

COUNSEL | PORTFOLIO SERVICES

Counsel Monthly Income *portfolio*

(formerly known as Counsel Regular Pay *portfolio*)

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

Counsel All Equity Portfolio	Counsel Conservative Portfolio Class	Counsel Income Portfolio
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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	653,085	405,656
Cash and cash equivalents	-	13,423
Accrued interest receivable	-	1,223
Dividends receivable	-	101
Accounts receivable for investments sold	1,605	169
Accounts receivable for securities issued	48	245
Accounts receivable from the Manager	-	-
Margin on derivative contracts	-	-
Derivative assets	-	34
Other assets	-	-
	654,738	420,851
Non-current assets:		
Taxes recoverable	-	-
Other assets	-	-
	-	-
Total assets	654,738	420,851
Liabilities		
Current liabilities:		
Bank indebtedness	1,096	-
Accounts payable for investments purchased	-	555
Accounts payable for securities redeemed	2,373	412
Distributions payable	-	-
Accrued expenses and miscellaneous payables	64	-
Dividends payable on investments sold short	-	-
Derivative liabilities	-	6
Taxes payable	-	-
Other liabilities	5	1
Total liabilities	3,538	974
Net assets attributable to securityholders	651,200	419,877

STATEMENTS OF COMPREHENSIVE INCOME

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

	2018	2017
Income:		
Dividends	6,161	5,865
Interest and other income	8,332	8,438
Net realized gain (loss)	22,355	7,578
Net unrealized gain (loss)	(19,492)	20,650
Income (loss) from derivatives	-	-
Income (loss) from short selling	-	-
Securities lending income	22	31
Trust income	18	16
Total income	17,396	42,578
Expenses:		
Management fees	6,756	7,277
Management fee rebates	(9)	(6)
Administration fees	998	1,044
Commissions and other portfolio transaction costs	125	85
Independent Review Committee costs	7	10
Interest and other charges	8	2
Expenses before amounts absorbed by Manager	7,885	8,412
Expenses absorbed by Manager	-	-
Net expenses	7,885	8,412
Increase (decrease) in net assets attributable to securityholders		
from operations before tax	9,511	34,166
Foreign withholding tax expense (recovery)	31	40
Foreign income tax expense (recovery)	-	-
Income tax expense (recovery)	-	-
Increase (decrease) in net assets attributable to securityholders		
from operations	9,480	34,126

Net assets attributable to securityholders

	per security		per series	
	Mar. 31 2018	Mar. 31 2017	Mar. 31 2018	Mar. 31 2017
	Series A	8.52	8.73	266,007
Series B	5.59	6.18	115,081	106,026
Series F5	9.80	10.09	130,032	73,510
Series FB	9.51	10.12	1	1
Series FT	8.36	9.37	28,143	26,316
Series I	10.26	10.61	77,595	36,615
Series IB	9.56	10.15	3,864	1,022
Series IT	8.72	9.82	17,088	13,870
Series Private Wealth I	9.48	n/a	2,059	n/a
Series T	8.12	9.05	11,330	11,336
			651,200	419,877

Increase (decrease) in net assets attributable to securityholders from operations

	per security		per series	
	2018	2017	2018	2017
	Series A	0.10	0.65	3,027
Series B	0.07	0.49	1,128	7,068
Series E	n/a	0.37	n/a	3,207
Series EB	n/a	0.28	n/a	614
Series ET	n/a	0.37	n/a	32
Series F	0.22	0.89	2,387	6,485
Series F5	0.24	0.32	-	-
Series FT	0.22	0.86	578	2,490
Series I	0.36	1.05	1,651	2,911
Series IB	0.34	0.34	81	18
Series IT	0.33	1.00	477	979
Series Private Wealth I	-	n/a	12	n/a
Series T	0.10	0.72	139	808
			9,480	34,126

STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	TOTAL		SERIES A		SERIES B		SERIES E	
	2018	2017	2018	2017	2018	2017	2018	2017
Net assets attributable to securityholders, beginning of period	419,877	399,463	151,181	86,573	106,026	72,972	-	83,153
Increase (decrease) in net assets attributable to securityholders resulting from:								
Operations	9,480	34,126	3,027	9,514	1,128	7,068	-	3,207
Distributions:								
Income	(5,568)	(4,371)	(1,055)	(644)	(796)	(402)	-	(292)
Capital gains	(12,459)	-	(3,460)	-	(2,949)	-	-	-
Return of capital	(12,565)	(12,982)	-	-	(8,176)	(8,389)	-	-
Management fee rebates	(9)	(6)	-	-	-	-	-	-
Total distributions	(30,601)	(17,359)	(4,515)	(644)	(11,921)	(8,791)	-	(292)
Security transactions:								
Proceeds from sale of securities	76,261	212,003	10,126	86,311	21,106	53,261	-	3,938
Proceeds from securities issued on merger	246,313	-	140,578	-	6,085	-	-	-
Reinvested from distributions	25,666	14,712	4,342	620	11,895	8,755	-	288
Payment on redemption of securities	(95,796)	(223,068)	(38,732)	(31,193)	(19,238)	(27,239)	-	(90,294)
Total security transactions	252,444	3,647	116,314	55,738	19,848	34,777	-	(86,068)
Increase (decrease) in assets attributable to securityholders	231,323	20,414	114,826	64,608	9,055	33,054	-	(83,153)
Net assets attributable to securityholders, end of period	651,200	419,877	266,007	151,181	115,081	106,026	-	-
Increase (decrease) in securities (in thousands):								
Securities outstanding, beginning of period			17,316.7	10,666.6	17,146.7	11,484.7	-	9,488.3
Add (deduct):								
Securities sold			1,150.6	10,248.0	3,561.3	8,548.9	-	436.7
Securities issued on merger			16,673.0	-	1,099.9	-	-	-
Reinvested from distributions			502.8	72.4	2,024.3	1,396.7	-	31.9
Securities redeemed			(4,400.2)	(3,670.3)	(3,231.1)	(4,283.6)	-	(9,956.9)
Securities outstanding, end of period			31,242.9	17,316.7	20,601.1	17,146.7	-	-

	SERIES EB		SERIES ET		SERIES F		SERIES F5	
	2018	2017	2018	2017	2018	2017	2018	2017
Net assets attributable to securityholders, beginning of period	-	18,380	-	842	73,510	68,968	1	-
Increase (decrease) in net assets attributable to securityholders resulting from:								
Operations	-	614	-	32	2,387	6,485	-	-
Distributions:								
Income	-	(86)	-	(3)	(1,428)	(1,414)	-	-
Capital gains	-	-	-	-	(2,335)	-	-	-
Return of capital	-	(1,340)	-	(36)	-	-	-	-
Management fee rebates	-	-	-	-	(8)	(6)	-	-
Total distributions	-	(1,426)	-	(39)	(3,771)	(1,420)	-	-
Security transactions:								
Proceeds from sale of securities	-	18,535	-	12	17,460	16,210	-	1
Proceeds from securities issued on merger	-	-	-	-	61,175	-	-	-
Reinvested from distributions	-	1,414	-	31	2,698	1,104	-	-
Payment on redemption of securities	-	(37,517)	-	(878)	(23,427)	(17,837)	-	-
Total security transactions	-	(17,568)	-	(835)	57,906	(523)	-	1
Increase (decrease) in assets attributable to securityholders	-	(18,380)	-	(842)	56,522	4,542	-	1
Net assets attributable to securityholders, end of period	-	-	-	-	130,032	73,510	1	1
Increase (decrease) in securities (in thousands):								
Securities outstanding, beginning of period	-	2,591.5	-	93.9	7,285.3	7,343.9	0.1	-
Add (deduct):								
Securities sold	-	2,573.8	-	1.3	1,714.5	1,654.4	-	0.1
Securities issued on merger	-	-	-	-	6,304.6	-	-	-
Reinvested from distributions	-	198.9	-	3.4	270.0	112.2	-	-
Securities redeemed	-	(5,364.2)	-	(98.6)	(2,306.9)	(1,825.2)	-	-
Securities outstanding, end of period	-	-	-	-	13,267.5	7,285.3	0.1	0.1

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

STATEMENTS OF CHANGES IN FINANCIAL POSITION (CONTINUED)

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

	SERIES FT		SERIES I		SERIES IB		SERIES IT	
	2018	2017	2018	2017	2018	2017	2018	2017
Net assets attributable to securityholders, beginning of period	26,316	26,381	36,615	25,459	1,022	-	13,870	7,389
Increase (decrease) in net assets attributable to securityholders resulting from:								
Operations	578	2,490	1,651	2,911	81	18	477	979
Distributions:								
Income	(504)	(415)	(1,163)	(846)	(91)	(6)	(450)	(224)
Capital gains	(988)	-	(1,579)	-	(136)	-	(689)	-
Return of capital	(2,182)	(1,810)	-	-	(88)	(6)	(1,256)	(582)
Management fee rebates	(1)	-	-	-	-	-	-	-
Total distributions	(3,675)	(2,225)	(2,742)	(846)	(315)	(12)	(2,395)	(806)
Security transactions:								
Proceeds from sale of securities	4,756	6,192	11,198	15,237	3,363	1,011	4,659	7,670
Proceeds from securities issued on merger	506	-	35,218	-	-	-	960	-
Reinvested from distributions	1,963	930	2,292	656	310	11	1,184	290
Payment on redemption of securities	(2,301)	(7,452)	(6,637)	(6,802)	(597)	(6)	(1,667)	(1,652)
Total security transactions	4,924	(330)	42,071	9,091	3,076	1,016	5,136	6,308
Increase (decrease) in assets attributable to securityholders	1,827	(65)	40,980	11,156	2,842	1,022	3,218	6,481
Net assets attributable to securityholders, end of period	28,143	26,316	77,595	36,615	3,864	1,022	17,088	13,870
Increase (decrease) in securities (in thousands):								
Securities outstanding, beginning of period	2,809.9	2,843.5	3,452.5	2,583.2	100.7	-	1,412.8	768.2
Add (deduct):								
Securities sold	529.8	662.1	1,045.0	1,467.9	332.0	100.2	484.0	784.2
Securities issued on merger	61.2	-	3,466.7	-	-	-	111.2	-
Reinvested from distributions	221.0	99.3	218.5	63.6	31.4	1.1	127.7	29.7
Securities redeemed	(255.1)	(795.0)	(622.0)	(662.2)	(59.8)	(0.6)	(175.1)	(169.3)
Securities outstanding, end of period	3,366.8	2,809.9	7,560.7	3,452.5	404.3	100.7	1,960.6	1,412.8

	SERIES PRIVATE WEALTH I		SERIES T	
	2018	2017	2018	2017
Net assets attributable to securityholders, beginning of period	-	-	11,336	9,346
Increase (decrease) in net assets attributable to securityholders resulting from:				
Operations	12	-	139	808
Distributions:				
Income	-	-	(81)	(39)
Capital gains	(49)	-	(274)	-
Return of capital	-	-	(863)	(819)
Management fee rebates	-	-	-	-
Total distributions	(49)	-	(1,218)	(858)
Security transactions:				
Proceeds from sale of securities	2,721	-	872	3,625
Proceeds from securities issued on merger	-	-	1,791	-
Reinvested from distributions	49	-	933	613
Payment on redemption of securities	(674)	-	(2,523)	(2,198)
Total security transactions	2,096	-	1,073	2,040
Increase (decrease) in assets attributable to securityholders	2,059	-	(6)	1,990
Net assets attributable to securityholders, end of period	2,059	-	11,330	11,336
Increase (decrease) in securities (in thousands):				
Securities outstanding, beginning of period	-	-	1,252.4	1,028.9
Add (deduct):				
Securities sold	280.4	-	98.6	397.7
Securities issued on merger	-	-	222.7	-
Reinvested from distributions	5.2	-	108.5	67.4
Securities redeemed	(68.4)	-	(287.2)	(241.6)
Securities outstanding, end of period	217.2	-	1,395.0	1,252.4

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	9,480	34,126
Less non-cash impact of:		
Net realized loss (gain) on investments	(21,602)	(5,878)
Change in net unrealized loss (gain) on investments	19,492	(20,650)
Distributions received from Underlying Funds	(9,975)	(8,992)
Adjustments for:		
Proceeds from sale and maturity of investments	338,140	146,834
Purchases of investments	(365,874)	(120,252)
(Increase) decrease in accounts receivable and other assets	1,324	276
Increase (decrease) in accounts payable and other liabilities	68	-
Net cash provided by (used in) operating activities	(28,947)	25,464
Cash flows from financing activities:		
Proceeds from securities issued	76,458	99,585
Proceeds from securities issued on merger	36,730	-
Payments on redemption of securities	(93,835)	(110,379)
Distributions paid net of reinvestments	(4,935)	(2,647)
Net cash provided by (used in) financing activities	14,418	(13,441)
Increase (decrease) in cash and cash equivalents	(14,529)	12,023
Cash and cash equivalents at beginning of period	13,423	1,409
Effect of exchange rate fluctuations on cash and cash equivalents	10	(9)
Cash and cash equivalents, end of period	(1,096)	13,423
Cash	-	13,423
Cash equivalents	-	-
Bank indebtedness	(1,096)	-
	(1,096)	13,423

Supplementary disclosures on cash flow from operating activities:

Dividends received net of withholding taxes	1,572	1,539
Interest received net of withholding taxes	4,992	5,709
Interest paid	6	1
Income taxes paid (recovered)	-	-

SCHEDULE OF INVESTMENTS

as at March 31, 2018

	No. of Units	Average Cost (\$)	Fair Value (\$)	Indirect Exposure to Financial Instrument Risks (note 8):			
				Currency Risk	Interest Rate Risk	Equity and other price risk	Credit Risk
MUTUAL FUNDS							
Counsel Canadian Core Fixed Income Series O	18,167,569	181,908	181,897		✓		✓
Counsel Global Dividend Series O	3,059,564	39,671	46,088	✓		✓	
Counsel Global Fixed Income Series O	4,444,285	44,721	45,581	✓	✓	✓	✓
Counsel Global Real Estate Series O	2,688,146	33,395	32,997	✓		✓	✓
Counsel North American High Yield Bond Series O	2,644,532	26,196	25,916	✓	✓	✓	✓
Counsel Retirement Income Portfolio Series O	5,918,013	58,796	58,543	✓	✓	✓	✓
RBC Canadian Dividend Fund Series O	3,726,302	229,613	262,063			✓	
TOTAL INVESTMENTS		<u>614,300</u>	<u>653,085</u>				
Net Assets							
Total investments			653,085				
Other net assets (liabilities)			(1,885)				
			<u>651,200</u>				

Schedule of Asset Composition

The effective allocation shows the regional or sector exposure of the Fund calculated by including the Fund's proportionate share of its holdings in Underlying Funds and index participation securities.

at March 31, 2018

	% of net assets
BY ASSET TYPE	
Income Funds	47.9
Canadian Equity Funds	40.2
International Equity Funds	7.1
Global Real Estate	5.1
Other	(0.3)
Total	100.0
EFFECTIVE SECTOR ALLOCATION	
Financials	20.1
Government Bonds	19.3
Corporate Bonds	16.9
Energy	8.7
Real Estate	5.8
Industrials	3.8
Materials	2.3
Consumer Discretionary	2.3
Consumer Staples	2.1
Telecommunication Services	2.0
Utilities	2.0
Information Technology	1.7
Health Care	0.8
Other	12.2
	100.0
EFFECTIVE REGIONAL ALLOCATION	
Canada	71.9
United States	16.9
Pacific ex Japan	4.5
Europe ex U.K.	3.3
Latin America	2.1
Japan	0.6
United Kingdom	0.5
Middle East and Africa	0.2
	100.0

at March 31, 2017

	% of net assets
BY ASSET TYPE	
Bonds	32.4
Canadian Equity Funds	32.4
Canadian Equity Securities	13.3
International Equity Funds	9.8
Global Real Estate	8.7
Cash and cash equivalents	3.2
Other	0.2
Total	100.0
EFFECTIVE SECTOR ALLOCATION	
Corporate Bonds	19.0
Financials	19.0
Government Bonds	14.0
Energy	11.4
Real Estate	9.3
Industrials	4.6
Materials	3.2
Consumer Discretionary	3.0
Consumer Staples	2.9
Utilities	2.6
Telecommunication Services	2.6
Information Technology	2.2
Health Care	1.0
Cash and cash equivalents	3.2
Other	2.0
	100.0
EFFECTIVE REGIONAL ALLOCATION	
Canada	72.7
United States	13.6
Europe ex U.K.	4.4
Pacific ex Japan	3.9
United Kingdom	1.0
Japan	0.5
Latin America	0.4
Middle East and Africa	0.3
Cash and cash equivalents	3.2
	100.0

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, open-ended investment funds, 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) Investments in underlying mutual funds

The Fund accounts for its holdings in underlying mutual funds at FVTPL. Counsel has concluded that the unlisted open-ended investment funds in which the Fund invests, do not meet the definition of structured entities.

(c) 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. Mutual fund securities of an underlying fund are valued on a business day at the price calculated by the manager of such underlying fund in accordance with the constating documents of such underlying fund. 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.

(d) Income recognition

Interest income from interest bearing investments is recognized using the effective interest method. Dividends are accrued as of the ex-dividend date. Distributions from underlying mutual funds are recorded on the declaration date. Distributions of Canadian dividends are included in dividend income. Capital gains distributions from underlying funds are included in Net realized gains (losses). Other distributions are included in interest and other income. 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.

(e) 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.

(f) 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.

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

(h) 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.

(i) 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.

(j) 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. As at March 31, 2018 and March 31, 2017, there were no material differences.

(k) 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.

(l) 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.

(m) Comparative figures

Certain prior period comparative amounts have been restated to conform to the current period's presentation.

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.

Structured entities

Counsel is required to make significant judgments in determining whether certain investments meet the definition to be classified as a structured entity. In making this determination Counsel has assessed the characteristics of these underlying investments and has considered the contracts or financing arrangements with these investments, the ability to influence the activities of these underlying investments or the returns it receives from investing in these entities.

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 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.

NOTES TO ANNUAL FINANCIAL STATEMENTS**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.

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.

(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, including indirect exposure through underlying mutual funds and ETFs.

(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, including indirect exposure through underlying mutual funds and ETFs.

(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 mutual 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.counsel.services.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 ^{1,4}	January 19, 2004	1,000	1.95	0.25
Series B ^{1,2,4}	March 1, 2013	1,000	1.95	0.25
Series E ^{5,7}	February 13, 2006	75,000	1.95	0.25
Series EB ^{2,5,7}	March 1, 2013	75,000	1.95	0.25
Series F ^{3,4,5,10}	February 13, 2006	1,000	0.95	0.15
Series F5 ^{3,5,10,12}	November 28, 2016	1,000	0.95	0.15
Series FT ^{3,4,5,6,10}	March 1, 2013	1,000	0.95	0.15
Series ET ^{5,6,7}	March 1, 2013	75,000	1.95	0.25
Series I ^{3,4,5,8,9}	March 1, 2006	1,000	-	0.15
Series IB ^{2,3,5,8,9}	November 28, 2016	1,000	-	0.15
Series IT ^{3,4,5,8,9}	March 1, 2013	1,000	-	0.15
Series Private Wealth ^{3,5,11}	January 17, 2018	1,000	0.95	0.15
Series T ^{1,4,6}	December 17, 2012	1,000	1.95	0.25

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 This series is designed for investors who want to receive a fixed per security monthly distribution.

³ 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.

⁴ Effective October 28, 2016, the Series A, B and T management fee was reduced from 2.28% to 1.95% and Series F and F5 administration fee was reduced from 0.25% to 0.15%. Additionally, the minimum investment for Series I and IT's was reduced from \$150,000 to \$1,000.

⁵ Securities of this series are not subject to sales charges or redemption charges.

⁶ This series is designed for investors who want to receive a monthly distribution at an annualized rate of up to 8% per year.

⁷ On November 4, 2016, Series E, EB, and ET securities were respectively redesignated as Series A, B, and T securities, resulting in a consolidation of the series' assets.

⁸ The management fee for this series is 0.95% and is payable directly to Counsel generally through the monthly redemption of securities.

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, Series F, F5, and FT were respectively called Series D, Series DB, and DT.

¹¹ This series is available solely to those investing through a private client service offering from IPC Investment Corporation and IPC Securities Corporation.

¹² This series is designed for investors who want to receive a monthly distribution at an annualized rate of up to 5% per year

(b) Investment Objectives and Strategies

In January 2018, the Fund removed its sub-advisor, AGF Investments Inc., and moved to a fund-of-fund structure.

The Fund invests in securities of a variety of Canadian, U.S. and international equity and fixed income mutual funds (the "Underlying Funds"). The Fund's asset class weightings will generally be 35–55% in fixed income securities and 45–65% in equity securities. Generally, the fund may invest up to 30%, either directly or through Underlying Funds, in foreign securities.

The Fund employs a passive investment strategy whereby investments in securities of Underlying Funds are based on target asset weightings. The target weightings allocated to each Underlying Fund and the selection of Underlying Funds are based on several factors, including impact to the Fund's volatility and asset class diversification.

(c) Risks Associated with Financial Instruments**i. Currency Risk**

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 \$8,342 or 1.3% of total net assets (March 31, 2017—\$3,928 or 0.9% 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, had the prevailing interest rates raised or lowered by 1.0%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased by approximately \$15,600 or 2.4% of total net assets (March 31, 2017—\$10,391 or 2.5% of total net assets). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the Underlying Funds' bond portfolios. In practice, the actual trading results may differ and the difference could be material.

iii. Other Price Risk

The Fund's most significant exposure to other price risk arises from its investment in equity securities, as well as its holdings in Underlying Funds. 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 \$33,430 or 5.1% of total net assets (March 31, 2017—\$26,045 or 6.2% of total net assets). In practice, the actual trading results may differ and the difference could be material.

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**(c) Risks Associated with Financial Instruments (continued)**

iv. Credit Risk

The Fund's greatest indirect concentration of credit risk is in debt securities and derivatives held by underlying funds. For more information regarding the credit risk of underlying funds, refer to the Underlying Funds' financial statements available on the SEDAR website at www.sedar.com or at www.counselservices.com.

(d) Loss Carryforwards

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

(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	-	-	-	-
Mutual Funds	-	-	-	-
Equities	653,085	-	-	653,085
Cash equivalents	-	-	-	-
Derivative assets	-	-	-	-
Derivative liabilities	-	-	-	-
Total	653,085	-	-	653,085

as at March 31, 2017	Level 1	Level 2	Level 3	Total
Fixed income	2,438	133,778	-	136,216
Mutual Funds	213,776	-	-	213,776
Equities	55,664	-	-	55,664
Cash equivalents	-	-	-	-
Derivative assets	-	34	-	34
Derivative liabilities	-	(6)	-	(6)
Total	271,878	133,806	-	405,684

There were no significant transfers between Level 1 and Level 2.

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**(e) Fair Value Classification (continued)**

The table below presents a reconciliation of financial instruments measured at fair value using Level 3 inputs:

for the year ended March 31, 2018	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	-	-	-
<hr/>			
for the year ended March 31, 2017	Fixed Income	Equities	Total
Balance – beginning of period	-	2	2
Purchases	-	-	-
Sales	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Gains (losses) during the period:			
Realized	-	(66)	(66)
Unrealized	-	64	64
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) Commissions

The brokerage commissions paid to certain dealers included an investment of \$2 (2017–\$29) that was available for payment to third party vendors for the provision of investment decision making services. This amount represented 1.6% (2017–34.1%) of the total commissions and other transaction costs paid during the period.

(g) Securities Lending

as at	Value of securities loaned	Value of collateral received
March 31, 2018	-	-
March 31, 2017	17,578	18,482

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the Fund for the periods ended March 31, 2018 and 2017 is presented below:

for the year ended March 31	Amount (\$)		Percentage of Total Amount (%)	
	2018	2017	2018	2017
Gross Securities Lending Income	36	49	100.0	100.0
Securities Lending Agent fees	(9)	(7)	(25.0)	(14.3)
Securities Lending Income to the Fund before Withholdings Taxes	27	42	75.0	85.7
Withholding Taxes	(5)	(11)	(13.9)	(22.4)
Securities Lending Income	22	31	61.1	63.3

(h) Re-designation of Series

Effective November 4, 2016, Series E, EB and ET were re-designated and their net assets transferred to Series A, B and T respectively, at fair value. The transfer of \$75,722 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 9,004 securities, and Securities redeemed for Series E includes 8,337 securities related to this transaction. The transfer of \$35,696 is included in Proceeds from sale of securities for Series B and in the Payment on redemption of securities for Series EB in the Statements of Changes in Financial Position. Securities sold for Series B includes 5,796 securities, and Securities redeemed for Series EB includes 5,147 securities related to this transaction. The transfer of \$821 is included in Proceeds from sale of securities for Series T and in the Payment on redemption of securities for Series ET in the Statements of Changes in Financial Position. Securities sold for Series T includes 91 securities, and Securities redeemed for Series ET includes 92 securities related to this transaction.

(i) Fund Merger

Effective the close of business on March 23, 2018, the Fund merged with Counsel Income Managed Portfolio (the "Terminating Fund"), a mutual fund managed by Counsel. The merger was approved by the securityholders of the Terminating Fund. The merger was affected by transferring the net assets of the Terminating Fund in exchange for securities of the Fund at fair market value. Counsel paid the expenses incurred to affect the merger.

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