

## COUNSEL | PORTFOLIO SERVICES

# Counsel Income *portfolio*

(formerly known as Counsel Managed Yield *portfolio*)

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the year ended March 31, 2018

### Fund Manager

Counsel Portfolio Services Inc.

This Annual Management Report of Fund Performance contains financial highlights but does not contain either the annual or interim financial statements of the investment fund. If you have not received a copy of the financial statements with this report, you may obtain a copy at no cost, by calling toll-free at 1-877-216-4979, by writing to us at Counsel Portfolio Services Inc, 5015 Spectrum Way, Suite 300, Mississauga, Ontario, L4W 0E4, by visiting our website at [www.counsel-services.com](http://www.counsel-services.com) or by visiting the SEDAR website at [www.sedar.com](http://www.sedar.com).

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure. For more information, please refer to the Fund's Simplified Prospectus and Annual Information Form, which may also be obtained, at no cost, using any of the methods outlined above.

Every effort has been made to ensure that the information contained in this report is accurate as of March 31, 2018; however, the Fund cannot guarantee the accuracy or the completeness of this material. Please refer to the Fund's Simplified Prospectus and audited annual financial statements for more information.

### CAUTION ON FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements which reflect our current expectations or forecasts of future events. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as: "expects", "anticipates", "intends", "plans", "believes", "estimates", "preliminary", "typical" and other similar expressions. In addition, these statements may relate to future corporate actions, future financial performance of a fund or a security and their future investment strategies and prospects. Forward-looking statements are inherently subject to, among other things, risks, uncertainties and assumptions which could cause actual events, results, performance or prospects to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, the volatility of global equity and capital markets, business competition, technological change, changes in securities legislation, changes in government regulations, changes in tax law, unexpected judicial or regulatory proceedings, catastrophic events and the ability of Counsel Portfolio Services Inc. to attract or retain key employees. The foregoing list of important risks, uncertainties and assumptions is not exhaustive. Please consider these and other factors carefully and do not place undue reliance on forward-looking statements.

The forward-looking information contained in this report is current only as of the date of this report. There should not be an expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.

# Management Discussion of Fund Performance

June 7, 2018

This Management Discussion of Fund Performance intends to present the significant factors and developments during the year ended March 31, 2018, that have affected the Fund's performance and outlook. For information on the Fund's longer-term performance, as applicable, please refer to the Past Performance section of the report. In this report, Counsel or the Manager refers to Counsel Portfolio Services Inc., the manager of the Fund.

In addition, net asset value (NAV) refers to the value of the Fund or a series as calculated for transaction purposes, on which the discussion of Fund performance is based.

## Investment Objective and Strategies

The Fund seeks to provide regular income with the potential for long-term capital growth by investing in a portfolio of fixed income securities, including government and corporate bonds, debentures and notes, either directly or through securities of other mutual funds. The fund also may invest in equity and equity-like securities that are expected to produce income. The Fund's asset classes currently range between 65–85% in fixed income securities and 15–35% in equity securities. Effective January 17, 2018, the Fund modified its strategies by replacing its tactical sub-advisor PanAgora Asset Management Inc. (PanAgora) and adopting a structure where the Fund invests solely in other mutual funds (the Underlying Funds').

## Risk

The risks of investing in the Fund remain as discussed in the Fund's Simplified Prospectus. The Fund is suitable for investors who: seek a global balanced fund to hold as a key part of their portfolio; want a medium to long-term investment; can handle the ups and downs of stock and bond markets; and have a low tolerance for risk.

## Results of Operations

### Investment Performance

The performance of the Fund's Series A securities is discussed below. The performance of all other series offered by the Fund is shown in the *Past Performance* section of this report. Series returns may differ for a number of reasons, including if the series was not issued and outstanding for the entire reporting period and because of different levels of fees and expenses charged to each series. Please refer to the *Series Information* section of this report for the varying management and administration fees payable by series.

During the year, the Fund's Series A securities returned -0.75% (after deducting fees and expenses). The Fund underperformed the broad-based FTSE TMX Canada Universe Bond Index, which returned 1.36%. The broad-based index is comprised of

fixed income and has no exposure to equities and commodities whereas the Fund invests in equities, commodities, and fixed income credit instruments. Given the Fund's composition, the Blended Benchmark provides a more meaningful comparison.

The Fund's Blended Benchmark returned 0.57% and is comprised of 75% FTSE TMX Canada Universe Total Return Index (returned 1.36%) and 25% S&P/TSX Composite Dividend Total Return Index (returned 1.51%)

The Fund's Blended Benchmark was changed from 30% FTSE TMX Canada Bond Universe Index, 17.5% S&P/TSX Composite Total Return Index (returned 1.71%), 12.5% JP Morgan Global Government Bond Index (returned 5.25%), 10% FTSE TMX Canada Short Term Bond Index (returned -0.37%), 10% Bank of America Merrill Lynch U.S. High Yield Master II Total Return Index (returned 0.24%), 5% FTSE EPRA/NAREIT Developed Index (returned 0.76%), 10% Bank of America Global Government Inflation Index (returned 5.03%) and 5% DB Commodity Index (returned 7.51%) in January 2018 to reflect revised investment strategies which were enacted at that time. This previous Blended Benchmark's return was 2.41%.

This change included the removal of PanAgora Asset Management as the tactical sub-advisor and introducing an investment in Counsel Retirement Income Portfolio which allows a trend-following allocation which aims to incrementally remove risk in times of market stress. The Fund changed its name from Counsel Managed Yield Portfolio to Counsel Income Portfolio concurrently.

All index and series returns are calculated on a total return basis in Canadian dollar terms. Investors cannot invest in an index without incurring fees, expenses and commissions, none of which are reflected in the index returns.

The Fund underperformed the Blended Benchmark primarily due to its allocation to Counsel Short Term Bond. This fund underperformed due to underweight exposure to Federal and Provincial bonds.

In April 2017, the Fund's effective target effective hedge against the U.S. Dollar ("USD") was re-established. The hedge ranged from 50% to 65% between April 5, 2017 and January 5, 2018, at which time it was removed. It was subsequently re-established at 50% on February 7, 2018 and was reduced to 25% on March 5, 2018. During the year, the Canadian dollar ("CAD") appreciated 3.33% against the USD; as a result, the currency hedge contributed to the Fund's performance. In addition, the Fund has been generally unhedged against international currencies other than the USD. During the year, the CAD depreciated by 5.67% against a broad basket of international currencies, as weighted in the MSCI EAFE index. As a result, the Fund's non-USD currency exposures have had a positive performance impact on the Fund.

## Net Assets

The Fund's NAV declined by \$11.7 million, or 28.2%, to \$29.7 million as at March 31, 2018, from \$41.4 million at March 31, 2017. This decrease was almost entirely attributable to net redemptions.

## Fees and Expenses

The Management Expense Ratio ("MER") for Series A of 2.52%, during the year ended March 31, 2018, was lower than the MER of 2.61% for the year ended March 31, 2017. The MER decreased due to a reduction of management fees effective October 28, 2016, as noted in the Series Information section of the report. The MERs (before and after waivers or absorptions, if any) are presented in the *Financial Highlights* section of this report.

## Recent Developments

Although equity markets were volatile in the first quarter of 2018, the global economy continues to march along and is not suffering from imbalances seen in previous economic cycles. U.S. consumers and businesses have not leveraged themselves as in previous cycles. As a result, consumer and corporate cash flow is strong and rising. We are carefully watching the U.S. Federal Reserve and other central banks as they face the difficult task of raising interest rates without triggering a sharp downturn. The Fund remains tilted towards international and U.S. equities and underweight Canadian equities to better take advantage of growth opportunities. It should be kept in mind that recent market downturns have helped to bring stock prices, particularly in the U.S., back into line with historical averages. The Fund's fixed income exposures are intended to be less impacted by possible North American interest rate increases through interest rate hedging strategies, investments in emerging markets fixed income, and high-yield strategies which aim to be less directly correlated with the broader fixed income market.

Systematic risk mitigation strategies employed in Counsel Retirement Income Portfolio are designed to gradually step out of more volatile assets (like equities) and reallocate to less volatile assets (like short-term bonds) when market signals indicate measurable downward trends. Late in the first quarter of 2018, some signals began to indicate a trend forming and this fund have begun to make incremental moves to reduce risk. Should significant market volatility continue, Counsel may increase the Fund's allocation to this fund.

The Fund currently has an effective partial target hedge against the USD. The USD hedge is dynamic and may vary between 0-100% at Counsel's discretion based on its assessment of currency market conditions. The Fund is expected to remain generally unhedged against currencies other than the USD for the foreseeable future.

## Related Party Transactions

### Management and Administration Services

For each applicable series, the Fund paid management fees and administration fees to Counsel at the annual rates specified under *Series Information* in this report and as more fully described in the Simplified Prospectus. In return for the administration fees, Counsel pays all costs and expenses (other than certain specified fund costs) required to operate the Fund. See also *Management Fees*.

### Portfolio Transaction Services

IPC Investment Corporation, an affiliate of Counsel, provides portfolio transaction services to the Fund when the Fund invests directly in securities of mutual funds other than Counsel Funds.

The Fund pays no brokerage commissions or fees on these investment transactions.

### Other Related Party Transactions

The Fund relied on a positive recommendation from the Independent Review Committee (IRC) which removed PanAgora Asset Management Inc. as its sub-advisor and changed the Fund's strategy to invest solely in other investment funds managed by Counsel.

### Management Fees

The Fund's management fees were used by the Manager to pay for: costs of managing the investment portfolio; providing investment analysis and recommendations; making investment decisions; the purchase and sale of the investment portfolio; and providing other services. The Manager also used the management fees to fund commission payments and other compensation (collectively, "Distribution Related Payments") paid to the dealers and brokers for securities of the Fund bought and held by investors.

The following dealers, who are affiliated with Counsel, may be entitled to Distribution Related Payments from Counsel on the same basis as unrelated registered brokers and dealers: IPC Securities Corporation, Investors Group Securities Inc., IPC Investment Corporation, Investors Group Financial Services Inc. and Quadrus Investment Services Ltd.

During the year, approximately 42% of the total management fee revenues received from all Counsel funds were used to fund Distribution Related Payments to registered dealers and brokers. In comparison, such Distribution Related Payments for the Fund represented 45% of the management fees paid. This amount is an average percentage of the management fees paid by all series. The actual percentage for each series may be higher or lower than the average depending on the level of trailing commissions and sales commissions paid for that series. As certain series of the Fund pay lower management fees than most other Counsel Funds, Distribution Related Payments comprise a higher proportion of the Fund's management fee than the average for all Counsel Funds.

## Series Information

The Fund may issue an unlimited number of securities for each series. The number of issued and outstanding securities of each series is disclosed in *Financial Highlights*. A 10-year history of the major changes affecting the Fund can be found in the Fund's Annual Information Form, available at [www.counselservices.com](http://www.counselservices.com).

|                               | Date of Inception | Minimum Investment (\$) | Management Fee <sup>7</sup> (%) | Administration Fee <sup>7</sup> (%) |
|-------------------------------|-------------------|-------------------------|---------------------------------|-------------------------------------|
| Series A <sup>1,3</sup>       | October 26, 2010  | 1,000                   | 1.94                            | 0.25                                |
| Series E <sup>3,4</sup>       | October 26, 2010  | 75,000                  | 1.67                            | 0.25                                |
| Series F <sup>2,3,4,5</sup>   | October 26, 2010  | 1,000                   | 0.94                            | 0.15                                |
| Series I <sup>2,3,4,6,7</sup> | October 26, 2010  | 1,000                   | -                               | 0.15                                |

<sup>1</sup> 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.

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

<sup>3</sup> Effective October 28, 2016, the Series A management fee was reduced from 2.02% to 1.94%; the Series F management fee was reduced from 0.95% to 0.94% and the Series F administration fee was reduced from 0.25% to 0.15%. Additionally, the minimum investment for Series I was reduced from \$150,000 to \$1,000 and Series E was no longer available for sale.

<sup>4</sup> Securities of this series are not subject to sales charges or redemption charges.

<sup>5</sup> Prior to October 27, 2017, this series was called Series D.

<sup>6</sup> The management fee for this series is 0.94% and is payable directly to Counsel generally through the monthly redemption of securities.

<sup>7</sup> Counsel may, at its discretion, waive or lower the management fee (either directly or indirectly) and/or administration fee payable by investors.

## Past Performance

The indicated rates of return are the historical annual compound total returns, including changes in NAV per security and assuming reinvestment of all distributions. They do not take into account sales, redemption, distribution or optional sales charges, or income taxes payable by any investor that would have reduced returns. The past performance of the Fund is not necessarily an indication of how it will perform in the future.

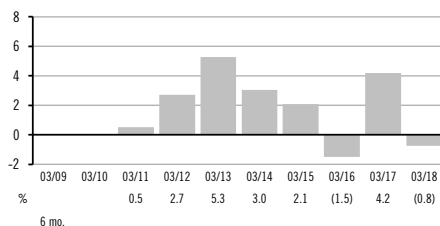
If you hold this Fund outside of a registered plan, income and capital gains distributions paid to you increase your income for tax purposes, whether paid in cash or reinvested in additional securities. The amount of reinvested taxable distributions is added to the adjusted cost base of the securities that you own. This would decrease your capital gain or increase your capital loss when you later redeem from the Fund, thereby ensuring that you are not taxed on this amount again. Please consult your tax advisor regarding your personal tax situation.

## Year-by-Year Returns

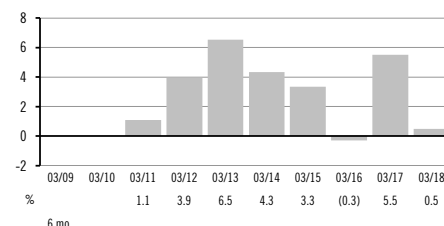
The bar chart shows how much an investment made on the first day of each financial year would have increased or decreased by the end of the respective periods. For the first year of a series, the percentage

shown will be the actual return of the series from its inception date, which can be found under *Series Information*. The chart illustrates how the Fund's performance has changed over time.

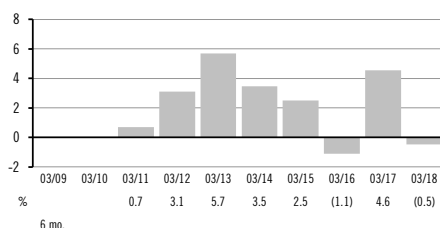
**SERIES A**



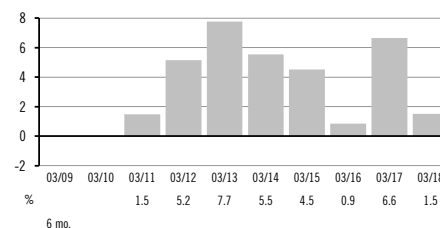
**SERIES F**



**SERIES E**



**SERIES I**



## Annual Compound Returns

The Annual Compound Return table shows the annual compound total return for each series of the Fund for the periods shown ended March 31, 2018. The annual compound total return is also compared to the Fund's benchmark(s)<sup>1</sup> calculated on the same compound basis.

| (%)                                                              | 1 yr   | 3 yrs  | 5 yrs  | 10 yrs | Since inception |
|------------------------------------------------------------------|--------|--------|--------|--------|-----------------|
| <b>Series A</b>                                                  | (0.75) | 0.62   | 1.39   | n/a    | 2.07            |
| <b>Series E</b>                                                  | (0.47) | 0.96   | 1.76   | n/a    | 2.46            |
| <b>Series F</b>                                                  | 0.49   | 1.87   | 2.65   | n/a    | 3.33            |
| <b>Series I</b>                                                  | 1.51   | 2.97   | 3.79   | n/a    | 4.48            |
| Blended Benchmark                                                | 0.57   | 2.25   | 4.64   | n/a    | 4.81            |
| Previous Blended Benchmark                                       | 2.41   | 2.80   | 4.71   | n/a    | 4.76            |
| FTSE TMX Canada Universe Bond Index                              | 1.36   | 1.21   | 2.89   | n/a    | 3.67            |
| S&P/TSX Composite Dividend Total Return Index                    | 1.51   | 5.69   | 7.75   | n/a    | 6.72            |
| JP Morgan Global Aggregate Bond Index                            | 5.25   | 3.60   | 5.94   | n/a    | 5.18            |
| ICE Bank of America Merrill Lynch US High Yield Index            | 0.24   | 5.81   | 10.13  | n/a    | 9.95            |
| FTSE TMX Canada Short Term Bond Index                            | (0.37) | 0.67   | 1.56   | n/a    | 2.00            |
| ICE BofAML Global Inflation-Linked Government Total Return Index | 5.03   | 3.97   | 6.88   | n/a    | 6.72            |
| S&P/TSX Total Return Index                                       | 1.71   | 4.07   | 6.93   | n/a    | 5.68            |
| FTSE EPRA/NAREIT Global Real Estate Index                        | 0.76   | 3.06   | 10.10  | n/a    | 10.66           |
| DB Commodity Total Return                                        | 7.51   | (0.61) | (2.49) | n/a    | (4.64)          |

<sup>1</sup> The Blended Benchmark is comprised of 75% FTSE TMX Canada Universe Bond Index, 25% S&P/TSX Composite Total Return Index

The Previous Blended Benchmark is comprised of 30% FTSE TMX Canada Universe Bond Index, 17.5% S&P/TSX Composite Total Return Index, 12.5% JP Morgan Global Government Bond Index, 10% FTSE TMX Canada Short Term Bond Index, 10% Bank of America Merrill Lynch U.S. High Yield Masters II Index, 5% FTSE EPRA/NAREIT Developed Index, 10% Bank of American Global Government Inflation Index and 5% DB Commodities Index.

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

The S&P/TSX Composite Dividend Index aims to provide a broad-based benchmark of Canadian dividend-paying stocks. The index includes all stocks in the S&P/TSX Composite with positive annual dividend yields as of the latest rebalancing of the S&P/TSX Composite.

The FTSE TMX Canada Universe Bond Index is a broad measure of the total return of Canadian bonds that mature in more than one year. It includes approximately 900 Canadian federal, provincial, municipal and corporate bonds rated BBB or higher.

The S&P/TSX Total Return Index tracks the performance of some of the largest and most widely held stocks listed on the Toronto Stock Exchange.

The JP Morgan Global Aggregate Bond Index consists of U.S. dollar denominated, investment-grade bonds from developed and emerging markets. It is constructed from over 5,000 instruments issued from a broad range of countries.

The FTSE TMX Canada Short Term Bond Index is a market capitalization-weighted index consisting of a diversified range of investment-grade federal, provincial, municipal and corporate bonds with a term to maturity between 1 and 5 years

The ICE Bank of America Merrill Lynch US High Yield Index tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market.

The FTSE EPRA/NAREIT Global Real Estate index was developed by the European Public Real Estate Association (EPRA), a common interest group aiming to promote, develop and represent the European public real estate sector, and the North American Association of Real Estate Investment Trusts (NAREIT), the representative voice of the US REIT industry. The index series is designed to reflect the stock performance of companies engaged in specific aspects of the North American, European and Asian Real Estate markets. According to a survey conducted by ABN AMRO, the index is used by 75% of global real estate investors and managers.

The ICE BofAML Global Inflation-Linked Government Total Return tracks the performance of inflation linked global sovereign debt publicly issued and denominated in the issuer's own domestic market and currency. Qualifying securities must have at least one year remaining term to final maturity and interest and principal payments tied to inflation.

DB Commodities Index tracks the performance of a large basket of various commodities futures contracts.

## Summary of Investment Portfolio

as at March 31, 2018

The largest holdings of the Fund (up to 25) as at the end of the period and the major asset classes in which the Fund was invested are indicated below. The investments and percentages may have changed by the time you purchase securities of this Fund. The top 25 holdings are made available quarterly, 60 days after quarter-end, except for March 31, which is the fiscal year-end for the Fund, when they are available after 90 days. Please see the front page for information about how they can be obtained.

The effective allocation shows the regional, sector, and currency exposure of the Fund calculated by including the Fund's proportionate share of its holdings in Underlying Funds and index participation securities. The Simplified Prospectus and other information about each of the Underlying Funds are available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## Summary of Top 25 Holdings

|                                                 | % of net asset value |
|-------------------------------------------------|----------------------|
| Counsel Canadian Core Fixed Income Series O     | 30.2                 |
| Counsel Short Term Bond Series O                | 19.0                 |
| Counsel Canadian Dividend Series O              | 18.1                 |
| Counsel North American High Yield Bond Series O | 14.9                 |
| Counsel Retirement Income Portfolio Series O    | 10.0                 |
| Counsel Global Fixed Income Series O            | 7.5                  |
| Cash and cash equivalents                       | 0.4                  |
|                                                 | <b>100.1</b>         |

## Summary of Composition of the Portfolio

|                                      | % of net asset value |
|--------------------------------------|----------------------|
| <b>BY ASSET TYPE</b>                 |                      |
| Canadian Bond Funds                  | 59.2                 |
| International Bond Funds             | 22.4                 |
| Canadian Equity Funds                | 18.1                 |
| Cash and cash equivalents            | 0.4                  |
| Other                                | (0.1)                |
| <b>Total</b>                         | <b>100.0</b>         |
| <b>EFFECTIVE SECTOR ALLOCATION</b>   |                      |
| Corporate Bonds                      | 33.3                 |
| Government Bonds                     | 31.3                 |
| Financials                           | 7.4                  |
| Energy                               | 4.2                  |
| Real Estate                          | 2.6                  |
| Telecommunication Services           | 2.0                  |
| Utilities                            | 1.4                  |
| Consumer Staples                     | 1.2                  |
| Consumer Discretionary               | 0.9                  |
| Materials                            | 0.7                  |
| Information Technology               | 0.7                  |
| Industrials                          | 0.2                  |
| Cash and cash equivalents            | 0.4                  |
| Other                                | 13.7                 |
|                                      | <b>100.0</b>         |
| <b>EFFECTIVE REGIONAL ALLOCATION</b> |                      |
| Canada                               | 67.8                 |
| United States                        | 23.4                 |
| Europe ex U.K.                       | 2.5                  |
| Pacific ex Japan                     | 2.3                  |
| Latin America                        | 2.3                  |
| United Kingdom                       | 0.9                  |
| Japan                                | 0.2                  |
| Middle East and Africa               | 0.2                  |
| Cash and cash equivalents            | 0.4                  |
|                                      | <b>100.0</b>         |
| <b>EFFECTIVE CURRENCY EXPOSURE</b>   |                      |
| Canadian dollars                     | 66.6                 |
| United States dollars                | 21.5                 |
| Mexican peso                         | 1.4                  |
| Brazilian real                       | 0.7                  |
| Indian rupee                         | 0.7                  |
| Thailand baht                        | 0.6                  |
| Indonesian rupiah                    | 0.6                  |
| Colombian peso                       | 0.4                  |
| Other                                | 7.5                  |
|                                      | <b>100.0</b>         |

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five financial periods (as applicable). In the year a series is established, "period" represents from inception to the end of that period.

Footnotes are presented after *Ratios and Supplemental Data*.

### Net Assets per Security<sup>1</sup>

| Series A<br>(in \$)                                    | 12 mo   | 12 mo   | 12 mo   | 12 mo   | 12 mo   |
|--------------------------------------------------------|---------|---------|---------|---------|---------|
|                                                        | Mar. 31 | Mar. 31 | Mar. 31 | Mar. 31 | Mar. 31 |
|                                                        | 2018    | 2017    | 2016    | 2015    | 2014    |
| <sup>2</sup> Net assets, beginning of period           | 9.99    | 9.65    | 10.44   | 10.58   | 10.38   |
| Increase (decrease) from operations:                   |         |         |         |         |         |
| Total revenue                                          | 0.33    | 0.30    | 0.34    | 0.38    | 0.37    |
| Total expenses                                         | (0.24)  | (0.25)  | (0.26)  | (0.27)  | (0.26)  |
| Realized gains (losses) for the period                 | 0.06    | 0.12    | 0.08    | 0.31    | 0.03    |
| Unrealized gains (losses) for the period               | (0.23)  | 0.23    | (0.33)  | (0.21)  | 0.17    |
| <sup>3</sup> Total increase (decrease) from operations | (0.08)  | 0.40    | (0.17)  | 0.21    | 0.31    |
| Distributions:                                         |         |         |         |         |         |
| From income (excluding Canadian dividends)             | (0.01)  | -       | (0.14)  | (0.04)  | (0.01)  |
| From Canadian dividends                                | (0.08)  | (0.06)  | (0.09)  | (0.08)  | (0.10)  |
| From capital gains                                     | (0.04)  | -       | (0.40)  | (0.24)  | -       |
| Return of capital                                      | -       | -       | -       | -       | -       |
| <sup>4</sup> Total annual distributions                | (0.13)  | (0.06)  | (0.63)  | (0.36)  | (0.11)  |
| <sup>2</sup> Net assets at period end                  | 9.79    | 9.99    | 9.65    | 10.44   | 10.58   |

| Series E<br>(in \$)                                    | 12 mo   | 12 mo   | 12 mo   | 12 mo   | 12 mo   |
|--------------------------------------------------------|---------|---------|---------|---------|---------|
|                                                        | Mar. 31 | Mar. 31 | Mar. 31 | Mar. 31 | Mar. 31 |
|                                                        | 2018    | 2017    | 2016    | 2015    | 2014    |
| <sup>2</sup> Net assets, beginning of period           | 10.03   | 9.68    | 10.44   | 10.58   | 10.37   |
| Increase (decrease) from operations:                   |         |         |         |         |         |
| Total revenue                                          | 0.34    | 0.30    | 0.34    | 0.38    | 0.37    |
| Total expenses                                         | (0.22)  | (0.21)  | (0.22)  | (0.23)  | (0.22)  |
| Realized gains (losses) for the period                 | 0.06    | 0.12    | 0.08    | 0.31    | 0.02    |
| Unrealized gains (losses) for the period               | (0.23)  | 0.23    | (0.33)  | (0.21)  | 0.17    |
| <sup>3</sup> Total increase (decrease) from operations | (0.05)  | 0.44    | (0.13)  | 0.25    | 0.34    |
| Distributions:                                         |         |         |         |         |         |
| From income (excluding Canadian dividends)             | -       | (0.01)  | (0.15)  | (0.05)  | (0.03)  |
| From Canadian dividends                                | (0.11)  | (0.08)  | (0.09)  | (0.10)  | (0.12)  |
| From capital gains                                     | (0.05)  | -       | (0.40)  | (0.24)  | -       |
| Return of capital                                      | -       | -       | -       | -       | -       |
| <sup>4</sup> Total annual distributions                | (0.16)  | (0.09)  | (0.64)  | (0.39)  | (0.15)  |
| <sup>2</sup> Net assets at period end                  | 9.83    | 10.03   | 9.68    | 10.44   | 10.58   |

| Series F<br>(in \$)                                    | 12 mo   | 12 mo   | 12 mo   | 12 mo   | 12 mo   |
|--------------------------------------------------------|---------|---------|---------|---------|---------|
|                                                        | Mar. 31 | Mar. 31 | Mar. 31 | Mar. 31 | Mar. 31 |
|                                                        | 2018    | 2017    | 2016    | 2015    | 2014    |
| <sup>2</sup> Net assets, beginning of period           | 10.10   | 9.74    | 10.50   | 10.61   | 10.43   |
| Increase (decrease) from operations:                   |         |         |         |         |         |
| Total revenue                                          | 0.34    | 0.30    | 0.34    | 0.38    | 0.37    |
| Total expenses                                         | (0.12)  | (0.13)  | (0.13)  | (0.14)  | (0.14)  |
| Realized gains (losses) for the period                 | 0.06    | 0.12    | 0.08    | 0.31    | 0.02    |
| Unrealized gains (losses) for the period               | (0.23)  | 0.23    | (0.33)  | (0.21)  | 0.17    |
| <sup>3</sup> Total increase (decrease) from operations | 0.05    | 0.52    | (0.04)  | 0.34    | 0.42    |
| Distributions:                                         |         |         |         |         |         |
| From income (excluding Canadian dividends)             | (0.01)  | (0.03)  | (0.16)  | (0.07)  | (0.10)  |
| From Canadian dividends                                | (0.20)  | (0.14)  | (0.14)  | (0.15)  | (0.15)  |
| From capital gains                                     | (0.05)  | -       | (0.42)  | (0.24)  | -       |
| Return of capital                                      | -       | -       | -       | -       | -       |
| <sup>4</sup> Total annual distributions                | (0.26)  | (0.17)  | (0.72)  | (0.46)  | (0.25)  |
| <sup>2</sup> Net assets at period end                  | 9.89    | 10.10   | 9.74    | 10.50   | 10.61   |

| Series I<br>(in \$)                                    | 12 mo   | 12 mo   | 12 mo   | 12 mo   | 12 mo   |
|--------------------------------------------------------|---------|---------|---------|---------|---------|
|                                                        | Mar. 31 | Mar. 31 | Mar. 31 | Mar. 31 | Mar. 31 |
|                                                        | 2018    | 2017    | 2016    | 2015    | 2014    |
| <sup>2</sup> Net assets, beginning of period           | 10.20   | 9.83    | 10.58   | 10.68   | 10.51   |
| Increase (decrease) from operations:                   |         |         |         |         |         |
| Total revenue                                          | 0.34    | 0.31    | 0.34    | 0.39    | 0.38    |
| Total expenses                                         | (0.02)  | (0.02)  | (0.02)  | (0.02)  | (0.02)  |
| Realized gains (losses) for the period                 | 0.06    | 0.12    | 0.08    | 0.31    | 0.02    |
| Unrealized gains (losses) for the period               | (0.24)  | 0.24    | (0.34)  | (0.21)  | 0.17    |
| <sup>3</sup> Total increase (decrease) from operations | 0.14    | 0.65    | 0.06    | 0.47    | 0.55    |
| Distributions:                                         |         |         |         |         |         |
| From income (excluding Canadian dividends)             | (0.01)  | (0.05)  | (0.19)  | (0.11)  | (0.20)  |
| From Canadian dividends                                | (0.30)  | (0.22)  | (0.22)  | (0.22)  | (0.19)  |
| From capital gains                                     | (0.05)  | -       | (0.42)  | (0.24)  | -       |
| Return of capital                                      | -       | -       | -       | -       | -       |
| <sup>4</sup> Total annual distributions                | (0.36)  | (0.27)  | (0.83)  | (0.57)  | (0.39)  |
| <sup>2</sup> Net assets at period end                  | 9.99    | 10.20   | 9.83    | 10.58   | 10.68   |

## Ratios and Supplemental Data

|                                                                         | 12 mo<br>Mar. 31 | 12 mo<br>Mar. 31 | 12 mo<br>Mar. 31 | 12 mo<br>Mar. 31 | 12 mo<br>Mar. 31 |
|-------------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Series A</b>                                                         | 2018             | 2017             | 2016             | 2015             | 2014             |
| <sup>2</sup> Total net asset value (pricing NAV) (\$000's)              | 9,168            | 12,778           | 13,717           | 19,145           | 22,980           |
| Number of securities outstanding (000's)                                | 937              | 1,279            | 1,421            | 1,834            | 2,172            |
| <sup>5</sup> Management expense ratio (%)                               | 2.52             | 2.61             | 2.65             | 2.66             | 2.64             |
| <sup>5</sup> Management expense ratio before waivers or absorptions (%) | 2.52             | 2.61             | 2.65             | 2.66             | 2.64             |
| <sup>6</sup> Trading expense ratio (%)                                  | 0.06             | 0.05             | 0.03             | 0.05             | 0.03             |
| <sup>7</sup> Portfolio turnover rate (%)                                | 82.67            | 29.50            | 57.00            | 50.23            | 36.41            |

|                                                                         | 12 mo<br>Mar. 31 | 12 mo<br>Mar. 31 | 12 mo<br>Mar. 31 | 12 mo<br>Mar. 31 | 12 mo<br>Mar. 31 |
|-------------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Series E</b>                                                         | 2018             | 2017             | 2016             | 2015             | 2014             |
| <sup>2</sup> Total net asset value (pricing NAV) (\$000's)              | 10,895           | 16,508           | 20,331           | 26,785           | 24,638           |
| Number of securities outstanding (000's)                                | 1,109            | 1,646            | 2,100            | 2,565            | 2,329            |
| <sup>5</sup> Management expense ratio (%)                               | 2.23             | 2.26             | 2.26             | 2.26             | 2.25             |
| <sup>5</sup> Management expense ratio before waivers or absorptions (%) | 2.23             | 2.26             | 2.26             | 2.26             | 2.25             |
| <sup>6</sup> Trading expense ratio (%)                                  | 0.06             | 0.05             | 0.03             | 0.05             | 0.03             |
| <sup>7</sup> Portfolio turnover rate (%)                                | 82.67            | 29.50            | 57.00            | 50.23            | 36.41            |

|                                                                         | 12 mo<br>Mar. 31 | 12 mo<br>Mar. 31 | 12 mo<br>Mar. 31 | 12 mo<br>Mar. 31 | 12 mo<br>Mar. 31 |
|-------------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Series F</b>                                                         | 2018             | 2017             | 2016             | 2015             | 2014             |
| <sup>2</sup> Total net asset value (pricing NAV) (\$000's)              | 6,737            | 9,249            | 8,917            | 9,617            | 7,366            |
| Number of securities outstanding (000's)                                | 681              | 916              | 916              | 916              | 694              |
| <sup>5</sup> Management expense ratio (%)                               | 1.27             | 1.38             | 1.43             | 1.42             | 1.42             |
| <sup>5</sup> Management expense ratio before waivers or absorptions (%) | 1.27             | 1.38             | 1.43             | 1.42             | 1.42             |
| <sup>6</sup> Trading expense ratio (%)                                  | 0.06             | 0.05             | 0.03             | 0.05             | 0.03             |
| <sup>7</sup> Portfolio turnover rate (%)                                | 82.67            | 29.50            | 57.00            | 50.23            | 36.41            |

|                                                                         | 12 mo<br>Mar. 31 | 12 mo<br>Mar. 31 | 12 mo<br>Mar. 31 | 12 mo<br>Mar. 31 | 12 mo<br>Mar. 31 |
|-------------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Series I</b>                                                         | 2018             | 2017             | 2016             | 2015             | 2014             |
| <sup>2</sup> Total net asset value (pricing NAV) (\$000's)              | 2,933            | 2,871            | 2,005            | 1,379            | 1,844            |
| Number of securities outstanding (000's)                                | 294              | 282              | 204              | 130              | 173              |
| <sup>5</sup> Management expense ratio (%)                               | 0.25             | 0.29             | 0.29             | 0.29             | 0.27             |
| <sup>5</sup> Management expense ratio before waivers or absorptions (%) | 0.25             | 0.29             | 0.29             | 0.29             | 0.27             |
| <sup>6</sup> Trading expense ratio (%)                                  | 0.06             | 0.05             | 0.03             | 0.05             | 0.03             |
| <sup>7</sup> Portfolio turnover rate (%)                                | 82.67            | 29.50            | 57.00            | 50.23            | 36.41            |

<sup>1</sup> These calculations are prescribed by securities regulations and are not intended to be a reconciliation between opening and closing net assets per security. The information presented is derived from the Fund's audited annual financial statements prepared in accordance with IFRS.

<sup>2</sup> The net assets per security presented here and in the financial statements and this table may differ from the NAV per security.

<sup>3</sup> NAV and distributions per security figures are based on the actual number of securities outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of securities outstanding over the financial period.

<sup>4</sup> Distributions were paid in cash, reinvested in additional securities of the Fund, or both.

<sup>5</sup> MER and MER before waivers or absorptions ("Gross MER") are based on total expenses borne by the Fund, excluding commissions and other portfolio transaction costs, for the stated period and is expressed as an annualized percentage of average daily NAV during the period. In the period a series is established, the MERs and Gross MERs are annualized from the date of inception to the end of the period. MER and Gross MER may be impacted by proposed decreases in management fees and/or administration fees as discussed under *Series Information*.

Where the Fund invests in securities of an Underlying Fund, the MERs and Gross MERs presented for the Fund include the portion of MERs of the Underlying Fund(s) attributable to this investment.

<sup>6</sup> The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs incurred as a percentage of daily average NAV during the period. Where the Fund invests in securities of an Underlying Fund, the TERs presented for the Fund include the portion of TERs of its Underlying Fund(s) attributable to this investment.

<sup>7</sup> The portfolio turnover rate ("PTR") indicates how actively the portfolio advisor manages the investments. A PTR of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher PTR in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high PTR and the performance of the Fund. Costs incurred to realign the Fund's portfolio after a fund merger, if any, are excluded from the PTR.

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