

COUNSEL | PORTFOLIO SERVICES

Counsel Global Low Volatility Equity

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
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")

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	44,840	29,841
Cash and cash equivalents	1,171	255
Accrued interest receivable	-	-
Dividends receivable	152	85
Accounts receivable for investments sold	-	-
Accounts receivable for securities issued	91	135
Accounts receivable from the Manager	-	-
Margin with broker	-	-
Derivative assets	-	-
Other assets	-	-
	46,254	30,316
Non-current assets:		
Taxes recoverable	-	-
Other assets	-	-
	-	-
Total assets	46,254	30,316
Liabilities		
Current liabilities:		
Bank indebtedness	-	-
Accounts payable for investments purchased	-	154
Accounts payable for securities redeemed	92	13
Distributions payable	-	-
Accrued expenses and miscellaneous payables	-	-
Dividends payable on investments sold short	-	-
Derivative liabilities	-	-
Taxes payable	-	-
Other liabilities	-	-
Total liabilities	92	167
Net assets attributable to securityholders	46,162	30,149

	Net assets attributable to securityholders			
	per security		per series	
	Mar. 31 2018	Mar. 31 2017	Mar. 31 2018	Mar. 31 2017
Series O	10.46	10.44	46,161	30,148
Series R	10.46	10.44	1	1
			46,162	30,149

STATEMENTS OF COMPREHENSIVE INCOME

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

	2018	2017
Income:		
Dividends	1,118	490
Interest and other income	2	-
Net realized gain (loss)	1,419	218
Net unrealized gain (loss)	(103)	1,190
Income (loss) from derivatives	-	(7)
Income (loss) from short selling	-	-
Securities lending income	3	1
Trust income	-	-
Total income	2,439	1,892
Expenses:		
Management fees	-	-
Management fee rebates	-	-
Administration fees	-	-
Commissions and other portfolio transaction costs	34	40
Independent Review Committee costs	-	-
Interest and other charges	2	1
Expenses before amounts absorbed by Manager	36	41
Expenses absorbed by Manager	-	-
Net expenses	36	41
Increase (decrease) in net assets attributable to securityholders		
from operations before tax	2,403	1,851
Foreign withholding tax expense (recovery)	173	65
Foreign income tax expense (recovery)	-	-
Income tax expense (recovery)	-	-
Increase (decrease) in net assets attributable to securityholders		
from operations	2,230	1,786

	Increase (decrease) in net assets attributable to securityholders from operations			
	per security		per series	
	2018	2017	2018	2017
Series O	0.63	0.93	2,230	1,786
Series R	0.63	0.93	-	-
			2,230	1,786

STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	TOTAL		SERIES O		SERIES R	
	2018	2017	2018	2017	2018	2017
Net assets attributable to securityholders, beginning of period	30,149	3,551	30,148	3,550	1	1
Increase (decrease) in net assets attributable to securityholders resulting from:						
Operations	2,230	1,786	2,230	1,786	-	-
Distributions:						
Income	(925)	(346)	(925)	(346)	-	-
Capital gains	(1,281)	(231)	(1,281)	(231)	-	-
Return of capital	-	-	-	-	-	-
Management fee rebates	-	-	-	-	-	-
Total distributions	(2,206)	(577)	(2,206)	(577)	-	-
Security transactions:						
Proceeds from sale of securities	18,503	26,597	18,503	26,597	-	-
Proceeds from securities issued on merger	-	-	-	-	-	-
Reinvested from distributions	2,206	577	2,206	577	-	-
Payment on redemption of securities	(4,720)	(1,785)	(4,720)	(1,785)	-	-
Total security transactions	15,989	25,389	15,989	25,389	-	-
Increase (decrease) in assets attributable to securityholders	16,013	26,598	16,013	26,598	-	-
Net assets attributable to securityholders, end of period	46,162	30,149	46,161	30,148	1	1
Increase (decrease) in securities (in thousands):						
Securities outstanding, beginning of period			2,889.1	363.3	0.1	0.1
Add (deduct):						
Securities sold			1,762.3	2,645.0	-	-
Securities issued on merger			-	-	-	-
Reinvested from distributions			211.3	56.7	-	-
Securities redeemed			(447.4)	(175.9)	-	-
Securities outstanding, end of period			4,415.3	2,889.1	0.1	0.1

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	2,230	1,786
Less non-cash impact of:		
Net realized loss (gain) on investments	(1,419)	(218)
Change in net unrealized loss (gain) on investments	103	(1,190)
Distributions received from Underlying Funds	-	-
Adjustments for:		
Proceeds from sale and maturity of investments	28,810	27,642
Purchases of investments	(42,647)	(53,071)
(Increase) decrease in accounts receivable and other assets	(67)	(85)
Increase (decrease) in accounts payable and other liabilities	-	(2)
Net cash provided by (used in) operating activities	(12,990)	(25,138)
Cash flows from financing activities:		
Proceeds from securities issued	18,547	27,001
Proceeds from securities issued on merger	-	-
Payments on redemption of securities	(4,641)	(1,772)
Distributions paid net of reinvestments	-	-
Net cash provided by (used in) financing activities	13,906	25,229
Increase (decrease) in cash and cash equivalents	916	91
Cash and cash equivalents at beginning of period	255	164
Effect of exchange rate fluctuations on cash and cash equivalents	-	-
Cash and cash equivalents, end of period	1,171	255
Cash	1,171	255
Cash equivalents	-	-
Bank indebtedness	-	-
	1,171	255

Supplementary disclosures on cash flow from operating activities:

Dividends received net of withholding taxes	878	340
Interest received net of withholding taxes	2	-
Interest paid	1	1
Income taxes paid (recovered)	-	-

SCHEDULE OF INVESTMENTS

as at March 31, 2018

	Country	Sector	No. of Units	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES					
Aflac Inc.	United States	Financials	9,366	489	528
AGNC Investment Corp.	United States	Financials	15,883	405	387
Allianz SE Reg.	Germany	Financials	364	109	106
Alphabet Inc. Class A	United States	Information Technology	113	152	151
Altria Group Inc.	United States	Consumer Staples	6,243	544	501
Amgen Inc.	United States	Health Care	193	43	42
Annaly Capital Management Inc.	United States	Financials	33,424	479	449
Apple Inc.	United States	Information Technology	2,272	358	491
ARC Resources Ltd.	Canada	Energy	3,328	57	47
Astellas Pharma Inc.	Japan	Health Care	24,400	441	478
AT&T Inc.	United States	Telecommunication Services	12,053	599	554
Atos Origin	France	Information Technology	797	140	141
Barrick Gold Corp.	Canada	Materials	13,513	306	217
Baxter International Inc.	United States	Health Care	6,153	485	516
Bed Bath & Beyond Inc.	United States	Consumer Discretionary	6,858	332	185
The Berkeley Group Holdings PLC	United Kingdom	Consumer Discretionary	2,527	157	173
Berkshire Hathaway Inc. Class B	United States	Financials	2,121	442	545
Best Buy Co. Inc.	United States	Consumer Discretionary	3,839	256	346
Bezeq Israeli Telecommunication Corp. Ltd.	Israel	Telecommunication Services	22,204	52	37
Bristol-Myers Squibb Co.	United States	Health Care	6,421	507	523
BT Group PLC	United Kingdom	Telecommunication Services	59,208	266	244
Caltex Australia Ltd.	Australia	Energy	3,301	104	103
Campbell Soup Co.	United States	Consumer Staples	2,986	176	167
Cardinal Health Inc.	United States	Health Care	543	43	44
Centrica PLC	United Kingdom	Utilities	74,421	261	191
Check Point Software Technologies Ltd.	Israel	Information Technology	351	46	45
Chevron Corp.	United States	Energy	3,383	496	497
CI Financial Corp.	Canada	Financials	13,003	345	359
CK Asset Holdings Ltd.	Hong Kong	Real Estate	11,000	114	120
CLP Holdings Ltd.	Hong Kong	Utilities	12,500	162	165
Colruyt SA	Belgium	Consumer Staples	742	53	53
CSL Ltd.	Australia	Health Care	1,829	217	283
CVS Health Corp.	United States	Consumer Staples	5,929	615	475
Daito Trust Construction Co. Ltd.	Japan	Real Estate	1,800	370	402
Deutsche Boerse AG	Germany	Financials	1,553	215	273
Deutsche Lufthansa AG Reg.	Germany	Industrials	12,177	385	501
Diageo PLC	United Kingdom	Consumer Staples	11,618	504	506
Discovery Communications Inc. Class C	United States	Consumer Discretionary	6,727	201	169
Edison International	United States	Utilities	4,951	495	406
Enbridge Inc.	Canada	Energy	890	48	36
Eutelsat Communications SA	France	Consumer Discretionary	2,166	63	55
Exelon Corp.	United States	Utilities	9,735	447	489
EXOR SPA	Netherlands	Financials	1,431	117	132
Express Scripts Holding Co.	United States	Health Care	6,534	585	581
Exxon Mobil Corp.	United States	Energy	4,729	532	455
Facebook Inc.	United States	Information Technology	183	38	38
FirstEnergy Corp.	United States	Utilities	9,696	388	425
Fortescue Metals Group Ltd.	Australia	Materials	59,975	305	259
Franco-Nevada Corp.	Canada	Materials	2,143	188	188
Fujitsu Ltd.	Japan	Information Technology	13,000	124	103
General Dynamics Corp.	United States	Industrials	1,056	282	301
Gilead Sciences Inc.	United States	Health Care	5,472	545	531
GlaxoSmithKline PLC	United Kingdom	Health Care	22,183	569	555
Hang Seng Bank Ltd.	Hong Kong	Financials	3,000	82	90
HCA Holdings Inc.	United States	Health Care	5,152	523	644
Hong Kong Exchanges and Clearing Ltd.	Hong Kong	Financials	13,762	482	583
HP Inc.	United States	Information Technology	16,535	331	467
Imperial Oil Ltd.	Canada	Energy	1,046	41	36
INPEX Corp.	Japan	Energy	17,000	239	272
Intact Financial Corp.	Canada	Financials	1,928	182	187
Intel Corp.	United States	Information Technology	5,052	233	339
International Business Machines Corp.	United States	Information Technology	2,626	541	519
International Consolidated Airlines Group SA	United Kingdom	Industrials	4,502	46	50
Intuitive Surgical Inc.	United States	Health Care	825	414	439
J Sainsbury PLC	United Kingdom	Consumer Staples	29,093	114	126
Japan Airlines Co. Ltd.	Japan	Industrials	6,500	276	338
Japan Tobacco Inc.	Japan	Consumer Staples	12,100	560	450
Johnson & Johnson	United States	Health Care	2,834	447	468
Kajima Corp.	Japan	Industrials	17,000	239	204
Kimberly-Clark Corp.	United States	Consumer Staples	3,604	521	511
Kinross Gold Corp.	Canada	Materials	9,580	53	49
Kohl's Corp.	United States	Consumer Discretionary	1,387	76	117

SCHEDULE OF INVESTMENTS (continued)

as at March 31, 2018

	Country	Sector	No. of Units	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES (continued)					
Kone OYJ B	Finland	Industrials	2,247	151	145
The Kroger Co.	United States	Consumer Staples	9,121	307	281
The Link Real Estate Investment Trust	Hong Kong	Real Estate	11,500	106	127
L'Oréal SA	France	Consumer Staples	1,734	486	505
LyondellBasell Industries NV Class A	United States	Materials	2,489	308	339
Macy's Inc.	United States	Consumer Discretionary	21,807	527	835
Magna International Inc.	Canada	Consumer Discretionary	3,130	180	227
Marine Harvest ASA	Norway	Consumer Staples	7,423	174	192
Mastercard Inc. Class A	United States	Information Technology	2,640	498	596
McDonald's Corp.	United States	Consumer Discretionary	2,330	500	469
McKesson Corp.	United States	Health Care	2,930	534	532
Medibank Private Ltd.	Australia	Financials	18,335	57	53
Merck & Co. Inc.	United States	Health Care	7,087	551	497
Michael Kors Holdings Ltd.	United States	Consumer Discretionary	3,337	202	267
Microsoft Corp.	United States	Information Technology	1,276	125	150
Mitsubishi Tanabe Pharma Corp.	Japan	Health Care	5,000	130	126
Mixi Inc.	Japan	Information Technology	1,100	62	52
Mizrahi Tefahot Bank Ltd.	Israel	Financials	4,889	100	121
Mizuho Financial Group Inc.	Japan	Financials	221,100	509	514
Nestle SA Reg.	Switzerland	Consumer Staples	4,701	472	479
Newmont Mining Corp.	United States	Materials	10,888	505	548
Northern Trust Corp.	United States	Financials	3,647	411	485
Novartis AG Reg.	Switzerland	Health Care	473	50	49
Novo Nordisk AS B	Denmark	Health Care	7,954	442	504
Obayashi Corp.	Japan	Industrials	8,700	151	123
OMV AG	Austria	Energy	933	66	70
PepsiCo Inc.	United States	Consumer Staples	3,624	510	510
Pfizer Inc.	United States	Health Care	11,214	496	513
Philip Morris International Inc.	United States	Consumer Staples	3,877	505	496
PPL Corp.	United States	Utilities	10,845	531	395
The Procter & Gamble Co.	United States	Consumer Staples	4,603	518	470
Public Storage	United States	Real Estate	1,892	539	488
Qantas Airways Ltd.	Australia	Industrials	24,607	143	143
Roche Holding AG Genussscheine	Switzerland	Health Care	1,705	533	504
Royal Dutch Shell PLC A	Netherlands	Energy	93	4	4
Royal Dutch Shell PLC B	Netherlands	Energy	6,792	282	282
Royal Mail PLC	United Kingdom	Industrials	11,731	77	115
Sanofi	France	Health Care	4,294	523	445
SAP AG	Germany	Information Technology	3,433	478	463
Shionogi & Co. Ltd.	Japan	Health Care	4,900	349	327
Simon Property Group Inc.	United States	Real Estate	452	98	90
Singapore Airlines Ltd.	Singapore	Industrials	30,300	300	324
Spark New Zealand Ltd.	New Zealand	Telecommunication Services	102,529	342	320
Sun Hung Kai Properties Ltd.	Hong Kong	Real Estate	6,000	124	123
Suncor Energy Inc.	Canada	Energy	6,458	296	287
Taisei Corp.	Japan	Industrials	2,900	189	190
Target Corp.	United States	Consumer Discretionary	6,680	566	597
Time Warner Inc.	United States	Consumer Discretionary	1,889	248	230
The TJX Companies Inc.	United States	Consumer Discretionary	4,829	492	507
Toshiba Corp.	Japan	Industrials	39,000	140	146
Total SA	France	Energy	581	42	43
TransCanada Corp.	Canada	Energy	5,241	313	279
United Overseas Bank Ltd.	Singapore	Financials	15,328	300	417
United Therapeutics Corp.	United States	Health Care	269	47	39
UnitedHealth Group Inc.	United States	Health Care	155	38	43
Valero Energy Corp.	United States	Energy	4,861	402	581
Vanguard MSCI EAFE ETF	n/a	Exchange Traded Funds	20,619	1,182	1,174
Vanguard S&P 500 ETF	n/a	Exchange Traded Funds	5,591	1,783	1,743
Verizon Communications Inc.	United States	Telecommunication Services	8,696	567	536
Viacom Inc. Class B	United States	Consumer Discretionary	4,018	156	161
Visa Inc. Class A	United States	Information Technology	3,538	508	545
Walgreens Boots Alliance Inc.	United States	Consumer Staples	840	74	71
Wal-Mart Stores Inc.	United States	Consumer Staples	4,464	434	512
The Walt Disney Co.	United States	Consumer Discretionary	1,821	241	236
Wesfarmers Ltd.	Australia	Consumer Staples	5,756	242	238

SCHEDULE OF INVESTMENTS (continued)

as at March 31, 2018

	Country	Sector	No. of Units	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES (continued)					
Woodside Petroleum Ltd.	Australia	Energy	9,140	293	266
Woolworths Ltd.	Australia	Consumer Staples	3,300	83	86
Worldpay Inc. Class A	United States	Information Technology	1,515	148	158
				43,792	44,840
COMMISSIONS AND OTHER PORTFOLIO TRANSACTION COSTS				(28)	-
TOTAL INVESTMENTS				43,764	44,840
Net Assets					
Total investments					44,840
Cash and cash equivalents					1,171
Other net assets (liabilities)					151
					46,162

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 index participation units and derivatives.

at March 31, 2018

	% of net assets
BY ASSET TYPE	
Equities	90.9
Exchange Traded Funds	6.3
Cash and cash equivalents	2.5
Other	0.3
Total	100.0
EFFECTIVE SECTOR ALLOCATION	
Health Care	19.5
Consumer Staples	14.9
Financials	12.5
Consumer Discretionary	10.6
Information Technology	10.3
Energy	7.5
Industrials	6.3
Utilities	4.7
Telecommunication Services	3.9
Materials	3.8
Real Estate	3.1
Cash and cash equivalents	2.5
Other	0.4
Total	100.0
EFFECTIVE REGIONAL ALLOCATION	
United States	59.0
Europe ex U.K.	11.7
Japan	8.7
Pacific ex Japan	8.4
United Kingdom	4.7
Canada	4.6
Middle East and Africa	0.4
Cash and cash equivalents	2.5
Total	100.0

at March 31, 2017

	% of net assets
BY ASSET TYPE	
Equities	97.9
Exchange Traded Funds	1.1
Cash and cash equivalents	0.8
Other	0.2
Total	100.0
EFFECTIVE SECTOR ALLOCATION	
Health Care	21.3
Consumer Staples	16.3
Financials	12.1
Information Technology	9.1
Consumer Discretionary	9.0
Energy	7.8
Utilities	6.9
Industrials	5.5
Telecommunication Services	4.2
Materials	4.1
Real Estate	2.6
Cash and cash equivalents	0.8
Other	0.3
Total	100.0
EFFECTIVE REGIONAL ALLOCATION	
United States	63.8
Europe ex U.K.	10.4
Japan	8.3
Pacific ex Japan	6.5
United Kingdom	4.9
Canada	4.7
Middle East and Africa	0.6
Cash and cash equivalents	0.8
Total	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 period from inception to March 31, 2018 and 2017. 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, Canada. The Fund is authorized to issue an unlimited number of units (referred to as "security" or "securities") of multiple series. Series of the Fund are available for sale under Simplified Prospectus and/or exempt distribution options.

Counsel Portfolio Services Inc. (the "Manager" or "Counsel") acts as the Fund's manager and trustee.

2. BASIS OF PREPARATION AND PRESENTATION

These annual financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). A summary of the Fund's significant accounting policies under IFRS is presented in Note 3.

These financial statements are presented in Canadian dollars, which is the Fund's functional currency, and rounded to the nearest thousand unless otherwise indicated. These financial statements are prepared on a going concern basis using the historical cost basis, except for financial assets and liabilities that have been measured at fair value.

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

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

Financial instruments include financial assets and liabilities such as debt and equity securities and derivatives. The Fund classifies and measures financial instruments in accordance with IFRS 9 Financial Instruments ("IFRS 9"). Upon initial recognition, financial instruments are classified as fair value through profit or loss ("FVTPL"). All financial instruments are recognized in the Statements of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date.

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

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

Realized and unrealized gains and losses on investments are calculated based on average cost of investments and exclude commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income – Commissions and other portfolio transaction costs.

Gains and losses arising from changes in the fair value of the investments are included in the Statement of Comprehensive Income for the period in which they arise.

(b) Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments, including exchange traded funds ("ETFs"), listed on a public securities exchange or traded on an over-the-counter market are valued on the basis of the last traded market price where this price falls within the quoted bid-ask spread for the investment. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Unlisted or non-exchange traded investments, or investments where a last sale or close price is unavailable or investments for which market quotations are, in Counsel's opinion, inaccurate, unreliable, or not reflective of all available material information, are valued at their fair value as determined by the Manager using appropriate and accepted industry valuation techniques including valuation models. The fair value determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. In limited circumstances, the fair value may be determined using valuation techniques that are not supported by observable market data. The cost of investments is determined on a weighted average cost basis.

Cash and cash equivalents which includes cash on deposit with financial institutions and short term investments that are readily convertible to cash, are subject to an insignificant risk of changes in value, and are used by the Fund in the management of short-term commitments. Cash and cash equivalents are reported at fair value which closely approximates their amortized cost due to their nature of being highly liquid and having short terms to maturity.

The Fund may use derivatives (such as written options, futures, forward contracts, swaps or customized derivatives) to hedge against losses caused by changes in securities prices, interest rates or exchange rates. The Fund may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, to gain exposure to other currencies, to seek to generate additional income, and/or for any other purpose considered appropriate by the Manager, provided that the use of the derivative is consistent with the Fund's investment objectives. Any use of derivatives will comply with Canadian mutual fund laws, subject to the regulatory exemptions granted to the Fund, as applicable.

Valuations of derivative instruments are carried out daily, using normal exchange reporting sources for exchange-traded derivatives and specific broker enquiry for over-the-counter derivatives.

The value of forward contracts is the gain or loss that would be realized if, on the valuation date, the positions were to be closed out. The change in value of forward contracts is included in the Statements of Comprehensive Income – Other changes in fair value of investments - Net unrealized gain (loss).

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

(c) Income recognition

Interest income from interest bearing investments is recognized using the effective interest method. Dividends are accrued as of the ex-dividend date. Realized gains or losses on the sale of investments, including foreign exchange gains or losses on such investments, are calculated on an average cost basis.

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

(d) Commissions and other portfolio transaction costs

Commissions and other portfolio transaction costs are costs incurred to acquire financial assets or liabilities. They include fees and commissions paid to agents, advisers, brokers and dealers.

(e) Securities lending, repurchase and reverse repurchase transactions

The Fund is permitted to enter into securities lending, repurchase and reverse repurchase transactions as set out in the Fund's Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date. Securities lending transactions are administered by the Canadian Imperial Bank of Commerce (the "Securities Lending Agent"). The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased. Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments, and financial institutions. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is included in the Statements of Comprehensive Income – Securities lending income and recognized when earned.

(f) Foreign currency

The functional and presentation currency of the Fund is Canadian dollars. Foreign currency purchases and sales of investments and foreign currency dividend and interest income and expenses are translated to Canadian dollars at the rate of exchange prevailing at the time of the transactions.

Foreign exchange gains (losses) on purchases and sales of foreign currencies are included in the Statements of Comprehensive Income – Net realized gain (loss).

The fair value of investments and other assets and liabilities, denominated in foreign currencies, are translated to Canadian dollars at the rate of exchange prevailing on each business day.

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

The Fund only offsets financial assets and liabilities in the Statement of Financial Position when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts.

Income and expenses are not offset in the statement of comprehensive income unless required or permitted to by an accounting standard, as specifically disclosed in the IFRS policies of the Fund.

(h) Net assets attributable to securityholders per security

Net assets attributable to securityholders per security is computed by dividing the net assets attributable to securityholders of a series of securities on a business day by the total number of securities of the series outstanding on that day.

(i) Net asset value per security

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

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

Increase (decrease) in net assets attributable to securityholders from operations per security in the Statements of Comprehensive Income represents the increase (decrease) in net assets attributable to securityholders from operations for the period, divided by the weighted average number of securities outstanding during the period.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements requires management to make estimates and assumptions that primarily affect the valuation of investments. Estimates and assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

Use of Estimates*Fair value of securities not quoted in an active market*

The Fund holds financial instruments that are not quoted in active markets and are valued using valuation techniques that make use of observable data, to the extent practicable. Various valuation techniques are utilized, depending on a number of factors, including comparison with similar instruments for which observable market prices exist and recent arm's length market transactions. Key inputs and assumptions used are company specific and may include estimated discount rates and expected price volatilities. Changes in key inputs, could affect the reported fair value of these financial instruments held by the Fund.

Use of Judgments*Classification and measurement of investments and application of the fair value option*

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9. The Manager has considered the Fund's business model, commitments to securityholders, and the manner in which investments are managed and evaluated as a group and has determined that irrevocable designation of financial instruments as financial assets or financial liabilities at fair value through profit or loss provides the most appropriate measurement and presentation of the Fund's investments and financial instruments.

Functional currency

The Fund's functional and presentation currency is the Canadian dollar, which is the currency considered to best represent the economic effects of the Fund's underlying transactions, events and conditions taking into consideration the manner in which securities are issued and redeemed and how returns and performance by the Fund are measured.

5. INCOME TAXES

The Fund is a unit 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.

Losses of the Fund cannot be allocated to investors and are retained in the Fund for use in future years. Non-capital losses may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Refer to Note 9 for the Fund's loss carryforwards.

6. MANAGEMENT FEES AND OPERATING EXPENSES

No management fee or operating expenses, other than certain specific fund costs, are charged to the Fund

Such 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, 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.

7. FUND'S CAPITAL

The capital of the Fund is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at March 31, 2018 and 2017 and securities issued, reinvested and redeemed for the period are presented in the Statements of Changes in Financial Position. Counsel manages the capital of the Fund in accordance with the investment objectives and strategies as discussed in Note 10.

NOTES TO ANNUAL FINANCIAL STATEMENTS**8. FINANCIAL INSTRUMENTS RISK****(a) Risk exposure and management**

The Fund's investment activities expose it to a variety of financial risks, as defined in IFRS 7 Financial Instruments: Disclosures ("IFRS 7"). The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, grouped by asset type, with geographic and sector information.

The Manager seeks to minimize potential adverse effects of financial risks on the Fund's performance by employing professional, experienced portfolio advisors, by monitoring the Fund's positions and market events daily, by diversifying the investment portfolio within the constraints of the Fund's investment objectives and strategies (as disclosed in Note 10), and where applicable, by using derivatives to hedge certain risk exposures. To assist in managing risks, the Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy, internal guidelines, and securities regulations.

(b) Liquidity risk

Liquidity risk arises when the Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable securities. In accordance with securities regulations, the Fund must maintain at least 85% of its assets in liquid investments (i.e., investments that can be readily sold). In addition, the Fund retains sufficient cash and short-term investment positions to maintain adequate liquidity. The Fund also has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

Other investment funds managed by Counsel ("Top Funds") may invest in Series 0 securities offered by the Fund on a prospectus-exempt basis in accordance with the investment objectives of those funds.

From time to time, these holdings may be rebalanced by either reducing an allocation to the Fund or eliminating such investments in the Fund entirely. In either case, depending on the size of the investment by a large investor, this could cause a significant redemption from the Fund. Meeting such a redemption may require the Fund to sell portfolio holdings. This could result in the Fund selling a particular holding before it has achieved the valuation sought by the Manager thus affecting Fund returns. This could also result in the Fund realizing capital gains on its holdings earlier than planned, which could result in capital gains distributed to investors in the Fund (which could result in income tax payable by the investor) that might not have occurred or might have occurred at a later date.

For the amounts held by and the changes thereto during, please refer to the amounts disclosed pertaining to Series 0 in the Statement of Financial Position and Statement of Changes in Financial Position.

(c) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

All transactions in listed securities are executed with approved brokers. To minimize the possibility of settlement default, securities are exchanged for payment simultaneously, where market practices permit, through the facilities of a central depository and/or clearing agency where customary.

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

The Fund may enter into securities lending transactions with counterparties and it may also be exposed to credit risk from the counterparties to the derivative instruments it may use. Credit risk associated with these transactions is considered minimal as all counterparties have an approved credit rating equivalent to a Standard & Poor's credit rating of not less than A-1 (low) on their short-term debt and of A on their long-term debt, as applicable.

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

(d) Currency risk

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

(e) Interest rate risk

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

(f) Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategy. If applicable and significant, Note 10 summarizes the Fund's exposure to other price risk, including indirect exposure through underlying mutual funds and ETFs.

9. FURTHER INFORMATION

A copy of the Fund's current Annual Information Form, Management Report of Fund Performance, 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 unless otherwise noted

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

Series	Date of Inception	Minimum Investment (\$)	Management Fee (%)	Administration Fee (%)
Series O ^{1,3}	January 7, 2016	-	-	-
Series R ^{2,3}	January 7, 2016	-	-	-

¹ 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.

² This series is not available for sale and is held solely by Counsel.

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

(b) Investment Objectives and Strategies

The Fund seeks to provide long-term capital growth by investing, either directly or indirectly through other investment funds and/or derivatives such as futures, in equity securities of companies around the world, while seeking to reduce absolute volatility. The Fund invests primarily with a focus on companies and/or sectors that are believed to have lower sensitivity to broader market movements.

The Fund is not available to retail investors and is only available to other institutional investors (primarily other Counsel Funds).

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

The table below indicates the foreign currencies, to which the Fund had significant exposure as at period end in Canadian dollar terms.

March 31, 2018				
Currency	Investments	Cash and cash equivalents	Derivative instruments	Net exposure
Australian dollars	1,431	1	-	1,432
Euro	3,215	-	-	3,215
Hong Kong dollars	1,208	-	-	1,208
Japanese yen	3,725	8	-	3,733
Swiss franc	1,032	-	-	1,032
United Kingdom pounds	1,961	-	-	1,961
United States dollars	28,396	17	-	28,413
Other currencies	1,959	7	-	1,966
Total	42,927	33	-	42,960
As percent of net assets (%)				93.1

March 31, 2017				
Currency	Investments	Cash and cash equivalents	Derivative instruments	Net exposure
Euro	1,036	1	-	1,037
Hong Kong dollars	669	-	-	669
Japanese yen	2,457	9	-	2,466
Singapore dollars	553	-	-	553
Swiss franc	1,003	-	-	1,003
United Kingdom pounds	1,682	-	-	1,682
United States dollars	19,110	12	-	19,122
Other currencies	1,708	4	-	1,712
Total	28,218	26	-	28,244
As percent of net assets (%)				93.7

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 \$2,148 or 4.7% of total net assets (March 31, 2017—\$1,412 or 4.7% of total net assets). In practice, the actual trading results may differ and the difference could be material.

ii. Interest Rate Risk

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

iii. Other Price Risk

The Fund's most significant exposure to other price risk arises from its investment in equity securities. As at March 31, 2018, had the prices on the respective stock exchanges for these securities raised or lowered by 10.0%, with all other variables held constant, net assets would have increased or decreased by approximately \$4,484 or 9.7% of total net assets (March 31, 2017—\$2,984 or 9.9% of total net assets). In practice, the actual trading results may differ and the difference could be material.

iv. Credit Risk

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

(d) Loss Carryforwards

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

NOTES TO ANNUAL FINANCIAL STATEMENTS

All figures stated in \$000s of Canadian dollars unless otherwise noted

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

The table below summarizes the Fund's financial instruments carried at fair value using the following fair value hierarchy:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

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

as at March 31, 2018	Level 1	Level 2	Level 3	Total
Fixed income	-	-	-	-
Mutual Funds	-	-	-	-
Equities	33,920	10,920	-	44,840
Cash equivalents	-	-	-	-
Derivative assets	-	-	-	-
Derivative liabilities	-	-	-	-
Total	33,920	10,920	-	44,840

as at March 31, 2017	Level 1	Level 2	Level 3	Total
Fixed income	-	-	-	-
Mutual Funds	-	-	-	-
Equities	29,841	-	-	29,841
Cash equivalents	-	-	-	-
Derivative assets	-	-	-	-
Derivative liabilities	-	-	-	-
Total	29,841	-	-	29,841

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for non-North American equities when North American intraday stock market movements exceed predetermined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. Consequently, during the period, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices).

As of March 31, 2018, these securities were generally classified as Level 2 (March 31, 2017 – Level 1). Other than as described above, there were no significant transfers between Level 1 and Level 2. The Fund's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

(f) Securities Lending

as at	Value of securities loaned	Value of collateral received
March 31, 2018	1,299	1,351
March 31, 2017	882	926

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	4	2	100.0	100.0
Securities Lending Agent fees	(1)	(1)	(25.0)	(50.0)
Securities Lending Income to the Fund before Withholdings Taxes	3	1	75.0	50.0
Withholding Taxes	-	-	0.0	0.0
Securities Lending Income	3	1	75.0	50.0

COUNSEL | PORTFOLIO SERVICES

Client Services 180 Queen St. W., Toronto, ON M5V 3K1 • Toll-Free: 1-877-216-4979 • Fax: (416) 922-5660
Sales & Marketing 5015 Spectrum Way, Suite 300, Mississauga ON L4W 0E4 • Toll-Free: 1-877-625-9885 • Fax: 1-844-378-6247