

COUNSEL HIGH INTEREST SAVINGS FUND

(Formerly IPC High Interest Savings Fund)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2025

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Canada Life Investment Management Ltd., as Manager of Counsel High Interest Savings Fund (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 Canada Life Investment Management Ltd. 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 senior representatives of the Manager and 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.

On behalf of Canada Life Investment Management Ltd.,
Manager of the Fund

Signed "Sam Febraro"

Sam Febraro
Chief Executive Officer
Canada Life Investment Management Ltd.
June 4, 2025

Signed "Carson Vanderwel"

Carson Vanderwel
Chief Financial Officer
Canada Life Investment Management Ltd.

INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Counsel High Interest Savings Fund (the "Fund")

Opinion

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

- the statements of financial position as at March 31, 2025 and March 31, 2024
- 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, 2025 and March 31, 2024, 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.

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INDEPENDENT AUDITOR'S REPORT (cont'd)

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.

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 4, 2025

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(Formerly IPC High Interest Savings Fund)

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STATEMENTS OF FINANCIAL POSITION

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

	2025 \$	2024 \$
ASSETS		
Current assets		
Investments at fair value	443,591	389,032
Cash and cash equivalents	46	—
Accrued interest receivable	1,033	1,494
Accounts receivable for investments sold	—	—
Accounts receivable for securities issued	—	1,112
Total assets	444,670	391,638
LIABILITIES		
Current liabilities		
Bank indebtedness	—	170
Accounts payable for investments purchased	4	407
Accounts payable for securities redeemed	—	—
Distributions payable	981	—
Due to manager	7	6
Total liabilities	992	583
Net assets attributable to securityholders	443,678	391,055

	Net assets attributable to securityholders (note 3)			
	per security		per series	
	2025	2024	2025	2024
Series A	10.00	10.00	222,892	216,949
Series C	10.00	10.00	1	24
Series F	10.00	10.00	98,050	84,756
Series I	10.00	10.00	9,768	13,221
Series Private Wealth	10.00	10.00	20,639	76,105
Series S	10.00	—	92,327	—
Series V	10.00	—	1	—
			443,678	391,055

STATEMENTS OF COMPREHENSIVE INCOME

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

	2025 \$	2024 \$
Income		
Interest income for distribution purposes	17,166	11,840
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	—	—
Net unrealized gain (loss)	—	—
Total income (loss)	17,166	11,840
Expenses (note 6)		
Management fees	595	377
Administration fees	232	132
Interest charges	34	3
Independent Review Committee fees	2	4
Other	1	2
Expenses before amounts absorbed by Manager	864	518
Expenses absorbed by Manager	—	—
Net expenses	864	518
Increase (decrease) in net assets attributable to securityholders from operations before tax	16,302	11,322
Foreign withholding tax expense (recovery)	—	—
Foreign income tax expense (recovery)	—	—
Increase (decrease) in net assets attributable to securityholders from operations	16,302	11,322

	Increase (decrease) in net assets attributable to securityholders from operations (note 3)			
	per security		per series	
	2025	2024	2025	2024
Series A	0.38	0.47	8,392	6,435
Series C	0.52	0.48	1	—
Series F	0.40	0.48	4,019	3,194
Series I	0.41	0.49	468	484
Series Private Wealth	0.42	0.49	1,724	1,209
Series S	0.32	—	1,698	—
Series V	0.01	—	—	—
			16,302	11,322

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

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STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	Total		Series A		Series C		Series F		Series I	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	391,055	101,027	216,949	48,424	24	3	84,756	37,240	13,221	5,216
Increase (decrease) in net assets from operations	16,302	11,322	8,392	6,435	1	–	4,019	3,194	468	484
Distributions paid to securityholders:										
Investment income	(16,294)	(11,437)	(8,388)	(6,512)	–	(1)	(4,017)	(3,230)	(467)	(486)
Capital gains	–	(415)	–	(247)	–	–	–	(125)	–	(18)
Total distributions paid to securityholders	(16,294)	(11,852)	(8,388)	(6,759)	–	(1)	(4,017)	(3,355)	(467)	(504)
Security transactions:										
Proceeds from securities issued	468,530	744,027	169,681	416,076	–	116	106,012	194,479	6,724	27,515
Reinvested distributions	14,747	11,340	7,685	6,532	–	1	3,465	3,071	440	504
Payments on redemption of securities	(430,662)	(464,809)	(171,427)	(253,759)	(24)	(95)	(96,185)	(149,873)	(10,618)	(19,994)
Total security transactions	52,615	290,558	5,939	168,849	(24)	22	13,292	47,677	(3,454)	8,025
Increase (decrease) in net assets attributable to securityholders	52,623	290,028	5,943	168,525	(23)	21	13,294	47,516	(3,453)	8,005
End of period	443,678	391,055	222,892	216,949	1	24	98,050	84,756	9,768	13,221
Increase (decrease) in fund securities (in thousands) (note 7):			Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period			21,695	4,836	2	–	8,476	3,719	1,322	521
Issued			16,968	41,572	–	12	10,600	19,429	673	2,750
Reinvested distributions			769	653	–	–	347	307	44	50
Redeemed			(17,143)	(25,366)	(2)	(10)	(9,618)	(14,979)	(1,062)	(1,999)
Securities outstanding – end of period			22,289	21,695	–	2	9,805	8,476	977	1,322

	Series Private Wealth		Series S		Series V	
	2025	2024	2025	2024	2025	2024
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS						
Beginning of period	76,105	10,144	–	–	–	–
Increase (decrease) in net assets from operations	1,724	1,209	1,698	–	–	–
Distributions paid to securityholders:						
Investment income	(1,724)	(1,208)	(1,698)	–	–	–
Capital gains	–	(25)	–	–	–	–
Total distributions paid to securityholders	(1,724)	(1,233)	(1,698)	–	–	–
Security transactions:						
Proceeds from securities issued	81,966	105,841	104,146	–	1	–
Reinvested distributions	1,669	1,232	1,488	–	–	–
Payments on redemption of securities	(139,101)	(41,088)	(13,307)	–	–	–
Total security transactions	(55,466)	65,985	92,327	–	1	–
Increase (decrease) in net assets attributable to securityholders	(55,466)	65,961	92,327	–	1	–
End of period	20,639	76,105	92,327	–	1	–
Increase (decrease) in fund securities (in thousands) (note 7):			Securities		Securities	
Securities outstanding – beginning of period	7,611	1,013	–	–	–	–
Issued	8,196	10,582	10,415	–	–	–
Reinvested distributions	167	123	149	–	–	–
Redeemed	(13,910)	(4,107)	(1,331)	–	–	–
Securities outstanding – end of period	2,064	7,611	9,233	–	–	–

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

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STATEMENTS OF CASH FLOWS

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

	2025 \$	2024 \$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	16,302	11,322
Adjustments for:		
Net realized loss (gain) on investments	—	—
Change in net unrealized loss (gain) on investments	—	—
Income received in-kind from investments	(16)	(7)
Purchase of investments	(277,854)	(309,596)
Proceeds from sale and maturity of investments	222,908	20,658
(Increase) decrease in accounts receivable and other assets	461	(1,200)
Increase (decrease) in accounts payable and other liabilities	1	5
Net cash provided by (used in) operating activities	(38,198)	(278,818)
Cash flows from financing activities		
Proceeds from securities issued	455,959	742,915
Payments on redemption of securities	(416,979)	(464,809)
Distributions paid net of reinvestments	(566)	(512)
Net cash provided by (used in) financing activities	38,414	277,594
Net increase (decrease) in cash and cash equivalents	216	(1,224)
Cash and cash equivalents at beginning of period	(170)	1,054
Effect of exchange rate fluctuations on cash and cash equivalents	—	—
Cash and cash equivalents at end of period	46	(170)
Cash	46	—
Cash equivalents	—	—
Bank indebtedness	—	(170)
Cash and cash equivalents at end of period	46	(170)
Supplementary disclosures on cash flow from operating activities:		
Dividends received	—	—
Foreign taxes paid	—	—
Interest received	17,627	10,640
Interest paid	34	3

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SCHEDULE OF INVESTMENTS

as at March 31, 2025

Investment Name	Country	Sector	Par Value/ Number of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
HIGH INTEREST SAVINGS ACCOUNTS					
BNS Investment Savings Account	Canada	High Interest Savings Accounts	132,104,353	132,104	132,104
Equitable Bank High Interest Savings Account	Canada	High Interest Savings Accounts	246,118,139	246,119	246,118
National Bank IPC High Interest Savings Account	Canada	High Interest Savings Accounts	64,980,074	64,980	64,980
Total high interest savings accounts				443,203	443,202
MONEY MARKET FUNDS					
¹ Counsel Money Market Series O	Canada	Mutual Funds	38,882	389	389
Total money market funds				389	389
Transaction costs				—	—
Total investments				443,592	443,591
Cash and cash equivalents					46
Other assets less liabilities					41
Net assets attributable to securityholders					443,678

¹ This fund is managed by the Manager or affiliates of the Manager of the Fund.

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SUMMARY OF INVESTMENT PORTFOLIO

MARCH 31, 2025	
PORTFOLIO ALLOCATION	% OF NAV
High interest savings accounts	99.9
Money market funds	0.1
Cash and cash equivalents	—
Other assets (liabilities)	—
REGIONAL ALLOCATION	% OF NAV
Canada	100.0
Cash and cash equivalents	—
Other assets (liabilities)	—

MARCH 31, 2024	
SECTOR ALLOCATION	% OF NAV
High interest savings accounts	99.3
Money market funds	0.1
Other assets (liabilities)	0.6
REGIONAL ALLOCATION	% OF NAV
Canada	99.4
Other assets (liabilities)	0.6

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NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

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 255 Dufferin Avenue, London, 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 or exempt distribution options.

The information provided in these financial statements and notes thereto is for the periods ended or as at March 31, 2025 and 2024. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Where a series of a Fund was terminated during either period, the information for the series is provided up to close of business on the termination date. Refer to Note 10 (a) for the formation date of the Fund and the inception date of each series.

In these financial statements, "CLIML" and "the Manager" refer to Canada Life Investment Management Ltd., which is an indirect, wholly-owned subsidiary of The Canada Life Assurance Company ("Canada Life"). During the first half of the period ending September 30, 2024, Counsel Portfolio Services Inc. ("Counsel"), was the previous manager of the Fund. On October 1, 2024, Counsel was amalgamated with CLIML, whereupon the amalgamated company, named CLIML, continued as the Fund's Manager. The Manager has entered into a fund administration agreement with Mackenzie Financial Corporation ("Mackenzie"), an affiliate of the Manager and Canada Life, for administrative services. Investments in companies within the Power Group of companies held by the Fund are identified in the Schedule of Investments.

2. Basis of Preparation and Presentation

These audited 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 and presentation currency, and 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 instruments that have been measured at fair value.

These financial statements were authorized for issue by the Board of Directors of CLIML on June 4, 2025.

3. Material Accounting Policies

(a) Financial instruments

Financial instruments include financial assets such as high interest savings accounts. The Fund classifies and measures financial instruments in accordance with IFRS 9, *Financial Instruments* ("IFRS 9"). Upon initial recognition, financial instruments are classified as fair value through profit or loss ("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.

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*. The Fund's obligation for net assets attributable to securityholders is presented at the redemption amount.

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.

The Fund's sole investment in the EQ Bank High Interest Savings Account is valued at cost which, together with accrued interest, is equal to its fair value under contractual terms with counterparties.

The Fund's financial instruments carried at fair value are classified using the following fair value hierarchy:

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; and

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

(c) Income recognition

Interest income for distribution purposes represents interest accrued in high interest savings accounts by counterparties, which is reorganized daily.

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

(d) 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 Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – 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.

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NOTES TO FINANCIAL STATEMENTS

3. Material Accounting Policies (cont'd)

(e) 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.

(f) 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, if applicable.

(g) 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.

(h) Future accounting changes

In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18"). IFRS 18, which replaces IAS 1, *Presentation of financial statements*, introduces new requirements to present specified categories and defined subtotals in the statement of comprehensive income, new disclosure for management-defined performance measures, and additional requirements for aggregation and disaggregation of information.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Manager is assessing the impact of the adoption of this standard.

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 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 assessed the Fund's business model, the manner in which all financial instruments are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Fund's 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.

Interest in unconsolidated structured entities

In determining whether an Underlying Fund or an ETF in which the Fund invests, 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 not 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 objectives to provide investment opportunities for investors while passing on the associated risks and rewards. As a result, such investments are accounted for at FVTPL. Note 10 summarizes the details of the Fund's interest in these Underlying Funds, if applicable.

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 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 investors 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 for the Fund's loss carryforwards.

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NOTES TO FINANCIAL STATEMENTS

6. Management Fees and Operating Expenses

The Manager 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. The management fee is calculated on each series of securities of the Fund as a fixed annual percentage of the daily net asset value of the series.

Each series of the Fund is charged a fixed rate annual administration fee ("Administration Fee"), as applicable, and in return, the Manager bears all of the operating expenses of the Fund, other than certain specified fund costs. The Administration Fee is calculated on each series of securities of the Fund as a fixed annual percentage of the daily net asset value of the series.

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 Fund's Independent Review Committee ("IRC"), costs of complying with the regulatory requirement to produce Fund Facts, 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.

The Manager 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 for the management fee and Administration Fee rates charged to each series of securities.

7. Fund's Capital

The capital of the Fund, which is comprised of the net assets attributable to securityholders, is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at March 31, 2025 and 2024 and securities issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. The Manager manages the capital of the Fund in accordance with the investment objectives as discussed in Note 10.

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 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. To assist in managing risks, the Manager 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.

The Fund seeks to provide investors with a high rate of monthly interest income, while preserving capital and providing liquidity, by investing primarily in high interest deposit accounts. Although the Fund operates as a money market fund, its NAV may diverge from \$10 per unit and only pays distributions once a month.

(b) Liquidity risk

Liquidity risk arises when the Fund encounters difficulty in meeting its financial obligations as they become 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 predetermined 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).

(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. The Fund's largest exposure to credit risk relates to its investments in high interest savings accounts with EQ Bank whose current short term credit rating is R1-low and Bank of Nova Scotia whose current short term credit rating is R1-high.

The carrying amount of investments and other assets represents the maximum credit risk exposure as at the dates of the Statements of Financial Position.

(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.

(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.

(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.

COUNSEL HIGH INTEREST SAVINGS FUND
(Formerly IPC High Interest Savings Fund)

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NOTES TO FINANCIAL STATEMENTS

9. Other Information

Abbreviations

Foreign currencies, if any, are presented in these financial statements using the following abbreviated currency codes:

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

COUNSEL HIGH INTEREST SAVINGS FUND

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

(a) Fund Formation and Series Information

Series	Inception/ Reinstatement Date	Minimum Investment (\$)	Management fee (%) ⁵	Administration fee (%) ⁵
Series A ¹	January 24, 2023	500	0.20	0.05
Series C ^{1,4}	January 24, 2023	500	0.10	0.05
Series F ²	January 24, 2023	500	0.10	0.05
Series I ^{2,3}	January 24, 2023	500	—	0.05
Series Private Wealth ⁶	January 24, 2023	—	—	0.05
Series S ⁷	May 10, 2024	—	—	0.05
Series V ⁸	March 17, 2025	—	—	0.05

- (1) Series A and Series C are the only series subject to sales charges. Securities may be subject to a negotiated fee of up to 5% at time of initial purchase.
- (2) 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 the Manager 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.
- (3) The management fee for this series is equal to that of Series F but is payable directly by the investor to the Manager rather than by the Fund, generally through the monthly redemption of securities.
- (4) This series is only available to investors utilizing the Counsel Advisor-Directed Rebalancing ("Counsel ADR") service.
- (5) The Manager may, at its discretion, waive or lower the management fee (either directly or indirectly) and/or administration fee payable by investors.
- (6) 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.
- (7) This series is offered to The Canada Life Assurance Company for use in its segregated funds, but may be sold to other investors as determined by the Manager.
- (8) This series is offered to investment funds managed by Value Partners Investments, but may be sold to other investors as determined by the Manager.

(b) Tax Loss Carryforwards

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

(c) Securities Lending

As at March 31, 2025 and 2024, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

(d) Commissions

For the periods ended March 31, 2025 and 2024, commissions paid by the Fund did not generate any third-party services that were provided or paid for by brokers.

(e) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks to provide investors with a high rate of monthly interest income, while preserving capital and providing liquidity, by investing primarily in high interest deposit accounts. Prior to October 30, 2023, the Fund had a NAV which could vary. Effective that date, the Fund moved to fixed \$10 NAV where distributions accrue to investors every day.

ii. Currency risk

As at March 31, 2025 and 2024, the Fund did not have a significant exposure to currency risk.

iii. Interest rate risk

As at March 31, 2025 and 2024, the Fund did not have a significant exposure to interest rate risk as its investments were solely cash accounts.

iv. Other price risk

As at March 31, 2025 and 2024, the Fund did not have a significant exposure to other price risk.

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NOTES TO FINANCIAL STATEMENTS

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

(e) Risks Associated with Financial Instruments (cont'd)

v. Credit risk

The Fund's largest exposure to credit risk relates to its investments in high interest savings accounts with financial institutions.

As at March 31, 2025 and 2024, short term credit rating of those financial institutions are as follows:

	March 31, 2025	March 31, 2024
Short-term Notes Rating*	% of Net Assets	% of Net Assets
R1 (High)	44.4	29.2
R1 (Med)	—	—
R1 (Low)	55.5	70.1
Unrated	—	—
Total	99.9	99.3

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

(f) 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, 2025				March 31, 2024			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
High interest savings accounts	443,202	—	—	443,202	388,660	—	—	388,660
Money market funds	389	—	—	389	372	—	—	372
Total	443,591	—	—	443,591	389,032	—	—	389,032

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.

During the periods, there were no transfers between Level 1 and Level 2.

(g) Investments by the Manager and Affiliates

The investments held by the Manager and funds managed by affiliates of the Manager, investing in series S of the Fund, as applicable (as described in *Fund Formation and Series Information* in note 10), were as follows:

	March 31, 2025	March 31, 2024
	(\$)	(\$)
The Manager	2,659	2,549
Funds managed by affiliates of the Manager	92,327	—

(h) Offsetting of Financial Assets and Liabilities

As at March 31, 2025 and 2024, there were no amounts subject to offsetting.

(i) Interest in Unconsolidated Structured Entities

The Fund's investment details in the Underlying Funds as at March 31, 2025 and 2024 are as follows:

March 31, 2025	% of Underlying Fund's Net Assets	Fair Value of Fund's Investment (\$)
Counsel Money Market Series O	3.2	389
March 31, 2024	% of Underlying Fund's Net Assets	Fair Value of Fund's Investment (\$)
Counsel Money Market Fund Series O	3.1	372

(j) Name Change

Effective October 29, 2024, the Fund was renamed Counsel High Interest Savings Fund.

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NOTES TO FINANCIAL STATEMENTS

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

(k) Comparative Amounts

Certain prior period comparative figures within the statements of cash flows and the supplementary disclosures on cash flows from operating activities have been adjusted to accurately reflect interest income received from high interest savings accounts which was received in cash, as presented in the table below.

	Previously reported (\$)	Adjustment (\$)	As currently presented (\$)
Cash flows from operating activities:			
Income received in-kind from investments	(10,603)	10,596	(7)
Purchase of investments	(299,000)	(10,596)	(309,596)
	(309,603)	—	(309,603)
Supplementary disclosures on cash flow from operating activities:			
Interest received	44	10,596	10,640