

Counsel Money Market

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended September 30, 2018

Fund Manager

Counsel Portfolio Services Inc.

Sub-advisor

Mackenzie Financial Corporation

This Interim 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 or by visiting the SEDAR website at 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 September 30, 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

November 13, 2018

This Interim Management Report of Fund Performance is intended to present the significant factors and developments that have affected the Fund's performance and outlook since March 31, 2018, the Fund's last fiscal year-end. For information on the Fund's longer-term performance, please refer to the *Past Performance* section of the report. In this report, "Counsel" 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.

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 six-month period, the Fund's Series A securities returned 0.17% (after deducting fees and expenses). This compares with a 0.62% return of the FTSE TMX Canada 30 Day T-Bills Index. 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 index during the period primarily because it is required to maintain adequate liquidity to facilitate redemptions, whereas the index is always fully invested. Underperformance is also owed, in part, to the low interest rate environment that persists in Canada and in much of the world. The Fund does not focus on trying to time interest rate changes but rather on maximizing the yield of the holdings while minimizing the default risk. As a result, the Fund was invested in short-term corporate bonds and provincial short-term discount notes.

As at September 30, 2018, the current yield was 0.54% for Series A, 0.19% for Series C, 0.83% for Series D, 1.61% for Series I, and 1.78% for Series O. Yields on 30-day treasury bills increased from 1.08% at March 31, 2018 to 1.40% at September 30, 2018.

Net Assets

The Fund's NAV declined by \$0.6 million, or 2.6%, to \$21.7 million as at September 30, 2018, from \$22.3 million at March 31, 2018. Of this decrease, \$0.7 million was attributable to net redemptions and slightly offset by a \$0.1 million increase due to investment performance (after deducting fees and expenses).

Certain other Counsel Funds ("Top Funds") and/or investment products managed by Counsel's affiliates have large investments in the Fund, see *Other Related Party Transactions* for details. As a result of these investments, the Fund is subject to large transaction risk as discussed in the Simplified Prospectus. Counsel manages this risk to reduce the possibility of any adverse effect on the value of the Fund or on its investors, through such processes as requiring advance notice of large redemptions.

Fees and Expenses

The Management Expense Ratio ("MER") for Series A of 1.22%, during the period ended September 30, 2018, was higher than the MER of 0.89% for the year ended March 31, 2018. The MER increased due to Counsel discontinuing its practice of waiving management fees. The MERs (before and after waivers or absorptions, if any) are presented in the *Financial Highlights* section of this report.

Recent Developments

The good economic growth picture in North America, particularly in the U.S, provided a good backdrop for corporate credit spreads to narrow during the third quarter. Company profitability remains strong and cash flow is quite adequately covering interest payments, leading to little near-term debt servicing risks, in general. Leverage across the corporate sector has started to rise, but has not reached levels considered dangerous. With the NAFTA renegotiation now resolved, subject to ratification, the Bank of Canada will follow the Federal Reserve to higher policy rates here, with a lag due largely to their previously stated concerns with higher household debt levels.

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*.

Other Related Party Transactions

Other investment funds managed by Counsel ("Top Funds") invest in Series O securities offered by the Fund on a prospectus-exempt basis in accordance with the investment objectives of those funds. At September 30, 2018, Top Funds owned 15.8% of the Fund's NAV. As of September 30, 2018, Counsel had not received notice of any large redemptions. All related party transactions are based on the NAV per security on each transaction day.

The Fund did not rely on an approval, positive recommendation, or standing instruction from the Counsel Funds' Independent Review Committee ("IRC") with respect to any related party transactions.

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 period, approximately 40% 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 29% 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. The lower proportion of Distribution Related Payments is primarily attributable to Series A having a lower trailer fee rate compared to other Counsel Funds. The lower proportion of Distribution Related Payments is primarily attributable to the Fund having a higher lower trailing commission compared to other 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.counsel-services.com.

	Date of Inception	Minimum Investment (\$)	Management Fee ⁶ (%)	Administration Fee ⁶ (%)
Series A ¹	February 15, 2000	1,000	0.95	0.16
Series C ¹	January 26, 2007	1,000	0.70	0.16
Series F ^{2,3,7}	November 27, 2009	1,000	0.70	0.15
Series I ^{2,3,4,6}	January 21, 2008	1,000	-	0.15
Series O ^{3,5}	January 13, 2016	-	-	-

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.

³ Securities of this series are not subject to sales charges or redemption charges.

⁴ The management fee for this series is 0.70% and is payable directly to Counsel generally through the monthly redemption of securities.

⁵ 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.

⁶ Counsel may, at its discretion, waive or lower the management fee (either directly or indirectly) and/or administration fee payable by investors.

⁷ Prior to October 27, 2017, this series was called Series D.

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, management fees directly payable by investors or income taxes payable by any investor that would have reduced returns. Please refer to *Series Information* for further information. 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.

Past performance may have been impacted by the following events:

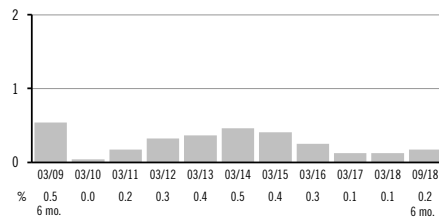
- During some performance measurement periods certain fees or expenses may have been waived or absorbed by the Manager. There is no assurance that fees will be waived in the future.
- In January 2010, the Fund began to pay an administration fee. In exchange, the Manager began to pay certain operating costs and expenses that had previously been paid by the Fund.

Year-by-Year Returns

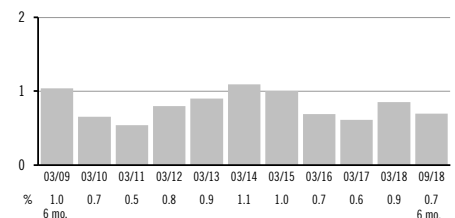
The bar chart shows how much an investment made on the first day of each financial year would have increased or decreased by the end of the respective periods. For the first year of a series, the percentage

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.

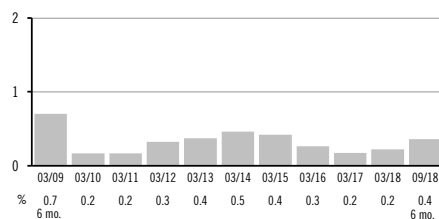
SERIES A



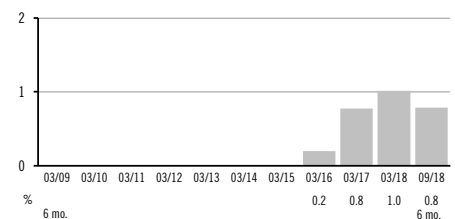
SERIES I



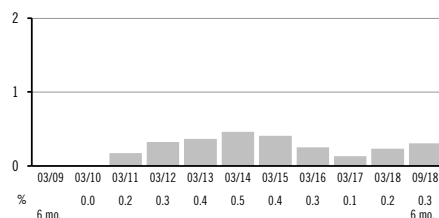
SERIES C



SERIES O



SERIES F



Summary of Investment Portfolio

as at September 30, 2018

The holdings of the Fund 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.

Summary of Top 25 Holdings

	% of net asset value
Government of Canada 1.43% 11-01-2018	18.4
Province of Prince Edward Island 1.65% 10-16-2018	18.0
Province of Newfoundland 1.61% 10-04-2018	6.4
Province of Alberta 1.71% 12-11-2018	6.0
Canadian Imperial Bank of Commerce F/R 01-17-2019	6.0
Province of Alberta 1.55% 10-01-2018	5.5
Royal Bank of Canada 1.45% 10-01-2018	5.4
The Bank of Nova Scotia F/R 08-27-2019	5.3
National Bank of Canada F/R 06-11-2019	4.6
Bank of Montreal F/R 03-30-2020	2.8
Royal Bank of Canada F/R 08-01-2019	2.8
Daimler Canada Finance Inc. F/R 02-24-2020	1.7
Greater Toronto Airport Authority 1.75% 10-16-2018	1.6
BMW Canada Inc. F/R 06-14-2019	1.6
Honda Canada Finance Inc. F/R 02-19-2019	1.4
The Toronto-Dominion Bank F/R 07-31-2019	1.4
Central 1 Credit Union F/R 02-05-2021	1.4
John Deere Canada Funding Inc. F/R 09-21-2020	0.9
OMERS Realty Corp. 1.76% 11-13-2018	0.9
Bay Street Funding Trust 1.81% 11-16-2018	0.9
Storm King Funding F/R 03-18-2019	0.7
Enbridge Gas Distribution Inc. 1.81% 10-01-2018	0.7
Toyota Credit Canada Inc. F/R 07-24-2020	0.7
Inter Pipeline Fund 1.86% 11-14-2018	0.7
Honda Canada Finance Inc. F/R 04-17-2020	0.4
	96.2

Summary of Composition of the Portfolio

	% of net asset value
BY ASSET TYPE	
Corporate	43.6
Provincial Governments	37.4
Federal Government	18.4
Other	0.6
Total	100.0
COUNTRY ALLOCATION	
Canada	95.2
Germany	3.3
United States	0.9
Other	0.6
	100.0
FIXED INCOME BY CREDIT RATING	
AAA	58.3
AA	9.4
A	31.7
	99.4

Net Assets per Security¹ (continued)

Series O	6 mo	12 mo	12 mo	12 mo	12 mo	12 mo
	Sep. 30	Mar. 31	Mar. 31	Mar. 31	Mar. 31	Mar. 31
(in \$)	2018	2018	2017	2016	2015	2014
² Net assets, beginning of period	10.00	10.00	10.00	10.00	n/a	n/a
Increase (decrease) from operations:						
Total revenue	0.08	0.10	0.08	0.02	n/a	n/a
Total expenses	-	-	-	-	n/a	n/a
Realized gains (losses) for the period	-	-	-	-	n/a	n/a
Unrealized gains (losses) for the period	-	-	-	-	n/a	n/a
³ Total increase (decrease) from operations	0.08	0.10	0.08	0.02	n/a	n/a
Distributions:						
From income (excluding Canadian dividends)	(0.08)	(0.10)	(0.08)	(0.02)	n/a	n/a
From Canadian dividends	-	-	-	-	n/a	n/a
From capital gains	-	-	-	-	n/a	n/a
Return of capital	-	-	-	-	n/a	n/a
⁴ Total annual distributions	(0.08)	(0.10)	(0.08)	(0.02)	n/a	n/a
² Net assets at period end	10.00	10.00	10.00	10.00	n/a	n/a

Ratios and Supplemental Data

Series A	6 mo	12 mo	12 mo	12 mo	12 mo	12 mo
	Sep. 30	Mar. 31	Mar. 31	Mar. 31	Mar. 31	Mar. 31
	2018	2018	2017	2016	2015	2014
² Total net asset value (pricing NAV) (\$000's)	16,448	16,194	20,295	22,008	20,452	21,791
Number of securities outstanding (000's)	1,645	1,619	2,030	2,201	2,045	2,179
⁵ Management expense ratio (%)	1.22	0.89	0.65	0.58	0.76	0.78
⁵ Management expense ratio before waivers or absorptions (%)	1.23	1.23	1.24	1.23	1.24	1.24
⁶ Trading expense ratio (%)	-	-	-	-	-	-
⁷ Portfolio turnover rate (%)	n/a	n/a	n/a	n/a	n/a	n/a

Series C	6 mo	12 mo	12 mo	12 mo	12 mo	12 mo
	Sep. 30	Mar. 31	Mar. 31	Mar. 31	Mar. 31	Mar. 31
	2018	2018	2017	2016	2015	2014
² Total net asset value (pricing NAV) (\$000's)	2	850	292	304	353	1,328
Number of securities outstanding (000's)	0	85	29	30	35	133
⁵ Management expense ratio (%)	0.61	0.77	0.61	0.59	0.76	0.77
⁵ Management expense ratio before waivers or absorptions (%)	0.97	0.97	0.96	0.97	0.97	0.96
⁶ Trading expense ratio (%)	-	-	-	-	-	-
⁷ Portfolio turnover rate (%)	n/a	n/a	n/a	n/a	n/a	n/a

Series F	6 mo	12 mo	12 mo	12 mo	12 mo	12 mo
	Sep. 30	Mar. 31	Mar. 31	Mar. 31	Mar. 31	Mar. 31
	2018	2018	2017	2016	2015	2014
² Total net asset value (pricing NAV) (\$000's)	927	857	1,686	831	160	587
Number of securities outstanding (000's)	93	86	169	83	16	59
⁵ Management expense ratio (%)	0.95	0.73	0.64	0.54	0.76	0.79
⁵ Management expense ratio before waivers or absorptions (%)	0.95	0.92	0.95	0.93	0.96	0.96
⁶ Trading expense ratio (%)	-	-	-	-	-	-
⁷ Portfolio turnover rate (%)	n/a	n/a	n/a	n/a	n/a	n/a

Ratios and Supplemental Data (continued)

	6 mo Sep. 30	12 mo Mar. 31	12 mo Mar. 31	12 mo Mar. 31	12 mo Mar. 31	12 mo Mar. 31
Series I	2018	2018	2017	2016	2015	2014
² Total net asset value (pricing NAV) (\$000's)	907	1,434	1,980	2,390	161	133
Number of securities outstanding (000's)	91	143	198	239	16	13
⁵ Management expense ratio (%)	0.17	0.16	0.16	0.16	0.17	0.16
⁵ Management expense ratio before waivers or absorptions (%)	0.17	0.16	0.16	0.16	0.17	0.16
⁶ Trading expense ratio (%)	-	-	-	-	-	-
⁷ Portfolio turnover rate (%)	n/a	n/a	n/a	n/a	n/a	n/a

	6 mo Sep. 30	12 mo Mar. 31	12 mo Mar. 31	12 mo Mar. 31	12 mo Mar. 31	12 mo Mar. 31
Series O	2018	2018	2017	2016	2015	2014
² Total net asset value (pricing NAV) (\$000's)	3,442	2,974	2,090	459	n/a	n/a
Number of securities outstanding (000's)	344	297	209	46	n/a	n/a
⁵ Management expense ratio (%)	-	-	-	-	n/a	n/a
⁵ Management expense ratio before waivers or absorptions (%)	-	-	-	-	n/a	n/a
⁶ Trading expense ratio (%)	-	-	-	-	n/a	n/a
⁷ Portfolio turnover rate (%)	n/a	n/a	n/a	n/a	n/a	n/a

¹ 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 financial statements prepared in accordance with IFRS.

² The net assets presented here and in the financial statements and this table may differ from the NAV.

³ 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.

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

⁵ 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.

⁶ 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.

⁷ The portfolio turnover rate is not disclosed for the Fund, as it is not applicable to money market funds.

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