40% 03-24-2025	Canada	Corporate - Non Convertible	283,000	283	279
Hydro One Inc. 4.91% 01-27-2028	Canada	Corporate - Non Convertible	2,657,000	2,628	2,714
Hydro One Inc. 1.41% 10-15-2027 Callable 2027	Canada	Corporate - Non Convertible	5,000	5	5
Hyundai Capital Canada Inc. 4.81% 02-01-2027	Canada	Corporate - Non Convertible	210,000	210	210
iA Financial Corp. Inc. F/R 06-20-2033	Canada	Corporate - Non Convertible	35,000	35	36
Intact Financial Corp. 2.18% 05-18-2028	Canada	Corporate - Non Convertible	3,000	3	3
Intact Financial Corp. F/R 03-31-2081	Canada	Corporate - Non Convertible	56,000	54	52
Inter Pipeline Ltd. 3.48% 12-16-2026 Callable 2026	Canada	Corporate - Non Convertible	404,000	400	388
Inter Pipeline Ltd. 4.23% 06-01-2027	Canada	Corporate - Non Convertible	655,000	623	639
Inter Pipeline Ltd. 5.76% 02-17-2028	Canada	Corporate - Non Convertible	12,000	12	12
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	Canada	Corporate - Non Convertible	10,000	10	10
International Bank for Reconstruction and Development 0% 03-31-2027	Supra - National	n/a	USD 200,000	238	237
Ivanhoe Cambridge II Inc. 2.30% 12-12-2024 Callable 2024	Canada	Corporate - Non Convertible	28,000	28	27
John Deere Financial Inc. 2.40% 09-17-2024	United States	Corporate - Non Convertible	501,000	483	495
John Deere Financial Inc. 4.36% 01-20-2027	United States	Corporate - Non Convertible	106,000	106	106
John Deere Financial Inc. 4.95% 06-14-2027	United States	Corporate - Non Convertible	200,000	200	203
John Deere Financial Inc. 5.17% 09-15-2028	United States	Corporate - Non Convertible	248,000	248	256
JPMorgan Chase & Co. 1.90% 03-05-2028	United States	Corporate - Non Convertible	100,000	95	93
Knight Health Holdings LLC Term Loan B 1st Lien F/R 12-17-2028	United States	Term Loans	USD 7,820	9	5
LABL Escrow Issuer LLC 6.75% 07-15-2026	United States	Corporate - Non Convertible	USD 9,000	12	12
LABL Escrow Issuer LLC 10.50% 07-15-2027	United States	Corporate - Non Convertible	USD 14,000	19	19
LABL Inc. 8.25% 11-01-2029 144A	United States	Corporate - Non Convertible	USD 10,000	11	12
Laurentian Bank of Canada 4.60% 09-02-2025	Canada	Corporate - Non Convertible	398,000	389	394
Laurentian Bank of Canada F/R 06-15-2032	Canada	Corporate - Non Convertible	119,000	119	113

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## SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2024

	Country	Sector	Par Value/ Shares/ Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (cont'd)</b>					
Lower Mattagami Energy LP 3.42% 06-20-2024	Canada	Corporate - Non Convertible	50,000	53	50
LSF10 XL Bidco SCA Term Loan B 1st Lien F/R 03-30-2028	Luxembourg	Term Loans	EUR 8,535	13	12
Manulife Bank of Canada 1.54% 09-14-2026	Canada	Corporate - Non Convertible	347,000	319	323
Manulife Bank of Canada 2.86% 02-16-2027	Canada	Corporate - Non Convertible	6,000	6	6
Manulife Financial Corp. F/R 03-10-2033	Canada	Corporate - Non Convertible	1,491,000	1,480	1,520
Manulife Financial Corp. F/R 02-23-2034	Canada	Corporate - Non Convertible	79,000	79	79
Manulife Financial Corp. F/R 06-19-2082	Canada	Corporate - Non Convertible	333,000	331	334
Micron Technology Inc. 5.38% 04-15-2028	United States	Corporate - Non Convertible	USD 14,000	19	19
Mozart Debt Merger Sub Inc. 3.88% 04-01-2029	United States	Corporate - Non Convertible	USD 15,000	19	19
Mozart Debt Merger Sub Inc. 5.25% 10-01-2029	United States	Corporate - Non Convertible	USD 6,000	8	8
National Bank of Canada 5.30% 11-03-2025	Canada	Corporate - Non Convertible	74,000	74	74
National Bank of Canada 1.53% 06-15-2026	Canada	Corporate - Non Convertible	561,000	506	526
National Bank of Canada F/R 08-18-2026 Callable 2025	Canada	Corporate - Non Convertible	1,920,000	1,796	1,835
National Bank of Canada 5.22% 06-14-2028	Canada	Corporate - Non Convertible	103,000	103	105
National Bank of Canada 5.02% 02-01-2029	Canada	Corporate - Non Convertible	132,000	133	134
National Bank of Canada F/R 08-16-2032	Canada	Corporate - Non Convertible	254,000	254	257
National Bank of Canada 5.28% 02-15-2034	Canada	Corporate - Non Convertible	43,000	43	43
National Bank of Canada F/R 08-15-2081	Canada	Corporate - Non Convertible	10,000	10	8
NextEra Energy Capital Holdings Inc. 1.90% 06-15-2028	United States	Corporate - Non Convertible	USD 2,000	2	2
North West Redwater Partnership Co. Ltd. 3.20% 04-24-2026	Canada	Corporate - Non Convertible	200,000	189	194
North West Redwater Partnership Co. Ltd. 2.80% 06-01-2027	Canada	Corporate - Non Convertible	959,000	915	912
Ontario Power Generation Inc. 2.89% 04-08-2025 Callable 2025	Canada	Corporate - Non Convertible	40,000	40	39
Ontario Power Generation Inc. 1.17% 04-22-2026 Callable 2026	Canada	Corporate - Non Convertible	276,000	249	257
Ontario Teachers' Finance Trust 1.10% 10-19-2027	Canada	Provincial Governments	22,000	19	20
OPB Finance Trust 2.98% 01-25-2027	Canada	Corporate - Non Convertible	1,337,000	1,302	1,290
PACCAR Financial Corp. 0.99% 05-14-2024	United States	Corporate - Non Convertible	326,000	319	324
Pembina Pipeline Corp. 5.72% 06-22-2026	Canada	Corporate - Non Convertible	58,000	58	58
Pembina Pipeline Corp. 3.71% 08-11-2026 Callable 2026	Canada	Corporate - Non Convertible	410,000	415	400
Pembina Pipeline Corp. 4.24% 06-15-2027 Callable 2027	Canada	Corporate - Non Convertible	363,000	346	358
Pembina Pipeline Corp. 4.02% 03-27-2028 Callable 2027	Canada	Corporate - Non Convertible	10,000	11	10
Pembina Pipeline Corp. F/R 01-25-2081	Canada	Corporate - Non Convertible	30,000	30	26
Prologis Inc. 4.70% 03-01-2029	United States	Corporate - Non Convertible	85,000	85	85
Province of Ontario 3.60% 03-08-2028	Canada	Provincial Governments	7,046,000	6,871	6,973
Province of Ontario 3.40% 09-08-2028	Canada	Provincial Governments	2,830,000	2,783	2,777
Province of Quebec 2.75% 09-01-2028	Canada	Provincial Governments	3,949,000	3,680	3,772
PSP Capital Inc. 0.90% 06-15-2026	Canada	Federal Government	520,000	496	484
Reliance LP 2.68% 12-01-2027	Canada	Corporate - Non Convertible	10,000	10	9
Reliance LP 2.67% 08-01-2028	Canada	Corporate - Non Convertible	4,000	4	4
RioCan Real Estate Investment Trust 5.61% 10-06-2027	Canada	Corporate - Non Convertible	52,000	51	53
Rogers Communications Inc. F/R 12-17-2081	Canada	Corporate - Non Convertible	236,000	223	227
Rogers Communications Inc. F/R 03-15-2082	Canada	Corporate - Non Convertible	USD 4,000	5	5
Royal Bank of Canada 5.34% 06-23-2026	Canada	Corporate - Non Convertible	85,000	85	86
Royal Bank of Canada 2.33% 01-28-2027	Canada	Corporate - Non Convertible	8,000	7	8
Royal Bank of Canada 4.61% 07-26-2027	Canada	Corporate - Non Convertible	720,000	707	722
Royal Bank of Canada 4.64% 01-17-2028	Canada	Corporate - Non Convertible	378,000	379	380
Royal Bank of Canada 4.63% 05-01-2028	Canada	Corporate - Non Convertible	63,000	63	63
Royal Bank of Canada F/R 02-01-2033	Canada	Corporate - Non Convertible	1,563,000	1,543	1,567
Royal Bank of Canada F/R 04-03-2034	Canada	Corporate - Non Convertible	89,000	89	89
Royal Bank of Canada F/R 11-24-2080 Callable 2025	Canada	Corporate - Non Convertible	52,000	49	50
RRD Parent Inc. Class B 10.00% 10-15-2031	United States	Corporate - Non Convertible	USD 4,873	6	12
Saputo Inc. 2.88% 11-19-2024 Callable 2024	Canada	Corporate - Non Convertible	150,000	150	148
Saputo Inc. 2.24% 06-16-2027 Callable 2027	Canada	Corporate - Non Convertible	240,000	214	223
Sienna Senior Living Inc. 3.11% 11-04-2024	Canada	Corporate - Non Convertible	120,000	120	118
Sienna Senior Living Inc. 3.45% 02-27-2026 Callable 2026	Canada	Corporate - Non Convertible	20,000	20	19
Sienna Senior Living Inc. 2.82% 03-31-2027	Canada	Corporate - Non Convertible	1,000	1	1
Sun Life Financial Inc. F/R 08-13-2029 Callable 2024	Canada	Corporate - Non Convertible	670,000	651	663
Sun Life Financial Inc. F/R 05-10-2032 Callable 2027	Canada	Corporate - Non Convertible	350,000	319	328

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## SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2024

	Country	Sector	Par Value/ Shares/ Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (cont'd)</b>					
Sun Life Financial Inc. F/R 11-21-2033	Canada	Corporate - Non Convertible	1,340,000	1,202	1,233
Suncor Energy Inc. 5.40% 11-17-2026	Canada	Corporate - Non Convertible	117,000	117	119
Suzano Austria GmbH 2.50% 09-15-2028	Brazil	Corporate - Non Convertible	USD 3,000	4	4
Sydney Airport Finance Co. Pty. Ltd. 3.63% 04-28-2026 Callable 2026	Australia	Corporate - Non Convertible	USD 104,000	130	136
TELUS Corp. 4.80% 12-15-2028	Canada	Corporate - Non Convertible	210,000	210	211
T-Mobile US Inc. 3.50% 04-15-2025 Class B	United States	Corporate - Non Convertible	USD 209,000	271	278
T-Mobile US Inc. 3.75% 04-15-2027 Class B	United States	Corporate - Non Convertible	USD 109,000	136	142
T-Mobile US Inc. 4.95% 03-15-2028	United States	Corporate - Non Convertible	USD 20,000	27	27
T-Mobile US Inc. 4.85% 01-15-2029	United States	Corporate - Non Convertible	USD 14,000	19	19
TMX Group Ltd. 2.30% 12-11-2024 Callable 2024	Canada	Corporate - Non Convertible	240,000	244	237
Toronto Hydro Corp. 5.13% 10-12-2028	Canada	Corporate - Non Convertible	243,000	243	252
The Toronto-Dominion Bank 2.67% 09-09-2025	Canada	Corporate - Non Convertible	521,000	499	505
The Toronto-Dominion Bank 4.34% 01-27-2026	Canada	Corporate - Non Convertible	3,000	3	3
The Toronto-Dominion Bank 5.42% 07-10-2026	Canada	Corporate - Non Convertible	62,000	62	63
The Toronto-Dominion Bank 2.26% 01-07-2027	Canada	Corporate - Non Convertible	78,000	76	73
The Toronto-Dominion Bank 5.38% 10-21-2027	Canada	Corporate - Non Convertible	141,000	141	145
The Toronto-Dominion Bank 4.48% 01-18-2028	Canada	Corporate - Non Convertible	573,000	569	572
The Toronto-Dominion Bank 5.49% 09-08-2028	Canada	Corporate - Non Convertible	212,000	210	220
The Toronto-Dominion Bank F/R 07-25-2029 Callable 2024	Canada	Corporate - Non Convertible	1,062,000	1,032	1,055
The Toronto-Dominion Bank F/R 01-26-2032 Callable 2027	Canada	Corporate - Non Convertible	29,000	28	28
Tourmaline Oil Corp. 2.08% 01-25-2028	Canada	Corporate - Non Convertible	2,000	2	2
Tourmaline Oil Corp. 2.53% 02-12-2029	Canada	Corporate - Non Convertible	2,000	2	2
Toyota Credit Canada Inc. 4.45% 01-26-2026	Canada	Corporate - Non Convertible	170,000	169	169
Toyota Motor Corp. 1.34% 03-25-2026	Japan	Corporate - Non Convertible	USD 12,000	15	15
TransCanada PipeLines Ltd. 5.42% 03-10-2026	Canada	Corporate - Non Convertible	330,000	330	330
TransCanada PipeLines Ltd. 3.80% 04-05-2027 Callable 2027	Canada	Corporate - Non Convertible	616,000	578	601
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	630,000	616	591
Transcontinental Inc. 2.67% 02-03-2025	Canada	Corporate - Non Convertible	7,000	7	7
Transurban Finance Co. Pty. Ltd. 4.56% 11-14-2028 Callable 2028	Australia	Corporate - Non Convertible	350,000	363	344
Trulieve Cannabis Corp. 8.00% 10-06-2026	United States	Corporate - Non Convertible	USD 4,000	5	5
United States Treasury 0.50% 04-15-2024 Inflation Indexed	United States	Foreign Governments	USD 220,000	353	365
Ventas Canada Finance Ltd. 5.40% 04-21-2028	United States	Corporate - Non Convertible	14,000	14	14
Ventas Canada Finance Ltd. 5.10% 03-05-2029	United States	Corporate - Non Convertible	68,000	68	68
Verizon Communications Inc. F/R 03-20-2026	United States	Corporate - Non Convertible	USD 60,000	77	82
The Walt Disney Co. 3.06% 03-30-2027	United States	Corporate - Non Convertible	13,000	14	12
Waste Management of Canada Corp. 2.60% 09-23-2026 Callable 2026	Canada	Corporate - Non Convertible	497,000	461	474
Wells Fargo & Co. 2.57% 05-01-2026 Callable 2025	United States	Corporate - Non Convertible	700,000	667	681
WSP Global Inc. 2.41% 04-19-2028	Canada	Corporate - Non Convertible	5,000	5	5
<b>Total bonds</b>				<b>85,918</b>	<b>86,597</b>
<b>EQUITIES</b>					
Brookfield Renewable Partners LP Pfd. Series 13	Canada	Utilities	171	7	3
Emera Inc. Pfd. Series J	Canada	Utilities	27	1	1
<b>Total equities</b>				<b>8</b>	<b>4</b>
<b>OPTIONS</b>					
Options purchased (see schedule of options purchased)				3	—
<b>Total options</b>				<b>3</b>	<b>—</b>

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## SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2024

	Country	Sector	Par Value/ Shares/ Units	Average Cost (\$ 000)	Fair Value (\$ 000)
Transaction costs				—	—
<b>Total investments</b>				<b>85,929</b>	<b>86,601</b>
Derivative instruments (see schedule of derivative instruments)					13
Cash and cash equivalents					1,329
Other assets less liabilities					358
<b>Net assets attributable to securityholders</b>					<b>88,301</b>

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## SUMMARY OF INVESTMENT PORTFOLIO

MARCH 31, 2024

EFFECTIVE PORTFOLIO ALLOCATION	% OF NAV
Fixed income	104.5
Bonds	98.1
Long bond futures	6.4
Purchased options*	–
Cash and cash equivalents	1.5
Other assets (liabilities)	(6.0)

EFFECTIVE COUNTRY ALLOCATION	% OF NAV
Canada	93.5
United States	10.0
Australia	0.5
United Kingdom	0.3
Ireland	0.2
Cash and cash equivalents	1.5
Other assets (liabilities)	(6.0)

EFFECTIVE ASSET TYPE	% OF NAV
Corporate bonds	66.5
Federal bonds	21.3
Provincial bonds	15.5
Mortgage backed	0.5
Foreign government bonds	0.4
Supranational bonds	0.3
Cash and cash equivalents	1.5
Other assets (liabilities)	(6.0)

\* Notional values represent 7.3% of NAV for purchased put options on high yield bond indices but do not currently provide significant exposure to fixed income instruments as the exercise price is significantly below the underlying index's value.

MARCH 31, 2023

PORTFOLIO ALLOCATION	% OF NAV
Fixed income	93.0
Bonds	101.1
Short bond futures	(8.1)
Cash and cash equivalents	4.1
Exchange-traded funds	0.4
Other net assets	2.5

EFFECTIVE COUNTRY ALLOCATION	% OF NAV
Canada	100.5
United States	6.1
Australia	0.7
United Kingdom	0.3
Japan	(6.5)
Cash and cash equivalents	4.1
Other countries	0.4
Other assets (liabilities)	(5.6)

EFFECTIVE ASSET TYPE	% OF NAV
Corporate bonds	51.2
Federal bonds	29.1
Provincial bonds	16.8
Supranational bonds	0.4
Term loans	0.2
Foreign governments	(7.7)
Cash and cash equivalents	4.1
Other	5.9

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

# COUNSEL SHORT TERM BOND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## SCHEDULE OF OPTIONS PURCHASED

as at March 31, 2024

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$ 000)	Fair Value (\$ 000)
Markit North American Investment Grade CDX Index	4,755,000	Put	Apr. 17, 2024	USD 57.50	3	–
<b>Total options</b>					<b>3</b>	<b>–</b>

# COUNSEL SHORT TERM BOND

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## SCHEDULE OF DERIVATIVE INSTRUMENTS

as at March 31, 2024

### Schedule of Forward Currency Contracts

Counterparty Credit Rating	Currency to be Received (\$ 000)	Currency to be Delivered (\$ 000)	Settlement Date	Contract Cost (\$ 000)	Current Fair Value (\$ 000)	Unrealized Gains (\$ 000)	Unrealized Losses (\$ 000)
AA	62 CAD	(46) USD	Apr. 12, 2024	(62)	(63)	–	(1)
A	1,054 USD	(1,399) CAD	Apr. 12, 2024	1,399	1,427	28	–
AA	81 CAD	(60) USD	Apr. 12, 2024	(81)	(81)	–	–
AA	654 CAD	(490) USD	Apr. 19, 2024	(654)	(665)	–	(11)
AA	511 CAD	(380) USD	Apr. 19, 2024	(511)	(514)	–	(3)
AA	94 CAD	(70) USD	Apr. 19, 2024	(94)	(95)	–	(1)
AA	175 CAD	(130) USD	Apr. 19, 2024	(175)	(176)	–	(1)
AA	11 CAD	(7) EUR	Apr. 26, 2024	(11)	(11)	–	–
A	1 CAD	– EUR	Apr. 26, 2024	(1)	(1)	–	–
A	– CAD	– EUR	Apr. 26, 2024	–	–	–	–
A	27 CAD	(20) USD	Apr. 26, 2024	(27)	(27)	–	–
AA	81 CAD	(60) USD	Apr. 26, 2024	(81)	(81)	–	–
A	570 CAD	(423) USD	Apr. 26, 2024	(570)	(573)	–	(3)
A	446 CAD	(331) USD	Apr. 26, 2024	(446)	(448)	–	(2)
A	94 USD	(127) CAD	Apr. 26, 2024	127	128	1	–
A	81 CAD	(60) USD	May 10, 2024	(81)	(82)	–	(1)
A	28 USD	(38) CAD	May 10, 2024	38	38	–	–
A	226 CAD	(167) USD	May 10, 2024	(226)	(226)	–	–
AA	311 CAD	(230) USD	May 17, 2024	(311)	(312)	–	(1)
<b>Total forward currency contracts</b>						<b>29</b>	<b>(24)</b>

### Schedule of Futures Contracts

Type of Contract	Number of Contracts	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000)	Unrealized Gains (\$ 000)	Unrealized Losses (\$ 000)
MSE Canadian 5 Year Bond Future	51	Jun. 19, 2024	111.33 CAD	5,685	8	–
<b>Total futures contracts</b>					<b>5,685</b>	<b>8</b>

\* Notional value represents the exposure to the underlying instruments as at March 31, 2024

<b>Total Derivative assets</b>	<b>37</b>
<b>Total Derivative liabilities</b>	<b>(24)</b>

# COUNSEL SHORT TERM BOND

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## NOTES TO FINANCIAL STATEMENTS

### 1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the years ended or as at March 31, 2024 and 2023 (as applicable). In the year a series is established, 'period' represents the period from inception to the period end of that fiscal period. In a period where a series is terminated the period represents from the beginning of the fiscal year to the termination date. Refer to Note 10 (a) for series inception and termination dates.

The Fund is organized as an open-ended mutual fund trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust as amended and restated from time to time. The address of the Fund's registered office is 5015 Spectrum Way, Suite 300, Mississauga, Ontario, Canada. The Fund is authorized to issue an unlimited number of units (referred to as "security" or "securities") of multiple series. Series of the Fund are available for sale under Simplified Prospectus and/or exempt distribution options.

Counsel Portfolio Services Inc. (the "Manager" or "Counsel") acts as the Fund's manager and trustee.

### 2. Basis of Preparation and Presentation

These annual financial statements ("financial statements") have been prepared in accordance with IFRS Accounting Standards ("IFRS"). A summary of the Fund's material accounting policies under IFRS is presented in Note 3.

These financial statements are presented in Canadian dollars, which is the Fund's functional currency, and are rounded to the nearest thousand unless otherwise indicated. These financial statements are prepared on a going concern basis using the historical cost basis, except for financial assets and liabilities that have been measured at fair value through profit or loss ("FVTPL").

These financial statements were authorized for issue by Counsel's Board of Directors on June 5, 2024.

### 3. Material Accounting Policies

The Fund adopted Disclosure of Accounting Policies Amendments to IAS 1 and IFRS Policy Statements 2 from April 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies. The Manager reviewed the accounting policies and made updates to the information disclosure in certain instances in line with the amendments.

#### (a) Financial instruments

Financial instruments include financial assets and liabilities such as debt and equity securities, investment funds, and derivatives. The Fund classifies and measures financial instruments in accordance with IFRS 9 *Financial Instruments*. Upon initial recognition, financial instruments are classified as FVTPL. All financial instruments are recognized in the Statements of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial assets are derecognized when the right to receive cash flows from the instrument has expired. Financial liabilities are derecognized when the Fund has transferred substantially all risks and rewards of ownership. Investment purchase and sale transactions are recorded as of the trade date.

Financial instruments are designated on initial recognition as FVTPL with changes in fair value recognized in the Statements of Comprehensive Income – Net unrealized gain (loss).

Realized and unrealized gains and losses on investments are calculated based on average cost of investments and exclude commissions and other portfolio transaction costs, which are separately reported in the Statements of Comprehensive Income – Commissions and other portfolio transaction costs.

Gains and losses arising from changes in the fair value of the investments are included in the Statements of Comprehensive Income for the period in which they arise.

The Fund accounts for its holdings in investment funds at FVTPL.

The Fund's redeemable securities contain multiple dissimilar contractual obligations and entitle securityholders to the right to redeem their interest in the Fund for cash equal to their proportionate share of the net asset value of the Fund and therefore meet the criteria for classification as financial liabilities under IAS 32 *Financial Instruments: Presentation*.

IAS 7, *Statement of Cash Flows*, requires disclosures related to changes in liabilities and assets, such as the securities of the Fund, arising from financing activities. Changes in securities of the Fund, including both changes from cash flows and non-cash changes, are included in the Statement of Changes in Financial Position.

Any changes in the securities not settled in cash as at the end of the period are presented as either Accounts receivable for securities issued or Accounts payable for securities redeemed in the Statement of Financial Position. These accounts receivable and accounts payable amounts typically settle shortly after period-end.

#### (b) Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments listed on a public securities exchange, including exchange traded funds, or traded on an over-the-counter market are valued on the basis of the last traded market price or close price recorded by the security exchange on which the security is principally traded, where this price falls within the quoted bid-ask spread for the investment. In circumstances where this price is not within the bid-ask spread, Counsel determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Unlisted or non-exchange traded investments, or investments where a last sale or close price is unavailable or investments for which market quotations are, in Counsel's opinion, inaccurate, unreliable, or not reflective of all available material information, are valued at their fair value as determined by Counsel using appropriate and accepted industry valuation techniques including valuation models. The fair value determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. In limited circumstances, the fair value may be determined using valuation techniques that are not supported by observable market data.

Cash and cash equivalents which includes cash on deposit with financial institutions and short-term investments that are readily convertible to cash, are subject to an insignificant risk of changes in value and are used by the Fund in the management of short-term commitments. Cash and cash equivalents are reported at amortized cost which closely approximates their fair value due to their nature of being highly liquid and having short terms to maturity. Bank overdraft positions are presented under current liabilities as bank indebtedness in the Statements of Financial Position.



# COUNSEL SHORT TERM BOND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 3. Material Accounting Policies (cont'd)

#### (b) Fair Value Measurement (cont'd)

The Fund may use derivatives (such as written options, futures, forward contracts, swaps or customized derivatives) to hedge against losses caused by changes in securities prices, interest rates or exchange rates. The Fund may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, to gain exposure to other currencies, to seek to generate additional income, and/or for any other purpose considered appropriate by Counsel or the Fund's sub-advisor(s), provided that the use of the derivative is consistent with the Fund's investment objectives. Any use of derivatives will comply with Canadian mutual fund laws, subject to the regulatory exemptions granted to the Fund, as applicable. Refer to "Exemptions from National Instrument 81-102" in the Annual Information Form of the Fund for further details, including the complete conditions of these exemptions, as applicable.

Valuations of derivative instruments are carried out daily, using normal exchange reporting sources for exchange-traded derivatives and specific broker enquiry for over-the-counter derivatives.

The value of forward contracts is the gain or loss that would be realized if, on the valuation date, the positions were to be closed out. The change in value of forward contracts is included in the Statements of Comprehensive Income – Net unrealized gain (loss).

The value of futures contracts or swaps fluctuates daily, and cash settlements made daily, where applicable, by the Fund are equal to the change in unrealized gains or losses that are best determined at the settlement price. These unrealized gains or losses are recorded and reported as such until the Fund closes out the contract or the contract expires. Margin paid or deposited in respect of futures contracts or swaps is reflected as a receivable in the Statements of Financial Position – Margin on derivatives. Any change in the variation margin requirement is settled daily.

Premiums paid (written) for purchasing (writing) options are recorded in Derivative Assets (Liabilities) and subsequently adjusted daily to fair value. If a written option expires unexercised, the premium received is recognized as a realized gain. If a written call option is exercised, the difference between the proceeds of the sale plus the value of the premium, and the cost of the security is recognized as a realized gain or loss. If a written put option is exercised, the cost of the security acquired is the exercise price of the option less the premium received. Refer to the Schedule of Derivative Instruments and Schedule of Options Purchased/Written, as applicable, included in the Schedule of Investments for a listing of derivative and options positions.

The Fund categorizes the fair value of its assets and liabilities into three categories, which are differentiated based on the observable nature of the inputs and extent of estimation required.

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly. Examples of Level 2 valuations include quoted prices for similar securities, quoted prices on inactive markets and from recognized investment dealers, and the application of factors derived from observable data to non-North American quoted prices in order to estimate the impact of differences in market closing times.

Financial instruments classified as Level 2 investments are valued based on the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices. The estimated fair values for these securities may be different from the values that would have been used had a ready market for the investment existed; and

Level 3 – Inputs that are not based on observable market data.

The inputs are considered observable if they are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumption that market participants would use when pricing the asset or liability.

See Note 10 (e) for the fair value classifications of the Fund.

#### (c) Income recognition

Interest income for distribution purposes represents the coupon interest received by the Fund which is accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds, which are amortized on a straight-line basis.

Dividends are accrued as of the ex-dividend date. Realized gains or losses on the sale of investments, including foreign exchange gains or losses on such investments, and unrealized gains or losses are calculated on an average cost basis.

The Fund may invest in ETFs managed by Mackenzie Investments (an affiliate of Counsel) which are indicated in the Schedule of Investments. The Fund receives Fee rebate income in respect of management fees paid indirectly to Mackenzie which offset the management fees indirectly borne in the return of these Underlying Funds.

Income, realized gains (losses), and unrealized gains (losses) are allocated daily among the series on a pro-rata basis.

#### (d) Commissions and other portfolio transaction costs

Commissions and other portfolio transaction costs are costs incurred to acquire, issue or dispose of financial assets or liabilities. They include fees and commissions paid to agents, exchanges, brokers, dealers and other intermediaries. The total brokerage commissions incurred by the Fund in connection with portfolio transactions for the periods, together with other transaction charges, is disclosed in the Statements of Comprehensive Income. Brokerage business is allocated to brokers based on the best net result for the Fund. Subject to this criteria, commissions may be paid to brokerage firms which provide (or pay for) certain services, other than order execution, which may include investment research, analysis and reports, and databases or software in support of these services. Where applicable and ascertainable, the value of third-party services that were paid for by brokers during the periods is disclosed in Note 10. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

#### (e) Securities lending, repurchase and reverse repurchase transactions

The Fund is permitted to enter into securities lending, repurchase and reverse repurchase transactions as set out in the Fund's Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date.

# COUNSEL SHORT TERM BOND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 3. Material Accounting Policies (cont'd)

#### (e) Securities lending, repurchase and reverse repurchase transactions (cont'd)

Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is included in the Statements of Comprehensive Income and recognized when earned. Securities lending transactions are administered by the Canadian Imperial Bank of Commerce (the "Securities Lending Agent"). The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased.

Note 10 summarizes the details of securities loaned and collateral received, as well as a reconciliation of securities lending income, if applicable. Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments, and financial institutions.

#### (f) Foreign currency

The functional and presentation currency of the Fund is Canadian dollars. Foreign currency purchases and sales of investments and foreign currency dividend and interest income and expenses are translated to Canadian dollars at the rate of exchange prevailing at the time of the transactions.

Foreign exchange gains (losses) on purchases and sales of foreign currencies are included in the Statements of Comprehensive Income – Net realized gain (loss).

The fair value of investments and other assets and liabilities, denominated in foreign currencies, are translated to Canadian dollars at the rate of exchange prevailing on each business day.

#### (g) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. Note 10 summarizes the details of such offsetting, if applicable, subject to master netting arrangements or other similar agreements and the net impact to the Statements of Financial Position if all such rights were exercised.

Income and expenses are not offset in the Statements of Comprehensive Income unless required or permitted to by an accounting standard, as specifically disclosed in the IFRS policies of the Fund.

#### (h) Net assets attributable to securityholders per security

Net assets attributable to securityholders per security is computed by dividing the net assets attributable to securityholders of a series of securities on a business day by the total number of securities of the series outstanding on that day.

#### (i) Net asset value per security

The daily Net Asset Value ("NAV") of an investment fund may be calculated without reference to IFRS as per the Canadian Securities Administrators' ("CSA") regulations. The difference between NAV and Net assets attributable to securityholders (as reported in the financial statements), if any, is mainly due to differences in fair value of investments and other financial assets and liabilities and is disclosed in Note 10 (a).

#### (j) Increase (decrease) in net assets attributable to securityholders from operations per security

Increase (decrease) in net assets attributable to securityholders from operations per security in the Statements of Comprehensive Income represents the increase (decrease) in net assets attributable to securityholders from operations for the period, divided by the weighted average number of securities outstanding during the period.

#### (k) Future accounting changes

Counsel has determined there are no material implications to the Fund's financial statements arising from IFRS issued but not yet effective.

### 4. Critical Accounting Estimates and Judgments

The preparation of these financial statements requires management to make estimates and assumptions that primarily affect the valuation of investments. Estimates and assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

#### Use of Estimates

##### *Fair value of securities not quoted in an active market*

The Fund holds financial instruments that are not quoted in active markets and are valued using valuation techniques that make use of observable data, to the extent practicable. Various valuation techniques are utilized, depending on a number of factors, including comparison with similar instruments for which observable market prices exist and recent arm's length market transactions. Key inputs and assumptions used are company specific and may include estimated discount rates and expected price volatilities. Changes in key inputs, could affect the reported fair value of these financial instruments held by the Fund.

#### Use of Judgments

##### *Classification and measurement of investments*

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9. The Manager has considered the Fund's business model, commitments to securityholders, and the manner in which investments are managed and evaluated as a group and has determined that irrevocable designation of financial instruments as financial assets or financial liabilities at fair value through profit or loss provides the most appropriate measurement and presentation of the Fund's investments and financial instruments.

##### *Functional currency*

The Fund's functional and presentation currency is the Canadian dollar, which is the currency considered to best represent the economic effects of the Fund's underlying transactions, events and conditions taking into consideration the manner in which securities are issued and redeemed and how returns and performance by the Fund are measured.

# COUNSEL SHORT TERM BOND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 4. Critical Accounting Estimates and Judgments (cont'd)

#### *Interest in unconsolidated structured entities*

In determining whether an ETF in which the Fund invests ("Underlying Funds"), but that it does not consolidate, meets the definition of a structured entity, the Manager is required to make significant judgments about whether these underlying funds have the typical characteristics of a structured entity. These Underlying Funds do meet the definition of a structured entity because:

- I. The voting rights in the Underlying Funds are not dominant factors in deciding who controls them;
- II. The activities of the Underlying Funds are restricted by their offering documents; and
- III. The Underlying Funds have narrow and well-defined investment objective to provide investment opportunities for investors while passing on the associated risks and rewards.

As a result, such investments are accounted for at FVTPL. These investments are shown in the Schedule of Investments and are below 0.5% of each Underlying Fund's NAV.

### 5. Income Taxes

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its securityholders as at the end of the taxation year. The Fund maintains a December 15 year-end for tax purposes. The Fund may be subject to withholding taxes on foreign income. In general, the Fund treats withholding tax as a charge against income for tax purposes. The Fund will distribute sufficient amounts from net income for tax purposes, as required, so that the Fund will not pay income taxes other than refundable tax on capital gains, if applicable.

Losses of the Fund cannot be allocated to securityholders and are retained in the Fund for use in future years. Non-capital losses incurred may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Net capital losses may be carried forward indefinitely to reduce future realized capital gains. Refer to Note 10 (d) for a summary of the Fund's loss carryforwards.

### 6. Management Fees and Operating Expenses

Counsel is paid a management fee for arranging for the management of the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements relating to the purchase and sale of the investment portfolio and making arrangements with registered dealers for the purchase and sale of securities of the Fund by securityholders.

Each series of the Fund, excluding Series O, is charged a fixed rate annual administration fee ("Administration Fee"), as applicable, and in return, Counsel bears all of the operating expenses of the Fund, other than certain specified fund costs.

Other fund costs include taxes (including, but not limited to GST/HST and income tax), interest and borrowing costs, all fees and expenses of the Counsel Funds' Independent Review Committee, costs of complying with the regulatory requirement to produce Fund Facts, fees paid to external service providers associated with tax reclaims, refunds or the preparation of foreign tax reports on behalf of the Funds, and any new fees related to external services that were not commonly charged in the Canadian mutual fund industry after the date of the Fund's most recently filed Simplified Prospectus.

Counsel may waive or absorb management fees and/or Administration Fees at its discretion and stop waiving or absorbing such fees at any time without notice. Refer to Note 10 (a) for the management fee and Administration Fee rates charged to each series of securities.

### 7. Fund's Capital

The capital of the Fund is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at March 31, 2024 and 2023 and securities issued, reinvested and redeemed for the periods are presented in the Statements of Changes in Financial Position. Counsel manages the capital of the Fund in accordance with the investment objectives and strategies as discussed in Note 8 (a).

### 8. Financial Instruments Risk

#### (a) Risk exposure and management

The Fund's investment activities expose it to a variety of financial risks, as defined in IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7"). The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, grouped by asset type, with geographic and sector information.

The Manager seeks to minimize potential adverse effects of financial risks on the Fund's performance by employing professional, experienced portfolio advisors, by monitoring the Fund's positions and market events daily, by diversifying the investment portfolio within the constraints of the Fund's investment objectives and strategies, as disclosed in Note 10 (b), and where applicable, by using derivatives to hedge certain risk exposures. To assist in managing risks, Counsel also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy, internal guidelines, and securities regulations.

#### (b) Liquidity risk

Liquidity risk arises when the Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable securities. In order to monitor the liquidity of its assets, the Fund utilizes a liquidity risk management program that calculates the number of days to convert the investments held by the Fund into cash using a multi-day liquidation approach. This liquidity risk analysis assesses the Fund's liquidity against pre-determined minimum liquidity percentages, established for different time periods. In addition, the Fund has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions. In order to comply with securities regulations, the Fund must maintain at least 85% of its assets in liquid investments (i.e. investments that can be readily sold).

# COUNSEL SHORT TERM BOND

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## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 8. Financial Instruments Risk (cont'd)

#### (b) Liquidity risk (cont'd)

Other investment funds managed by Counsel ("Top Funds") may 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 may also be issued on a prospectus-exempt basis to investors in the IPC Private Wealth program offered by IPC Securities Corporation, an affiliate of Counsel.

From time to time, these holdings may be rebalanced by either reducing an allocation to the Fund or eliminating such investments in the Fund entirely. In either case, depending on the size of the investment by a large investor, this could cause a significant redemption from the Fund. Meeting such a redemption may require the Fund to sell portfolio holdings. This could result in the Fund selling a particular holding before it has achieved the valuation sought by the Manager thus affecting Fund returns. This could also result in the Fund realizing capital gains on its holdings earlier than planned, which could result in capital gains distributed to investors in the Fund (which could result in income tax payable by the investor) that might not have occurred or might have occurred at a later date.

For the amounts held by and the changes thereto during the period pertaining to Series O and/or Series Private Wealth, please refer to the amounts disclosed in the Statements of Financial Position and Statements of Changes in Financial Position.

#### (c) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment into which it has entered with the Fund.

Note 10 (c) summarizes the Fund's exposure, if applicable and significant, to credit risk through fixed income instruments. Where presented, credit ratings and rating categories are based on ratings issued by a designated rating organization.

All transactions in listed securities are executed with approved brokers.

To minimize the possibility of settlement default, securities are exchanged for payment simultaneously, where market practices permit, through the facilities of a central depository and/or clearing agency where customary.

The carrying amount of investments and other assets represents the maximum credit risk exposure as at the dates of the Statements of Financial Position. The Fund may enter into securities lending transactions with counterparties and it may also be exposed to credit risk from the counterparties to the derivative instruments it may use. Credit risk associated with these transactions is considered minimal as all counterparties have an approved credit rating equivalent to a Standard & Poor's credit rating of not less than A-1 (low) on their short-term debt and of A on their long-term debt, as applicable.

#### (d) Currency risk

Currency risk is the risk that financial instruments which are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's functional currency, will fluctuate due to changes in exchange rates. Generally, foreign denominated investments increase in value when the value of the Canadian dollar (relative to foreign currencies) falls. Conversely, when the value of the Canadian dollar rises relative to foreign currencies, the values of foreign denominated investments fall.

Note 10 (c) indicates the foreign currencies, if applicable, to which the Fund had significant exposure, in Canadian dollar terms, to the Fund's net assets had the Canadian dollar strengthened or weakened by 5% relative to all foreign currencies, all other variables held constant. In practice, the actual trading results may differ and the difference could be material. Other financial assets and liabilities (including dividends and interest receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not generally expose the Fund to significant currency risk.

#### (e) Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Generally, these securities increase in value when interest rates fall and decrease in value when interest rates rise.

If significant, Note 10 (c) summarizes the Fund's bonds by remaining term to maturity and illustrates the potential impact to the Fund's net assets had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

Cash and cash equivalents are short term in nature and are not generally subject to significant amounts of interest rate risk.

#### (f) Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategy.

Other price risk typically arises from exposure to equity securities. Note 10 (c) illustrates the potential increase or decrease in the Fund's net assets had the prices on the respective exchanges for these securities increased or decreased by 10%, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

# COUNSEL SHORT TERM BOND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 9. Foreign currency abbreviations

Currency Code	Description	Currency Code	Description	Currency Code	Description
AUD	Australian dollars	HUG	Hungarian forint	PKR	Pakistani rupee
AED	United Arab Emirates Dirham	IDR	Indonesian rupiah	PLN	Polish zloty
BRL	Brazilian real	ILS	Israeli shekel	QAR	Qatar Rial
CAD	Canadian dollars	INR	Indian rupee	RON	Romanian leu
CHF	Swiss franc	JPY	Japanese yen	RUB	Russian ruble
CLP	Chilean peso	KOR	South Korean won	SAR	Saudi riyal
CNY	Chinese yuan	MXN	Mexican peso	SEK	Swedish krona
CZK	Czech koruna	MYR	Malaysian ringgit	SGD	Singapore dollars
DKK	Danish krone	NGN	Nigerian naira	THB	Thailand baht
EGP	Egyptian pound	NOK	Norwegian krona	TRL	Turkish lira
EUR	Euro	NTD	New Taiwan dollar	USD	United States dollars
GBP	United Kingdom pounds	NXD	New Zealand dollars	VND	Vietnamese dong
GHS	Ghana Cedi	PEN	Peruvian nuevo sol	ZAR	South African rand
HKD	Hong Kong dollars	PHP	Philippine peso	ZMW	Zambian kwacha

# COUNSEL SHORT TERM BOND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 10. Fund Specific Information (in '000, except for (a))

#### (a) Fund Formation and Series Information

Series	Inception/ Reinstatement Date	Minimum Investment (\$)	Management fee (%) <sup>6</sup>	Administration fee (%) <sup>6</sup>	Net Asset Value per security (\$)	
					as at March 31, 2024	as at March 31, 2023
Series A <sup>1</sup>	January 14, 2010	1,000	0.95	0.15	9.13	9.00
Series F <sup>2</sup>	January 14, 2010	1,000	0.45	0.15	9.18	9.05
Series I <sup>2,3,6</sup>	January 14, 2010	1,000	–	0.15	9.22	9.09
Series O <sup>4</sup>	October 26, 2010	–	–	–	9.17	9.04
Series Private Wealth <sup>5</sup>	November 5, 2013	–	–	0.15	9.43	9.30

<sup>1</sup> Series A is the only series subject to sales or redemption charges; these charges are based on purchase option chosen. Securities purchased under the sales charge option may be subject to a negotiated fee of up to 5% at time of initial purchase. Securities previously purchased under the redemption charge purchase option may be subject to a redemption fee of up to 4.0% (based on date of initial purchase); new securities are not available under this option but may be acquired through switching from other Counsel funds. Effective June 15, 2022, the series' management fee and administration fee was reduced from 1.10% and 0.16% respectively.

<sup>2</sup> A negotiable advisory or asset-based fee (plus sales taxes) is payable by investors to their dealer(s) in connection with the securities held in this series. The fee may be collected by Counsel from the investor's account through redemption of securities and remitted to the dealer at the investor's request. Alternatively, the dealer may collect it directly from the investor. Effective June 15, 2022, the series' management fee was reduced from 0.75% (including Series I management fee which is charged directly to investors).

<sup>3</sup> The management fee for this series is 0.45% and is payable directly to Counsel generally through the monthly redemption of securities.

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> Counsel may, at its discretion, waive or lower the management fee (either directly or indirectly) and/or administration fee payable by investors. Individual investors may be eligible for a management fee reduction subject to meeting certain requirements as discussed in the Fund's Simplified Prospectus.

#### (b) Investment Objectives and Strategies

The Fund seeks to achieve a moderate level of income while preserving investment capital and liquidity. The Fund invests in a diversified portfolio of primarily Canadian fixed-income securities. The Fund may invest up to 30% of its assets directly in foreign securities.

#### (c) Risks Associated with Financial Instruments

##### i. Currency Risk

The tables below summarize the Fund's exposure to currency risk.

Currency	March 31, 2024				Impact on net assets			
	Investments (\$)	Cash and Cash Equivalents (\$)	Derivative Instruments (\$)	Net Exposure (\$)	Strengthened by 5%		Weakened by 5%	
					(\$)	%	(\$)	%
USD	1,762	149	(1,750)	161				
EUR	12	–	(12)	–				
JPY	–	(7)	–	(7)				
Total	1,774	142	(1,762)	154				
% of Net Assets	2.0	0.2	(2.0)	0.2				
Total currency rate sensitivity on direct holdings					(8)	–	8	–

# COUNSEL SHORT TERM BOND

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## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 10. Fund Specific Information (in '000, except for (a)) (cont'd)

#### (c) Risks Associated with Financial Instruments (cont'd)

##### i. Currency Risk (cont'd)

Currency	March 31, 2023				Impact on net assets			
	Investments	Cash and Cash	Derivative	Net Exposure	Strengthened by 5%		Weakened by 5%	
	(\$)	Equivalents	Instruments	(\$)	(\$)	%	(\$)	%
JPY	–	97	(81)	16				
USD	1,374	53	(1,416)	11				
EUR	11	25	(34)	2				
Total	1,385	175	(1,531)	29				
% of Net Assets				–				
Total currency rate sensitivity on direct holdings					(1)	–	1	–
Currency rate sensitivity arising from ETFs					(15)	–	15	–
Total sensitivity to currency rate changes					(16)	–	16	–

The Fund uses currency forwards to hedge a portion of its currency risk.

##### ii. Interest Rate Risk

The tables below summarize the Fund's exposure to interest rate risks from its investments in bonds and derivative instruments by term to maturity.

March 31, 2024	Bonds	Impact on net assets			
		Increase by 1%		Decrease by 1%	
		(\$)	(%)	(\$)	(%)
Less than 1 year	5,348				
1-5 years	68,423				
5-10 years	9,547				
Greater than 10 years	3,279				
Total	86,597	(2,895)	(3.3)	2,895	3.3
Interest sensitivity arising from other financial instruments		(252)	(0.3)	252	0.3
Total sensitivity to interest rate		(3,147)	(3.6)	3,147	3.6

March 31, 2023	Bonds	Impact on net assets			
		Increase by 1%		Decrease by 1%	
		(\$)	(%)	(\$)	(%)
Less than 1 year	11,196				
1-5 years	40,987				
5-10 years	13,866				
Greater than 10 years	2,391				
Total	68,440	(1,896)	(2.7)	1,896	2.7
Interest sensitivity arising from other financial instruments		410	0.6	(410)	(0.6)
Total sensitivity to interest rate		(1,486)	(2.1)	1,486	2.1

The Fund may also use long futures to obtain exposure to certain debt instruments or short futures to hedge against interest rate risk. Please see *Effective Portfolio Allocation* in the *Summary of Investment Portfolio*.

##### iii. Other price risk

As at March 31, 2024 and 2023, the Fund did not have a significant exposure to other price risk as its equities holding were primarily in preferred equities.

# COUNSEL SHORT TERM BOND

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## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 10. Fund Specific Information (in '000, except for (a)) (cont'd)

#### (c) Risks Associated with Financial Instruments (cont'd)

##### iv. Credit risk

As at March 31, 2024 and 2023, debt securities by credit rating are as follows:

Bond Rating*	March 31, 2024	March 31, 2023
	% of Net Assets	% of Net Assets
AAA	15.8	33.3
AA	8.5	6.2
A	38.3	29.4
BBB	24.1	19.5
Less than BBB	0.7	1.7
Unrated	10.7	7.8
Total	98.1	97.9

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

As at March 31, 2024, the maximum exposure to any one debt issuer was 21.3% of the net assets of the Fund (2023 – 14.2%).

#### (d) Loss Carryforwards

As at the last taxation year-end, there were no capital and non-capital losses available to carry forward for tax purposes.

#### (e) Fair Value Classification

The table below summarizes the fair value of the Fund's financial instruments using the fair value hierarchy described in note 3.

	March 31, 2024				March 31, 2023			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Fixed income	–	86,596	1	86,597	–	68,440	–	68,440
Exchange Traded Funds	–	–	–	–	300	–	–	300
Equities	4	–	–	4	17	–	–	17
Cash equivalents	–	691	–	691	–	2,269	–	2,269
Derivative assets	8	29	–	37	2	30	–	32
Derivative liabilities	–	(24)	–	(24)	(81)	(26)	–	(107)
Total	12	87,292	1	87,305	238	70,713	–	70,951

There were no significant transfers between Level 1 and Level 2. Cash equivalents classified as level 2 investments are valued based on amortized cost plus accrued interest which closely approximates fair value.

The Fund's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for overseas equities when North American intraday stock market movements exceed predetermined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the overseas stock markets and the close of business for the Fund, where applicable. Consequently, during the year, overseas equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As of March 31, 2024, these securities were classified as Level 1 (2023 – Level 2). Other than as described above, there were no significant transfers between Level 1 and Level 2.

Cash equivalents classified as level 2 investments are valued based on amortized cost plus accrued interest which closely approximates fair value.



# COUNSEL SHORT TERM BOND

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## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 10. Fund Specific Information (in '000, except for (a)) (cont'd)

#### (e) Fair Value Classification (cont'd)

The table below summarizes the fair value of the Fund's investments using the fair value categories described in Note 3.

	March 31, 2024		March 31, 2023	
	Bonds (\$)		Equities (\$)	
Balance – beginning of period	–		–	
Purchases	–		–	
Sales	–		–	
Transfers in	1		–	
Transfers out	–		–	
Gains (losses) during the period:	–		–	
Realized	–		–	
Unrealized	–		–	
Balance – end of period	1		–	
Change in unrealized gains (losses) during the period attributable to securities held at end of period	–		–	

#### (f) Securities Lending

	March 31, 2024		March 31, 2023	
	(\$)		(\$)	
Value of securities loaned	20,844		9,698	
Value of collateral received	21,901		10,194	

	March 31, 2024		March 31, 2023	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	11	100.0	26	100.0
Tax withheld	–	–	–	–
	11	100.0	26	100.0
Payments to securities lending agent	(2)	(18.2)	(5)	(19.2)
Securities lending income	9	81.8	21	80.8

#### (g) Offsetting of Financial Assets and Liabilities

The tables below present financial assets and financial liabilities that are subject to master netting arrangements or other similar agreements and the net impact on the Fund's Statements of Financial Position if all set-off rights were exercised as part of future events such as bankruptcy or termination of contracts. No amounts were offset in the financial statements.

	March 31, 2024			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	37	(1)	90	126
Unrealized losses on derivative contracts	(24)	1	–	(23)
Total	13	–	90	103

	March 31, 2023			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	32	(5)	204	231
Unrealized losses on derivative contracts	(107)	5	–	(102)
Total	(75)	–	204	129

# COUNSEL SHORT TERM BOND

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## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 10. Fund Specific Information *(in '000, except for (a)) (cont'd)*

#### (h) Related Party Transactions

In February 2023, the Fund relied on standing instructions from the Counsel Funds' Independent Review Committee ("IRC") to sell \$31,370 of securities to Counsel Fixed Income and Counsel Canadian Core Fixed Income. Similarly, in December 2023, the Fund sold \$14,178 of securities to those funds. Transactions were conducted at market prices.