

COUNSEL | PORTFOLIO SERVICES

Counsel Global Dividend

ANNUAL FINANCIAL STATEMENTS

For the year ended March 31, 2018

COUNSEL | PORTFOLIO SERVICES

Management's *Responsibility for Financial Reporting*

To the securityholders of:

Counsel All Equity Portfolio	Counsel Conservative Portfolio Class	Counsel Income Portfolio
Counsel All Equity Portfolio Class	Counsel Defensive Global Equity	Counsel International Growth
Counsel Balanced Growth Portfolio	Counsel Fixed Income	Counsel International Value
Counsel Balanced Portfolio	Counsel Global Dividend	Counsel Money Market
Counsel Balanced Portfolio Class	Counsel Global Fixed Income	Counsel Monthly Income Portfolio
Counsel Canadian Core Fixed Income	Counsel Global Low Volatility Equity	Counsel North American High Yield Bond
Counsel Canadian Dividend	Counsel Global Real Estate	Counsel Retirement Accumulation Portfolio
Counsel Canadian Dividend Class	Counsel Global Small Cap	Counsel Retirement Foundation Portfolio
Counsel Canadian Growth	Counsel Global Trend Strategy	Counsel Retirement Income Portfolio
Counsel Canadian Growth Class	Counsel Growth Portfolio	Counsel Retirement Preservation Portfolio
Counsel Canadian Value	Counsel Growth Portfolio Class	Counsel Short Term Bond
Counsel Canadian Value Class	Counsel High Income Portfolio	Counsel U.S. Growth
Counsel Conservative Portfolio	Counsel High Yield Fixed Income	Counsel U.S. Value

(collectively, "the Funds")

The accompanying financial statements have been prepared by Counsel Portfolio Services Inc. ("Counsel"), as manager of the Funds. The statements have been approved by the Board of Directors of Counsel (the "Board"). Management is responsible for the information and representations contained in these financial statements.

Counsel maintains internal controls over the financial reporting process to ensure that relevant and reliable financial information is provided. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies, which management believes are appropriate for the Funds, are described in note 3 to the financial statements.

The Board is responsible for reviewing and approving the financial statements and overseeing the Manager's performance of its financial reporting responsibilities. The Board is assisted in discharging this responsibility by an Audit Committee, which reviews the financial statements and recommends them for approval by the Board. The Audit Committee also 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.

Deloitte LLP are the external auditors of the Funds. They are appointed by the Board. The external auditors have audited the financial statements in accordance with generally accepted auditing standards to enable them to express to securityholders their opinion on the financial statements.



Chris Reynolds
Director



Frank Gawlina
Chief Financial Officer

June 7, 2018

Independent Auditor's Report

To the Securityholders of

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(collectively "the Funds")

We have audited the accompanying financial statements of the Funds, which comprise the statements of financial position, statements of comprehensive income, statements of changes in financial position and statements of cash flows as at and for the periods indicated in note 1, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Funds' preparation and fair presentation of the financial statements 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 Funds' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds, their financial performance and their cash flows as at and for the periods indicated in note 1 in accordance with International Financial Reporting Standards.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
June 7, 2018

STATEMENTS OF FINANCIAL POSITION

at March 31, 2018 with comparative figures at March 31, 2017
(in \$ 000 except per security amounts)

	Mar. 31 2018	Mar. 31 2017
Assets		
Current assets:		
Investments at fair value	127,344	119,723
Cash and cash equivalents	3,265	399
Accrued interest receivable	-	-
Dividends receivable	549	587
Accounts receivable for investments sold	3,273	9
Accounts receivable for securities issued	17	347
Accounts receivable from the Manager	-	-
Margin on derivative contracts	-	-
Derivative assets	-	-
Other assets	-	-
	134,448	121,065
Non-current assets:		
Taxes recoverable	162	163
Other assets	-	-
	162	163
Total assets	134,610	121,228
Liabilities		
Current liabilities:		
Bank indebtedness	-	-
Accounts payable for investments purchased	6,986	-
Accounts payable for securities redeemed	566	92
Distributions payable	-	-
Accrued expenses and miscellaneous payables	5	-
Dividends payable on investments sold short	-	-
Derivative liabilities	754	-
Taxes payable	-	-
Other liabilities	1	1
Total liabilities	8,312	93
Net assets attributable to securityholders	126,298	121,135

	Net assets attributable to securityholders			
	per security		per series	
	Mar. 31 2018	Mar. 31 2017	Mar. 31 2018	Mar. 31 2017
Series A	14.55	13.53	22,683	25,983
Series F	14.81	13.77	11,199	10,530
Series I	14.96	13.91	11,008	5,057
Series O	15.06	14.01	51,811	52,074
Series Private Wealth	14.94	13.90	29,597	27,491
			126,298	121,135

STATEMENTS OF COMPREHENSIVE INCOME

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

	2018	2017
Income:		
Dividends	5,335	5,030
Interest and other income	2	1
Net realized gain (loss)	13,283	1,999
Net unrealized gain (loss)	(4,024)	8,830
Income (loss) from derivatives	-	-
Income (loss) from short selling	-	-
Securities lending income	-	-
Trust income	2	21
Total income	14,598	15,881
Expenses:		
Management fees	678	833
Management fee rebates	-	-
Administration fees	163	177
Commissions and other portfolio transaction costs	238	276
Independent Review Committee costs	1	1
Interest and other charges	4	3
Expenses before amounts absorbed by Manager	1,084	1,290
Expenses absorbed by Manager	-	-
Net expenses	1,084	1,290
Increase (decrease) in net assets attributable to securityholders from operations before tax	13,514	14,591
Foreign withholding tax expense (recovery)	579	588
Foreign income tax expense (recovery)	-	-
Income tax expense (recovery)	-	-
Increase (decrease) in net assets attributable to securityholders from operations	12,935	14,003

	Increase (decrease) in net assets attributable to securityholders from operations			
	per security		per series	
	2018	2017	2018	2017
Series A	1.21	1.32	2,054	2,384
Series E	n/a	0.39	n/a	482
Series F	1.41	1.51	1,025	1,317
Series I	1.58	1.68	922	311
Series O	1.65	1.74	5,719	6,380
Series Private Wealth	1.59	1.69	3,215	3,129
			12,935	14,003

STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	TOTAL		SERIES A		SERIES E		SERIES F	
	2018	2017	2018	2017	2018	2017	2018	2017
Net assets attributable to securityholders, beginning of period	121,135	117,280	25,983	14,917	-	15,906	10,530	13,552
Increase (decrease) in net assets attributable to securityholders resulting from:								
Operations	12,935	14,003	2,054	2,384	-	482	1,025	1,317
Distributions:								
Income	(4,050)	(3,669)	(281)	(208)	-	(203)	(271)	(299)
Capital gains	-	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-	-	-
Management fee rebates	-	-	-	-	-	-	-	-
Total distributions	(4,050)	(3,669)	(281)	(208)	-	(203)	(271)	(299)
Security transactions:								
Proceeds from sale of securities	41,965	37,660	5,045	17,873	-	890	3,926	2,836
Proceeds from securities issued on merger	-	-	-	-	-	-	-	-
Reinvested from distributions	3,922	3,595	256	195	-	199	195	266
Payment on redemption of securities	(49,609)	(47,734)	(10,374)	(9,178)	-	(17,274)	(4,206)	(7,142)
Total security transactions	(3,722)	(6,479)	(5,073)	8,890	-	(16,185)	(85)	(4,040)
Increase (decrease) in assets attributable to securityholders	5,163	3,855	(3,300)	11,066	-	(15,906)	669	(3,022)
Net assets attributable to securityholders, end of period	126,298	121,135	22,683	25,983	-	-	11,199	10,530
Increase (decrease) in securities (in thousands):								
Securities outstanding, beginning of period			1,920.7	1,204.5	-	1,277.3	764.7	1,076.2
Add (deduct):								
Securities sold			352.5	1,415.2	-	71.1	268.5	219.2
Securities issued on merger			-	-	-	-	-	-
Reinvested from distributions			17.9	15.8	-	16.3	13.4	21.0
Securities redeemed			(732.7)	(714.8)	-	(1,364.7)	(290.4)	(551.7)
Securities outstanding, end of period			1,558.4	1,920.7	-	-	756.2	764.7

	SERIES I		SERIES O		SERIES PRIVATE WEALTH	
	2018	2017	2018	2017	2018	2017
Net assets attributable to securityholders, beginning of period	5,057	1,565	52,074	48,041	27,491	23,299
Increase (decrease) in net assets attributable to securityholders resulting from:						
Operations	922	311	5,719	6,380	3,215	3,129
Distributions:						
Income	(369)	(78)	(2,008)	(1,952)	(1,121)	(929)
Capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Management fee rebates	-	-	-	-	-	-
Total distributions	(369)	(78)	(2,008)	(1,952)	(1,121)	(929)
Security transactions:						
Proceeds from sale of securities	7,632	3,954	19,930	3,847	5,432	8,260
Proceeds from securities issued on merger	-	-	-	-	-	-
Reinvested from distributions	347	58	2,008	1,952	1,116	925
Payment on redemption of securities	(2,581)	(753)	(25,912)	(6,194)	(6,536)	(7,193)
Total security transactions	5,398	3,259	(3,974)	(395)	12	1,992
Increase (decrease) in assets attributable to securityholders	5,951	3,492	(263)	4,033	2,106	4,192
Net assets attributable to securityholders, end of period	11,008	5,057	51,811	52,074	29,597	27,491
Increase (decrease) in securities (in thousands):						
Securities outstanding, beginning of period	363.4	122.9	3,717.5	3,749.2	1,978.2	1,832.6
Add (deduct):						
Securities sold	522.6	294.6	1,295.5	292.0	368.1	630.8
Securities issued on merger	-	-	-	-	-	-
Reinvested from distributions	23.7	4.3	136.2	149.5	76.3	71.3
Securities redeemed	(173.7)	(58.4)	(1,707.7)	(473.2)	(441.2)	(556.5)
Securities outstanding, end of period	736.0	363.4	3,441.5	3,717.5	1,981.4	1,978.2

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

STATEMENTS OF CASH FLOWS

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

	2018	2017
Cash flows from operating activities		
Increase (decrease) in net assets attributable to securityholders from operations	12,935	14,003
Less non-cash impact of:		
Net realized loss (gain) on investments	(13,283)	(1,999)
Change in net unrealized loss (gain) on investments	4,024	(8,830)
Distributions received from Underlying Funds	-	-
Adjustments for:		
Proceeds from sale and maturity of investments	173,955	206,648
Purchases of investments	(167,840)	(199,213)
(Increase) decrease in accounts receivable and other assets	39	40
Increase (decrease) in accounts payable and other liabilities	5	(6)
Net cash provided by (used in) operating activities	9,835	10,643
Cash flows from financing activities:		
Proceeds from securities issued	42,295	22,086
Proceeds from securities issued on merger	-	-
Payments on redemption of securities	(49,135)	(32,768)
Distributions paid net of reinvestments	(128)	(74)
Net cash provided by (used in) financing activities	(6,968)	(10,756)
Increase (decrease) in cash and cash equivalents	2,867	(113)
Cash and cash equivalents at beginning of period	399	511
Effect of exchange rate fluctuations on cash and cash equivalents	(1)	1
Cash and cash equivalents, end of period	3,265	399
Cash	3,265	399
Cash equivalents	-	-
Bank indebtedness	-	-
	3,265	399

Supplementary disclosures on cash flow from operating activities:

Dividends received net of withholding taxes	4,795	4,482
Interest received net of withholding taxes	2	1
Interest paid	4	3
Income taxes paid (recovered)	-	-

SCHEDULE OF INVESTMENTS

as at March 31, 2018

	Country	Sector	No. of Units/ Shares	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES					
ACS, Actividades de Construccion y Servicios SA	Spain	Industrials	23,672	978	1,190
Aegon NV	Netherlands	Financials	151,986	1,378	1,322
African Rainbow Minerals Ltd.	South Africa	Materials	23,123	252	256
Agilent Technologies Inc.	United States	Health Care	7,214	560	622
Agricultural Bank of China Ltd. H	China	Financials	1,469,000	860	1,088
Air New Zealand Ltd.	New Zealand	Industrials	460,446	870	1,388
Aker BP ASA	Norway	Energy	14,504	498	505
Alexander & Baldwin Inc.	United States	Real Estate	17,657	560	526
Alexander Forbes Group Holding	South Africa	Financials	42,640	23	33
Apple Inc.	United States	Information Technology	9,925	1,396	2,145
Arata Corp.	Japan	Consumer Discretionary	2,600	176	188
Asian Pay Television Trust	Singapore	Consumer Discretionary	115,000	61	60
ASM Pacific Technology Ltd.	Hong Kong	Information Technology	35,200	648	642
ASUSTeK Computer Inc.	Taiwan	Information Technology	94,000	1,094	1,129
AT&T Inc.	United States	Telecommunication Services	33,365	1,660	1,532
Banco do Estado do Rio Grande do Sul SA	Brazil	Financials	22,400	180	177
Bank of Montreal	Canada	Financials	18,500	1,769	1,800
BayCurrent Consulting Inc.	Japan	Industrials	1,000	40	42
Best Buy Co. Inc.	United States	Consumer Discretionary	20,125	1,838	1,815
Biotage AB	Sweden	Health Care	5,683	74	63
BlackRock Inc.	United States	Financials	627	452	438
Bobst Group AG	Switzerland	Industrials	1,143	189	163
The Boeing Co.	United States	Industrials	3,456	1,454	1,460
Canadian Imperial Bank of Commerce	Canada	Financials	15,843	1,706	1,802
China Petroleum and Chemical Corp. H (Sinopec)	China	Energy	796,000	902	909
Chyang Sheng Dyeing & Finishing Co. Ltd.	Taiwan	Consumer Discretionary	130,000	143	140
CI Financial Corp.	Canada	Financials	8,200	241	226
CIMB Group Holdings BHD	Malaysia	Financials	141,100	302	338
Cisco Systems Inc.	United States	Information Technology	32,880	1,822	1,817
Citi Trends Inc.	United States	Consumer Discretionary	3,829	152	152
CNA Financial Corp.	United States	Financials	8,999	618	572
The Coca-Cola Co.	United States	Consumer Staples	32,719	1,837	1,831
Cogeco Inc. Sub. voting	Canada	Consumer Discretionary	600	50	41
Comcast Corp. Class A	United States	Consumer Discretionary	25,355	1,175	1,116
Companhia de Gas de Sao Paulo-COMGAS	Brazil	Utilities	28,219	495	645
Computacenter PLC	United Kingdom	Information Technology	8,745	139	182
CSR Ltd.	Australia	Materials	10,187	44	53
Deutsche Lufthansa AG Reg.	Germany	Industrials	43,916	1,802	1,808
Duetsche Beteiligungs AG	Germany	Financials	1,166	87	73
Emira Property Fund Ltd.	South Africa	Real Estate	54,876	94	93
Empire Co. Ltd. Class A non-voting	Canada	Consumer Staples	4,800	111	124
Ence Energia y Celulosa SA	Spain	Materials	22,677	195	220
Ennis Business Forms	United States	Industrials	1,541	39	39
Eramet	France	Materials	857	170	152
Evraz PLC	Russia	Materials	172,424	856	1,356
EXOR SPA	Netherlands	Financials	5,754	564	530
Exxon Mobil Corp.	United States	Energy	19,113	1,880	1,837
EZ Tec Empreendimentos e Participacoes SA	Brazil	Consumer Discretionary	52,500	505	473
Fancl Corp.	Japan	Consumer Staples	2,800	124	132
Fisher & Paykel Healthcare Corp. Ltd.	New Zealand	Health Care	23,328	192	289
Formosa Petrochemical Corp.	Taiwan	Energy	71,000	298	372
Fujitsu Ltd.	Japan	Information Technology	135,000	1,117	1,073
Gannett Co. Inc.	United States	Consumer Discretionary	40,329	527	519
George Kent (Malaysia) BHD	Malaysia	Industrials	38,550	23	51
Granite Real Estate Investment Trust	Canada	Real Estate	613	23	31
Haitong International Securities Group Ltd.	China	Financials	407,000	351	308
Hallador Energy Co.	United States	Energy	9,178	67	81
Hamilton Beach Brands Holdings Co.	United States	Consumer Discretionary	8,785	361	240
Hera SpA	Italy	Utilities	203,074	931	959
Hitachi Ltd.	Japan	Information Technology	87,000	848	814
The Home Depot Inc.	United States	Consumer Discretionary	8,970	1,607	2,060
Hon Hai Precision Industry Co. Ltd.	Taiwan	Information Technology	400,000	1,613	1,593
HP Inc.	United States	Information Technology	59,913	1,849	1,692
Humana Inc.	United States	Health Care	2,950	954	1,022
Industrial and Commercial Bank of China Ltd. H	China	Financials	1,248,000	1,042	1,394
Inficon Holding AG	Switzerland	Information Technology	637	466	505
Insperty Inc.	United States	Industrials	3,610	269	323
International Consolidated Airlines Group SA	United Kingdom	Industrials	32,533	355	362
The Interpublic Group of Companies Inc.	United States	Consumer Discretionary	50,714	1,548	1,505
Ipsen SA	France	Health Care	3,243	642	649
John Wiley & Sons Inc. Class A	United States	Consumer Discretionary	5,793	476	475
Johnson Outdoors Inc. Class A	United States	Consumer Discretionary	4,779	175	382
JPMorgan Chase & Co.	United States	Financials	14,424	1,764	2,043
Kanematsu Corp.	Japan	Industrials	4,300	74	76
KappAhl AB	Sweden	Consumer Discretionary	17,141	103	68
Kohl's Corp.	United States	Consumer Discretionary	9,170	774	774

SCHEDULE OF INVESTMENTS (continued)

as at March 31, 2018

	Country	Sector	No. of Units/ Shares	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES (continued)					
Koninklijke Ahold Delhaize NV	Netherlands	Consumer Staples	15,386	457	470
Kronos Worldwide Inc.	United States	Materials	59,332	1,705	1,727
KT Corp. ADR	South Korea	Telecommunication Services	28,056	545	495
Labrador Iron Ore Royalty Corp.	Canada	Materials	2,800	65	59
Lam Research Corp.	United States	Information Technology	5,883	1,061	1,540
Las Vegas Sands Corp.	United States	Consumer Discretionary	19,583	1,841	1,814
Lazard Ltd. Class A	United States	Financials	25,147	1,811	1,703
Liu Chong Hing Investment Ltd.	Hong Kong	Real Estate	22,000	42	46
Louisiana-Pacific Corp.	United States	Materials	27,888	1,035	1,034
Lundin Mining Corp.	Canada	Materials	149,000	1,293	1,259
Malayan Banking BHD	Malaysia	Financials	525,200	1,630	1,854
Manpower Inc.	United States	Industrials	6,875	1,101	1,019
Massmart Holdings Ltd.	South Africa	Consumer Staples	26,208	477	462
Mastercard Inc. Class A	United States	Information Technology	7,810	1,868	1,762
McBride PLC	United Kingdom	Consumer Staples	8,983	26	26
Mexichem SAB de CV	Mexico	Materials	38,864	152	154
Microsoft Corp.	United States	Information Technology	18,511	565	2,177
Mineral Resources Ltd.	Australia	Materials	18,226	352	310
MMI Holdings Inc	South Africa	Financials	66,691	164	160
Moorim P&P Co. Ltd.	South Korea	Materials	26,352	222	208
Motor Oil (Hellas) Corinth Refineries SA	Greece	Energy	22,477	303	654
Mugen Estate Co. Ltd.	Japan	Real Estate	6,000	96	98
Neste Oil OYJ	Finland	Energy	23,094	1,011	2,075
NetApp Inc.	United States	Information Technology	17,360	1,300	1,380
New Media Investment Group Inc.	United States	Consumer Discretionary	81,201	1,551	1,793
Nippon Telegraph & Telephone Corp. (NTT)	Japan	Telecommunication Services	30,000	1,754	1,785
Norbord Inc.	Canada	Materials	39,842	1,679	1,861
Norsk Hydro ASA	Norway	Materials	183,619	1,534	1,395
NTT DoCoMo Inc.	Japan	Telecommunication Services	700	22	23
Nu Skin Enterprises Inc. Class A	United States	Consumer Staples	11,571	1,050	1,099
Olam International Ltd.	Singapore	Consumer Staples	57,800	133	134
OMV AG	Austria	Energy	25,735	1,772	1,934
Orion OYJ	Finland	Health Care	24,423	1,067	964
Partners Group Holding AG	Switzerland	Financials	814	714	780
PepsiCo Inc.	United States	Consumer Staples	13,037	1,730	1,833
Polaris Infrastructure Inc.	Canada	Utilities	1,700	30	30
The Procter & Gamble Co.	United States	Consumer Staples	15,528	1,512	1,586
PT Bank Rakyat Indonesia (Persero) TBK	Indonesia	Financials	4,329,700	1,483	1,464
PT Indo Tambangraya Megah TBK	Indonesia	Energy	22,900	58	61
PTT Exploration and Production PCL	Thailand	Energy	377,400	1,533	1,782
PTT PCL	Thailand	Energy	14,300	221	326
Public Bank BHD	Malaysia	Financials	63,800	404	510
Rathbone Brothers PLC	United Kingdom	Financials	643	28	28
Recordati SPA	Italy	Health Care	27,543	963	1,315
Repsol SA	Spain	Energy	72,470	1,614	1,659
Robert Half International Inc.	United States	Industrials	18,397	1,386	1,372
Roche Holding AG Genussscheine	Switzerland	Health Care	5,348	1,619	1,580
Rocky Brands Inc.	United States	Consumer Discretionary	2,031	35	56
Round One Corp.	Japan	Consumer Discretionary	25,800	568	528
Royal Bank of Canada	Canada	Financials	17,300	1,770	1,722
Safeway Inc. Rights	United States	Consumer Staples	22,300	-	-
Sanderson Farms Inc.	United States	Consumer Staples	1,110	226	170
Saras SPA	Italy	Energy	70,757	153	200
Schnitzer Steel Industries Inc. Class A	United States	Materials	26,305	895	1,096
Service Stream Ltd.	Australia	Industrials	21,057	33	34
Siamgas & Petrochemicals PCL	Thailand	Energy	288,800	363	345
Sino-Ocean Land Holdings Ltd.	China	Real Estate	455,000	413	429
SK Hynix Inc.	South Korea	Information Technology	23,395	1,436	2,307
SLC Agricola SA	Brazil	Consumer Staples	16,600	153	224
Sony Corp.	Japan	Consumer Discretionary	4,400	291	275
South32 Ltd.	Australia	Materials	420,479	1,453	1,350
Standard Bank Group Ltd.	South Africa	Financials	23,874	590	569
Star Petroleum Refining PCL	Thailand	Energy	651,800	279	430
Statoil ASA	Norway	Energy	61,040	1,550	1,862
Stock Spirits Group PLC	United Kingdom	Consumer Staples	66,941	190	301
Stora Enso OYJ R	Finland	Materials	20,377	503	483
Swissquote Group Holding SA	Switzerland	Financials	480	37	38
Systemax Inc.	United States	Information Technology	10,494	383	386
Tenaga Nasional BHD	Malaysia	Utilities	102,700	458	555
Ternium SA ADR	Luxembourg	Materials	37,929	924	1,588
Thai Oil Public Company Ltd. NVDR	Thailand	Energy	220,300	801	834
Tilly's Inc.	United States	Consumer Discretionary	7,295	128	106
Tokai Carbon Korea Co. Ltd.	South Korea	Information Technology	796	75	78
Tokyu Construction Co. Ltd.	Japan	Industrials	8,500	117	119
The Toronto-Dominion Bank	Canada	Financials	14,182	993	1,037
Tosei Corp.	Japan	Real Estate	2,900	44	45

SCHEDULE OF INVESTMENTS (continued)

as at March 31, 2018

	Country	Sector	No. of Units/ Shares	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES (continued)					
Transcontinental Inc. Class A Sub. voting	Canada	Industrials	3,100	55	79
Tupras-Turkiye Petrol Rafinerileri AS	Turkey	Energy	30,403	817	1,076
United Integrated Services Co. Ltd.	Taiwan	Industrials	54,000	136	157
UnitedHealth Group Inc.	United States	Health Care	746	224	206
UPM-Kymmene OYJ	Finland	Materials	48,770	773	2,332
Valero Energy Corp.	United States	Energy	15,593	1,383	1,864
Vilmorin & Cie SA	France	Consumer Staples	728	93	82
Visa Inc. Class A	United States	Information Technology	3,097	505	477
Volvo AB Class B	Sweden	Industrials	2,280	55	54
VP Bank AG	Liechtenstein	Financials	200	41	40
Wilson Bayly Holmes-Ovcon Ltd.	South Africa	Industrials	4,740	71	80
Zhen Ding Technology Holding Ltd.	Taiwan	Information Technology	48,000	150	148
Zurich Insurance Group AG	Switzerland	Financials	2,075	794	877
				114,449	127,344
COMMISSIONS AND OTHER PORTFOLIO TRANSACTION COSTS				(76)	–
TOTAL INVESTMENTS				<u>114,373</u>	<u>127,344</u>
Net Assets					
Total investments					127,344
Cash and cash equivalents					3,265
Derivative liabilities (see schedule of derivative instruments)					(754)
Other net assets (liabilities)					(3,557)
					<u>126,298</u>

Schedule of Asset Composition

at March 31, 2018

	% of net assets
BY ASSET TYPE	
Equities	100.8
Cash and cash equivalents	2.6
Other	(3.4)
Total	100.0

	% of net assets
BY SECTOR	
Financials	18.2
Information Technology	17.3
Energy	14.9
Materials	13.4
Consumer Discretionary	11.5
Industrials	7.8
Consumer Staples	6.7
Health Care	5.3
Utilities	1.7
Real Estate	1.0
Telecommunication Services	3.0
Other	(3.4)
	100.0

	% of net assets
BY REGION	
United States	42.1
Europe ex U.K.	24.6
Pacific ex Japan	18.7
Canada	4.6
Japan	4.1
Latin America	1.3
Middle East and Africa	1.3
United Kingdom	0.7
Cash and cash equivalents	2.6
	100.0

at March 31, 2017

	% of net assets
BY ASSET TYPE	
Equities	98.8
Cash and cash equivalents	0.3
Other	0.9
Total	100.0

	% of net assets
BY SECTOR	
Information Technology	14.8
Consumer Staples	14.6
Energy	13.1
Consumer Discretionary	11.0
Materials	9.5
Financials	8.9
Utilities	6.5
Industrials	6.2
Health Care	5.9
Telecommunication Services	5.1
Real Estate	3.2
Cash and cash equivalents	0.3
Other	0.9
	100.0

	% of net assets
BY REGION	
United States	42.7
Europe ex U.K.	24.0
Pacific ex Japan	17.9
United Kingdom	5.4
Canada	4.0
Japan	2.3
Latin America	2.2
Middle East and Africa	1.2
Cash and cash equivalents	0.3
	100.0

Schedule of Derivative Instruments

as at March 31, 2018

Schedule of Forward Currency Contracts

Counterparty credit rating	Settlement date	Currency to be received (000)	Contract costs (CAD\$ 000)	Currency to be delivered (000)	Current fair value (CAD\$ 000)	Unrealized gains (CAD\$ 000)	Unrealized losses (CAD\$ 000)
AA	05-08-2018	11,405 CAD	11,405	9,125 USD	11,748	-	(343)
AA	05-08-2018	9,125 USD	11,825	11,825 CAD	11,748	-	(77)
AA	05-08-2018	11,415 CAD	11,415	9,125 USD	11,748	-	(334)
						-	(754)

TOTAL DERIVATIVE ASSETS

-

TOTAL DERIVATIVE LIABILITIES

(754)

NOTES TO ANNUAL FINANCIAL STATEMENTS**1. FISCAL PERIODS AND GENERAL INFORMATION**

The information provided in these financial statements and notes thereto is for the year ended or as at March 31, 2018 and 2017, as applicable. In the year a series is established, 'period' represents the period from inception to the period end of that fiscal period. Refer to Note 10 for series inception 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 International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). A summary of the Fund's significant 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 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.

These financial statements were authorized for issue by Counsel's Board of Directors on June 7, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES**(a) Financial Instruments**

Financial instruments include financial assets and liabilities such as debt and equity securities and derivatives. 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 instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date.

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

The Fund's redeemable securities contain multiple contractual obligations and therefore meet the criteria for classification as financial liabilities. The Fund's obligation for net assets attributable to securityholders is presented at the redemption amount.

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 Statement 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 Statement of Comprehensive Income for the period in which they arise.

(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, including exchange traded funds ("ETFs"), listed on a public securities exchange or traded on an over-the-counter market are valued on the basis of the last traded market price where this price falls within the quoted bid-ask spread for the investment. In circumstances where the last traded price is not within the bid-ask spread, the Manager 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 the Manager 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. The cost of investments is determined on a weighted average cost basis.

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 fair value which closely approximates their amortized cost due to their nature of being highly liquid and having short terms to maturity.

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 the Manager, 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.

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 – Other changes in fair value of investments - Net unrealized gain (loss).

Further information on the Fund's fair value measurements may be found in Note 10.

(c) Income recognition

Interest income from interest bearing investments is recognized using the effective interest method. 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, are calculated on an average cost basis.

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 financial assets or liabilities. They include fees and commissions paid to agents, advisers, brokers and dealers.

(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. 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. Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments, and financial institutions. 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 – Securities lending income and recognized when earned.

(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.

NOTES TO ANNUAL FINANCIAL STATEMENTS**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****(g) Offsetting**

The Fund only offsets financial assets and liabilities in the Statement 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.

Income and expenses are not offset in the statement 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

Net asset value per security is determined for the purchase and redemption of securities in accordance with the methods disclosed in the Fund's Simplified Prospectus and Annual Information Form. These methods may vary from valuation principles under IFRS. The fair value of net assets presented in the financial statements is consistent with the net asset values calculated for the purchase and redemption of the Fund's redeemable securities calculated in accordance with securities regulations.

(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) Mergers

The Fund applies the acquisition method of accounting for Fund mergers. Under this method, one of the Funds in each merger is identified as the acquiring Fund, and is referred to as the Continuing Fund, and the other Fund involved in the merger is referred to as the Terminated Fund. This identification is based on the comparison of the relative net asset values of the Funds as well as consideration of the continuation of such aspects of the Continuing Fund as: investment advisors; investment objectives and practices; type of portfolio securities; and management fees and expenses.

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 and application of the fair value option*

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.

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. It is the intention of the Fund to distribute all of its net income and sufficient net realized capital gains so that the Fund will not be subject to income taxes other than foreign withholding taxes, if applicable. The Fund's taxation year end is December 15.

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 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, any new fees related to external services that were not commonly charged in the Canadian mutual fund industry and introduced after October 27, 2017 and the costs of complying with any new regulatory requirements, including, without limitation, any new fees introduced after October 27, 2017.

The management fee and Administration Fee are calculated for each series of securities of the Fund as a fixed annual percentage of the daily net asset value of the series. Refer to Note 10 for the management fee and Administration Fee rates charged to each series of securities.

At its sole discretion, the Manager may waive management fees or Administration fees otherwise payable by a series.

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, 2018 and 2017 and securities issued, reinvested and redeemed for the period 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 10.

NOTES TO ANNUAL FINANCIAL STATEMENTS**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), and where applicable, by using derivatives to hedge certain risk exposures. 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.

(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 accordance with securities regulations, the Fund must maintain at least 85% of its assets in liquid investments (i.e., investments that can be readily sold). In addition, the Fund retains sufficient cash and short-term investment positions to maintain adequate liquidity. The Fund also has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

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 Statement of Financial Position and Statement 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 that it has entered into with the Fund.

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.

If significant, Note 10 summarizes the Fund's exposure to credit risk pertaining to fixed income investments and derivatives.

(d) Currency risk

Currency risk arises when the fair value of financial instruments that are denominated in a currency other than the Canadian dollar, which is the Fund's reporting currency, fluctuates due to changes in exchange rates. If applicable and significant, Note 10 summarizes the Fund's exposure to currency risk.

(e) Interest rate risk

Interest rate risk arises when the fair value of interest-bearing financial instruments fluctuates due to changes in the prevailing levels of market interest rates. Cash and cash equivalents do not expose the Fund to significant amounts of interest rate risk. If applicable and significant, Note 10 summarizes the Fund's exposure to interest rate risk related to fixed income investments.

(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. If applicable and significant, Note 10 summarizes the Fund's exposure to other price risk, including indirect exposure through underlying investment funds and ETFs.

9. FURTHER INFORMATION

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 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.counselervices.com or by visiting www.sedar.com.

NOTES TO ANNUAL FINANCIAL STATEMENTS

All figures stated in \$000s of Canadian dollars, except for Note 10(a), unless otherwise noted

10. FUND SPECIFIC INFORMATION**(a) Series information**

Series	Date of Inception	Minimum Investment (\$)	Management Fee ⁹ (%)	Administration Fee ⁹ (%)
Series A ^{1,3}	July 13, 2012	1,000	2.10	0.31
Series E ^{4,5}	July 13, 2012	75,000	2.10	0.31
Series F ^{2,3,4,10}	July 13, 2012	1,000	1.10	0.15
Series I ^{2,3,4,6,9}	July 13, 2012	1,000	-	0.15
Series O ^{4,7}	July 24, 2012	-	-	-
Series Private Wealth ^{4,8}	July 13, 2012	-	-	0.15

¹ As described in the Fund's Simplified Prospectus, securities of this series purchased under the sales charge purchase option may be subject to a fee of up to 5%; securities purchased under the redemption charge or low-load purchase options may be subject to a redemption fee of up to 6% or 3% respectively.

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 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. Investors in this series may be eligible for a management fee reduction subject to meeting certain requirements as discussed in the Fund's Simplified Prospectus.

³ Effective October 28, 2016, the Series A management fee was reduced from 2.20% to 2.10% and the Series F administration fee was reduced from 0.31% to 0.15%. Additionally, the minimum investment for Series I was reduced from \$150,000 to \$1,000.

⁴ Securities of this series are not subject to sales charges or redemption charges.

⁵ On November 4, 2016, Series E securities were redesignated as Series A securities, resulting in a consolidation of the series' assets.

⁶ The management fee for this series is 1.10% and is payable directly to Counsel generally through the monthly redemption of securities.

⁷ 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.

⁸ There are no management fees for Series Private Wealth. An investor must enter into an agreement to participate in the IPC Private Wealth Program and agree to pay certain asset-based fees. Prior to November 21, 2016, this series was called Series P.

⁹ Counsel may, at its discretion, waive or lower the management fee (either directly or indirectly) and/or administration fee payable by investors.

¹⁰ Prior to October 27, 2017, this series was called Series D.

(b) Investment Objectives and Strategies

The Fund seeks to earn dividend income and long-term growth of capital by investing primarily in Canadian, U.S. and international equities. The Fund may invest up to 100% of its assets in foreign securities.

NOTES TO ANNUAL FINANCIAL STATEMENTS

All figures stated in \$000s of Canadian dollars, except for Note 10(a), unless otherwise noted

10. FUND SPECIFIC INFORMATION (continued)**(c) Risks Associated with Financial Instruments**

i. Currency Risk

The table below indicates the foreign currencies, to which the Fund had significant exposure as at period end in Canadian dollar terms, including the underlying principal amount of forward currency contracts.

March 31, 2018				
Currency	Investments	Cash and cash equivalents	Derivative instruments	Net exposure
Australian dollars	1,747	4	-	1,751
Chinese yuan	4,129	-	-	4,129
Euro	20,698	(3)	-	20,695
Japanese yen	5,198	-	-	5,198
Malaysian ringgit	3,309	46	-	3,355
Norwegian krona	3,763	12	-	3,775
South Korean won	3,088	24	-	3,112
Swiss franc	3,943	-	-	3,943
Taiwanese dollars	3,539	(150)	-	3,389
Thailand baht	3,716	8	-	3,724
United States dollars	53,215	92	(11,748)	41,559
Other currencies	10,927	38	-	10,965
Total	117,272	71	(11,748)	105,595
As percent of net assets (%)				83.6

March 31, 2017				
Currency	Investments	Cash and cash equivalents	Derivative instruments	Net exposure
Brazilian real	2,610	119	-	2,729
Euro	18,311	66	-	18,377
Japanese yen	2,834	-	-	2,834
New Zealand dollars	2,570	36	-	2,606
Norwegian krona	3,221	5	-	3,226
South Korean won	6,329	-	-	6,329
Swiss franc	4,817	10	-	4,827
Taiwanese dollars	3,842	-	-	3,842
Thailand baht	2,629	3	-	2,632
United Kingdom pounds	6,603	22	-	6,625
United States dollars	51,705	83	-	51,788
Other currencies	10,529	15	-	10,544
Total	116,000	359	-	116,359
As percent of net assets (%)				96.1

As at March 31, 2018, had the Canadian dollar strengthened or weakened by 5.0% relative to all foreign currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$5,280 or 4.2% of total net assets (March 31, 2017—\$5,818 or 4.8% of total net assets). In practice, the actual trading results may differ and the difference could be material.

ii. Interest Rate Risk

As at March 31, 2018 and March 31, 2017, the Fund did not have a significant exposure to interest rate risk related to fixed income investments.

iii. Other Price Risk

The Fund's most significant exposure to other price risk arises from its investment in equity securities. As at March 31, 2018, had the prices on the respective stock exchanges for these securities raised or lowered by 10.0%, with all other variables held constant, net assets would have increased or decreased by approximately \$12,734 or 10.1% of total net assets (March 31, 2017—\$11,972 or 9.9% of total net assets). In practice, the actual trading results may differ and the difference could be material.

iv. Credit Risk

As at March 31, 2018 and March 31, 2017, the Fund did not have a significant exposure to credit risk related to fixed income investments.

(d) Loss Carryforwards

As at the last taxation year-end, the Fund had no loss carryforwards available to offset future taxable income.

NOTES TO ANNUAL FINANCIAL STATEMENTS

All figures stated in \$000s of Canadian dollars, except for Note 10(a), unless otherwise noted

10. FUND SPECIFIC INFORMATION (continued)**(e) Fair Value Classification**

The table below summarizes the Fund's financial instruments carried at fair value 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.

as at March 31, 2018	Level 1	Level 2	Level 3	Total
Fixed income	-	-	-	-
Equities	86,321	41,023	-	127,344
Cash equivalents	-	-	-	-
Derivative assets	-	-	-	-
Derivative liabilities	-	(754)	-	(754)
Total	86,321	40,269	-	126,590

as at March 31, 2017	Level 1	Level 2	Level 3	Total
Fixed income	-	-	-	-
Equities	119,723	-	-	119,723
Cash equivalents	-	-	-	-
Derivative assets	-	-	-	-
Derivative liabilities	-	-	-	-
Total	119,723	-	-	119,723

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for non-North American 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 non-North American stock markets and the close of business for the Fund. Consequently, during the period, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices).

As of March 31, 2018, these securities were generally classified as Level 2 (March 31, 2017 – Level 1). 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.

for the year ended March 31, 2018 (\$ 000)	Fixed Income	Equities	Total
Balance – beginning of period	-	-	-
Purchases	-	-	-
Sales	-	(25)	(25)
Transfers in	-	-	-
Transfers out	-	-	-
Gains (losses) during the period:			
Realized	-	27	27
Unrealized	-	(2)	(2)
Balance – end of period	-	-	-
Unrealized gains (losses) during the period attributable to securities held at end of period	-	-	-

for the year ended March 31, 2017 (\$ 000)	Fixed Income	Equities	Total
Balance – beginning of period	-	-	-
Purchases	-	-	-
Sales	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Gains (losses) during the period:			
Realized	-	-	-
Unrealized	-	-	-
Balance – end of period	-	-	-
Unrealized gains (losses) during the period attributable to securities held at end of period	-	-	-

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.

(f) Securities Lending

As at March 31, 2018 and March 31, 2017, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

(g) Re-designation of Series

Effective November 4, 2016, Series E was re-designated and its net assets transferred to Series A at fair value. The transfer of \$15,315 is included in Proceeds from sale of securities for Series A and in the Payment on redemption of securities for Series E in the Statements of Changes in Financial Position. Securities sold for Series A includes 1,216 securities, and Securities redeemed for Series E includes 1,209 securities related to this transaction.

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