

COUNSEL | PORTFOLIO SERVICES

Counsel Money Market

ANNUAL FINANCIAL STATEMENTS

For the year ended March 31, 2023

These Financial Statements do not contain the Management Report of Fund Performance ("MRFP") of the investment fund.

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 policies and 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.counselservices.com or by visiting www.sedar.com.

COUNSEL MONEY MARKET

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Counsel Portfolio Services Inc. (the "Manager"), as Manager of Counsel Money Market (the "Fund"). The Manager is responsible for the integrity, objectivity and reliability of the data presented. This responsibility includes selecting appropriate accounting principles and making judgments and estimates consistent with International Financial Reporting Standards. The Manager is also responsible for the development of internal controls over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors (the "Board") of Counsel Portfolio Services Inc. is responsible for reviewing and approving the financial statements and overseeing the Manager's performance of its financial reporting responsibilities. The Board 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.

Effective March 31, 2023, KPMG LLP was appointed the external auditor of the Fund. It is appointed by the Board. The external auditor has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the securityholders its opinion on the financial statements. Its report is set out below.



Sam Febraro
President and Chief Executive Officer



Paulette Jervis
Chief Financial Officer

June 5, 2023

INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Counsel Money Market (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise:

- the statement of financial position as at March 31, 2023
- the statement of comprehensive income for the period then ended as indicated in note 1
- the statement of changes in financial position for the period then ended as indicated in note 1
- the statement of cash flows for the period then ended as indicated in note 1 and
- notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2023, and its financial performance and cash flows for the period then ended as indicated in note 1 in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Matter – Comparative Information

The financial statements for the period ended March 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 13, 2022.

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INDEPENDENT AUDITOR'S REPORT (cont'd)

Other Information

Management is responsible for the other information. Other information comprises:

– the information included in the Annual Management Report of Fund Performance of the Fund.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in the Annual Management Report of Fund Performance of the Fund filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Fund.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
June 5, 2023

COUNSEL MONEY MARKET

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STATEMENTS OF FINANCIAL POSITION

at March 31 (in \$ 000 except per security amounts)

	2023	2022
ASSETS		
Current assets		
Investments at fair value	20,609	23,249
Cash	64	6
Accrued interest receivable	18	7
Accounts receivable for investments sold	–	2
Accounts receivable for securities issued	–	–
Total assets	20,691	23,264
LIABILITIES		
Current liabilities		
Accounts payable for investments purchased	–	300
Accounts payable for securities redeemed	–	–
Distributions payable	75	10
Due to manager	–	1
Total liabilities	75	311
Net assets attributable to securityholders	20,616	22,953

	Net assets attributable to securityholders (note 3)			
	per security		per series	
	2023	2022	2023	2022
Series A	10.00	10.00	16,376	20,047
Series C	10.00	10.00	1	1
Series F	10.00	10.00	2,935	2,377
Series I	10.00	10.00	1,281	484
Series O	n/a	n/a	n/a	n/a
Series Private Wealth	10.00	10.00	23	44
			20,616	22,953

STATEMENTS OF COMPREHENSIVE INCOME

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

	2023	2022
Income		
Interest income for distribution purposes	812	55
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	–	–
Net unrealized gain (loss)	–	–
Total income (loss)	812	55
Expenses (note 6)		
Management fees	176	200
Administration fees	46	36
Independent Review Committee fees	–	–
Other	2	–
Expenses before amounts absorbed by Manager	224	236
Expenses absorbed by Manager	22	209
Net expenses	202	27
Increase (decrease) in net assets attributable to securityholders from operations before tax	610	28
Foreign withholding tax expense (recovery)	–	–
Foreign income tax expense (recovery)	–	–
Increase (decrease) in net assets attributable to securityholders from operations	610	28

	Increase (decrease) in net assets attributable to securityholders from operations (note 3)			
	per security		per series	
	2023	2022	2023	2022
Series A	0.21	0.01	430	19
Series C	0.26	0.01	–	–
Series F	0.25	0.01	78	2
Series I	0.28	0.06	99	4
Series O	n/a	0.01	n/a	2
Series Private Wealth	0.25	0.03	3	1
			610	28

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

COUNSEL MONEY MARKET

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STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	Total		Series A		Series C		Series F		Series I	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	22,953	23,683	20,047	18,731	1	1	2,377	1,399	484	685
Increase (decrease) in net assets from operations	610	28	430	19	–	–	78	2	99	4
Distributions paid to securityholders:										
Investment income	(612)	(28)	(430)	(19)	–	–	(79)	(2)	(99)	(5)
Capital gains	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(612)	(28)	(430)	(19)	–	–	(79)	(2)	(99)	(5)
Security transactions:										
Proceeds from securities issued	28,213	24,049	16,934	17,995	206	1,053	5,536	3,472	5,224	1,466
Reinvested distributions	502	28	375	19	–	–	68	2	57	5
Payments on redemption of securities	(31,050)	(24,807)	(20,980)	(16,698)	(206)	(1,053)	(5,045)	(2,496)	(4,484)	(1,671)
Total security transactions	(2,335)	(730)	(3,671)	1,316	–	–	559	978	797	(200)
Increase (decrease) in net assets attributable to securityholders	(2,337)	(730)	(3,671)	1,316	–	–	558	978	797	(201)
End of period	20,616	22,953	16,376	20,047	1	1	2,935	2,377	1,281	484
Increase (decrease) in fund securities (in thousands) (note 7):										
Securities outstanding – beginning of period			Securities		Securities		Securities		Securities	
Issued			2,005	1,873	–	–	238	140	48	68
Reinvested distributions			1,693	1,800	21	105	554	348	522	147
Redeemed			37	2	–	–	7	–	6	–
Securities outstanding – end of period			(2,098)	(1,670)	(21)	(105)	(505)	(250)	(448)	(167)
			1,637	2,005	–	–	294	238	128	48

	Series O		Series Private Wealth	
	2023	2022	2023	2022
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS				
Beginning of period	–	2,824	44	43
Increase (decrease) in net assets from operations	–	2	3	1
Distributions paid to securityholders:				
Investment income	–	(2)	(4)	–
Capital gains	–	–	–	–
Total distributions paid to securityholders	–	(2)	(4)	–
Security transactions:				
Proceeds from securities issued	–	63	313	–
Reinvested distributions	–	2	2	–
Payments on redemption of securities	–	(2,889)	(335)	–
Total security transactions	–	(2,824)	(20)	–
Increase (decrease) in net assets attributable to securityholders	–	(2,824)	(21)	1
End of period	–	–	23	44
Increase (decrease) in fund securities (in thousands) (note 7):				
Securities outstanding – beginning of period			Securities	
Issued			–	282
Reinvested distributions			–	7
Redeemed			–	–
Securities outstanding – end of period			–	(289)
			2	4

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

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STATEMENTS OF CASH FLOWS

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

	2023	2022
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	610	28
Adjustments for:		
Net realized loss (gain) on investments	—	—
Change in net unrealized loss (gain) on investments	—	—
Purchase of investments	(852,062)	(502,533)
Proceeds from sale and maturity of investments	854,404	503,240
(Increase) decrease in accounts receivable and other assets	(11)	18
Increase (decrease) in accounts payable and other liabilities	(1)	—
Net cash provided by (used in) operating activities	2,940	753
Cash flows from financing activities		
Proceeds from securities issued	28,213	24,059
Payments on redemption of securities	(31,050)	(24,832)
Distributions paid net of reinvestments	(45)	1
Net cash provided by (used in) financing activities	(2,882)	(772)
Increase (decrease) in cash and cash equivalents	58	(19)
Cash (Bank indebtedness) at beginning of period	6	25
Effect of exchange rate fluctuations on cash and cash equivalents	—	—
Cash (Bank indebtedness), end of period	64	6
Supplementary disclosures on cash flow from operating activities:		
Dividends received	—	—
Foreign taxes paid	—	—
Interest received	801	73
Interest paid	—	—

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

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SCHEDULE OF INVESTMENTS

as at March 31, 2023

	Country	Sector	Par Value/ Shares/ Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS					
Bank of Montreal F/R 04-25-2023	Canada	Corporate - Non Convertible	300,000	300	300
Bank of Montreal F/R 03-27-2024	Canada	Corporate - Non Convertible	200,000	200	200
The Bank of Nova Scotia F/R 03-28-2024	Canada	Corporate - Non Convertible	400,000	400	400
Canada Housing Trust F/R 09-15-2023	Canada	Federal Government	160,000	161	161
Canadian Imperial Bank of Commerce F/R 04-19-2023	Canada	Corporate - Non Convertible	400,000	400	400
HSBC Bank Canada F/R 06-29-2023	Canada	Corporate - Non Convertible	430,000	430	430
Hydro-Quebec F/R 04-14-2023	Canada	Provincial Governments	500,000	499	499
National Bank of Canada F/R 08-09-2023	Canada	Corporate - Non Convertible	1,000,000	999	999
Plaza Trust F/R 09-29-2023	Canada	Corporate - Non Convertible	280,000	280	280
Royal Bank of Canada F/R 11-24-2023	Canada	Corporate - Non Convertible	250,000	250	250
Storm King Funding F/R 09-29-2023	Canada	Corporate - Non Convertible	300,000	300	300
The Toronto-Dominion Bank F/R 04-06-2023	Canada	Corporate - Non Convertible	300,000	300	300
The Toronto-Dominion Bank F/R 01-31-2025	Canada	Corporate - Non Convertible	300,000	300	300
York Region District School Board 6.55% 04-12-2023	Canada	Provincial Governments	100,000	100	100
Total bonds				4,919	4,919
SHORT-TERM NOTES					
Alectra Inc. 4.59% 04-04-2023	Canada	Corporate - Non Convertible	200,000	200	200
AltaLink LP 4.71% 05-01-2023	Canada	Corporate - Non Convertible	100,000	100	100
Bank of China (Canada) 5.15% 04-27-2023	Canada	Corporate - Non Convertible	650,000	642	642
Bank of Montreal 4.65% 04-06-2023	Canada	Corporate - Non Convertible	100,000	100	100
Central 1 Credit Union 4.70% 05-01-2023	Canada	Corporate - Non Convertible	130,000	129	129
Central 1 Credit Union 4.72% 05-03-2023	Canada	Corporate - Non Convertible	50,000	50	50
Central 1 Credit Union 4.74% 05-03-2023	Canada	Corporate - Non Convertible	220,000	218	218
City of Ottawa 4.54% 04-19-2023	Canada	Corporate - Non Convertible	2,000,000	1,992	1,992
City of Ottawa 4.53% 04-26-2023	Canada	Corporate - Non Convertible	1,500,000	1,495	1,495
Enbridge Pipelines Inc. 4.93% 04-25-2023	Canada	Corporate - Non Convertible	150,000	149	149
Énergir Inc. 4.66% 04-06-2023	Canada	Corporate - Non Convertible	100,000	100	100
Intact Financial Corp. 4.70% 04-25-2023	Canada	Corporate - Non Convertible	60,000	60	60
King Street Trust 5.22% 04-28-2023	Canada	Corporate - Non Convertible	100,000	99	99
King Street Trust 5.17% 05-03-2023	Canada	Corporate - Non Convertible	40,000	40	40
King Street Trust 5.06% 06-08-2023	Canada	Corporate - Non Convertible	50,000	49	49
Manitoba Hydro Electric Board 4.53% 04-06-2023	Canada	Corporate - Non Convertible	300,000	299	299
Mizuho Bank Ltd. 4.66% 04-06-2023	Canada	Corporate - Non Convertible	50,000	50	50
MUFG Capital Finance 1 Ltd. 4.71% 04-24-2023	Canada	Corporate - Non Convertible	150,000	149	149
Plaza Trust 5.16% 05-03-2023	Canada	Corporate - Non Convertible	50,000	49	49
Province of Alberta 4.55% 04-14-2023	Canada	Provincial Governments	810,000	805	805
Province of British Columbia 4.51% 04-11-2023	Canada	Provincial Governments	100,000	100	100
Province of Manitoba 4.55% 04-26-2023	Canada	Provincial Governments	600,000	593	593
Province of Manitoba 4.53% 06-07-2023	Canada	Provincial Governments	440,000	435	435
Province of New Brunswick 4.56% 05-04-2023	Canada	Provincial Governments	200,000	198	198
Province of Newfoundland 4.52% 04-20-2023	Canada	Provincial Governments	120,000	119	119
Province of Newfoundland 4.55% 04-20-2023	Canada	Provincial Governments	50,000	50	50
Province of Newfoundland 4.57% 04-27-2023	Canada	Provincial Governments	300,000	297	297
Province of Newfoundland 4.57% 05-04-2023	Canada	Provincial Governments	130,000	129	129
Province of Newfoundland 4.58% 05-04-2023	Canada	Provincial Governments	100,000	99	99
Province of Nova Scotia 4.56% 04-25-2023	Canada	Provincial Governments	200,000	198	198
Province of Prince Edward Island 4.56% 04-18-2023	Canada	Provincial Governments	500,000	495	495
Province of Prince Edward Island 4.57% 05-02-2023	Canada	Provincial Governments	3,000,000	2,965	2,965
Regional Municipality of York 4.70% 06-23-2023	Canada	Corporate - Non Convertible	50,000	49	49
Royal Bank of Canada 4.45% 04-03-2023	Canada	Corporate - Non Convertible	1,690,000	1,690	1,690
Royal Bank of Canada 4.70% 04-28-2023	Canada	Corporate - Non Convertible	300,000	298	298
Societe de transport de Montreal 4.62% 04-20-2023	Canada	Corporate - Non Convertible	100,000	100	100
Stable Trust 5.08% 05-11-2023	Canada	Corporate - Non Convertible	200,000	197	197
TMX Group Ltd. 4.62% 04-11-2023	Canada	Corporate - Non Convertible	100,000	100	100
TMX Group Ltd. 4.63% 04-17-2023	Canada	Corporate - Non Convertible	100,000	100	100
Toronto Hydro 4.56% 04-04-2023	Canada	Corporate - Non Convertible	100,000	100	100
Vancouver City Savings 4.72% 05-09-2023	Canada	Corporate - Non Convertible	350,000	346	346
Vancouver City Savings 4.80% 06-28-2023	Canada	Corporate - Non Convertible	170,000	168	168

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SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Par Value/ Shares/ Units	Average Cost (\$ 000)	Fair Value (\$ 000)
SHORT-TERM NOTES (cont'd)					
Vancouver City Savings 4.81% 06-28-2023	Canada	Corporate - Non Convertible	90,000	89	89
Total short-term notes				<u>15,690</u>	<u>15,690</u>
Transaction costs				—	—
Total investments				<u>20,609</u>	<u>20,609</u>
Cash					64
Other assets less liabilities					<u>(57)</u>
Net assets attributable to securityholders					<u>20,616</u>

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SUMMARY OF INVESTMENT PORTFOLIO

	MARCH 31, 2023	
ASSET TYPE		% OF NAV
Provincial short-term discount notes	32.9	
Corporate bonds	20.2	
Short-term discount notes	17.2	
Corporate short-term discount notes	9.3	
Canadian term deposits	8.2	
Bearer deposit discount notes	4.5	
Provincial governments	2.9	
Commercial papers	2.1	
Banker's acceptance discount notes	1.9	
Federal government	0.8	
Cash	0.3	
Other	(0.3)	

	MARCH 31, 2022	
ASSET TYPE		% OF NAV
Provincial governments	58.2	
Corporate	41.1	
Federal government	2.0	
Other	(1.3)	

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NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the years ended or as at March 31, 2023 and 2022 (as applicable). In the year a series is established, 'period' represents the period from inception to the period end of that fiscal period. In a period where a series is terminated the period represents from the beginning of the fiscal year to the termination date. Refer to Note 9 for series inception and termination 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 are 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 through profit or loss ("FVTPL").

These financial statements were authorized for issue by Counsel's Board of Directors on June 5, 2023.

3. Significant Accounting Policies

(a) Financial Instruments

Financial instruments include financial assets such as short-term debt securities. The Fund classifies and measures financial instruments in accordance with IFRS 9 *Financial Instruments*. Upon initial recognition, financial instruments are classified as "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 assets are derecognized when the right to receive cash flows from the instrument has expired. Financial liabilities are derecognized when the Fund has transferred substantially all risks and rewards of ownership. Investment purchase and sale transactions are recorded as of the trade date.

The Fund's redeemable securities entitle securityholders the right to redeem their interest in the Fund for cash equal to their proportionate share of the net asset value of the Fund, amongst other contractual rights. The Fund's redeemable securities meet the criteria for classification as financial liabilities under IAS 32, *Financial Instruments: Presentation*. The Fund's obligation for net assets attributable to securityholders is presented at the redemption amount.

IAS 7, *Statement of Cash Flows*, requires disclosures related to changes in liabilities and assets, such as the securities of the Fund, arising from financing activities. Changes in securities of the Fund, including both changes from cash flows and non-cash changes, are included in the Statement of Changes in Financial Position. Any changes in the securities not settled in cash as at the end of the period are presented as either Accounts receivable for securities issued or Accounts payable for securities redeemed in the Statement of Financial Position. These accounts receivable and accounts payable amounts typically settle shortly after period-end.

(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 are valued at cost which, together with accrued interest, approximates fair value. The cost of investments is determined on a weighted average cost basis. Fair value of investments is determined based on 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.

The Fund's financial instruments carried at fair value are classified 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, 2023 and March 31, 2022, all investments were classified as Level 2. There were no significant transfers between Level 1 and Level 2 during the periods.

(c) Income recognition

Interest income for distribution purposes from interest bearing investments is recognized using the effective interest method based on amortized cost of investments. Income, realized gains (losses), and unrealized gains (losses) are allocated daily among the series on a pro-rata basis.

(d) 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.

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 and recognized when earned. 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.

COUNSEL MONEY MARKET

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NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(e) 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.

(f) 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, 2023 and March 31, 2022, there were no such differences.

(g) 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 Statement 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.

(h) Comparative amounts

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

(i) Future Accounting Changes

Counsel has determined there are no material implications to the Fund's financial statements arising from IFRS issued but not yet effective.

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 Judgments

Classification and measurement of investments

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

Functional currency

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

5. Income taxes

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its securityholders as at the end of the taxation year. The Fund maintains a December 31 year-end for tax purposes. The Fund will distribute sufficient amounts from net income for tax purposes, as required, so that the Fund will not pay income taxes other than refundable tax on capital gains, if applicable.

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. The Fund has no loss carryforwards to offset future taxable income.

6. Management Fees and Operating Expenses

Counsel is paid a management fee for arranging for the management of the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements relating to the purchase and sale of the investment portfolio and making arrangements with registered dealers for the purchase and sale of securities of the Fund by securityholders.

Each series of the Fund, excluding Series O, is charged a fixed rate annual administration fee ("Administration Fee"), as applicable, and in return, Counsel bears all of the operating expenses of the Fund, other than certain specified fund costs.

Other fund costs include taxes (including, but not limited to GST/HST and income tax), interest and borrowing costs, all fees and expenses of the Counsel Funds' Independent Review Committee, costs of complying with the regulatory requirement to produce Fund Facts, and any new fees related to external services that were not commonly charged in the Canadian mutual fund industry after the date of the Fund's most recently filed Simplified Prospectus.

Counsel may waive or absorb management fees and/or Administration Fees at its discretion and stop waiving or absorbing such fees at any time without notice. Refer to Note 9 for the management fee and Administration Fee rates charged to each series of securities.

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, 2023 and 2022 and securities issued, reinvested and redeemed for the periods 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 8 (a).

COUNSEL MONEY MARKET

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NOTES TO 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. To assist in managing risks, Counsel 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.

The investment portfolio is comprised primarily of high-quality short-term Canadian money market securities and floating rate notes. The Fund selects investments that include short-term debt issued or guaranteed by federal, provincial or municipal governments, promissory notes, non-government obligations issued by chartered banks and commercial paper issued by corporations.

(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 order to monitor the liquidity of its assets, the Fund utilizes a liquidity risk management program that calculates the number of days to convert the investments held by the Fund into cash using a multi-day liquidation approach. This liquidity risk analysis assesses the Fund's liquidity against pre-determined minimum liquidity percentages, established for different time periods. In addition, the Fund has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions. In order to comply with securities regulations, the Fund must maintain at least 85% of its assets in liquid investments (i.e. investments that can be readily sold).

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

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

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

(c) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment into which it has entered with the Fund. The table below summarizes the Fund's exposure, if applicable and significant, to credit risk through fixed income instruments. Where presented, credit ratings and rating categories are based on ratings issued by a designated rating organization.

As at March 31, 2023 and 2022, debt securities by credit rating are as follows:

Bond Rating	March 31, 2023	March 31, 2022
	% of Net Assets	% of Net Assets
R1 (High)	13.5	25.4
R1 (Med)	34.7	55.5
R1 (Low)	44.6	18.2
Unrated	7.2	2.2
Total	100.0	101.3

As at March 31, 2023, the maximum exposure to any one debt issuer was 17.0% of net assets (March 31, 2022 – 28.8%).

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.

(d) Currency risk

Currency risk is the risk that financial instruments which are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's functional currency, will fluctuate due to changes in exchange rates. Generally, foreign denominated investments increase in value when the value of the Canadian dollar (relative to foreign currencies) falls. Conversely, when the value of the Canadian dollar rises relative to foreign currencies, the values of foreign denominated investments fall.

As at March 31, 2023 and March 31, 2022, the Fund did not have a significant exposure to currency risk.

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NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

(e) Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Generally, these securities increase in value when interest rates fall and decrease in value when interest rates rise.

As at March 31, 2023 and March 31, 2022, the Fund did not have a significant exposure to interest rate risk as its investments have short terms to maturity or are floating rate notes.

(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.

As at March 31, 2023 and March 31, 2022, the Fund did not have a significant exposure to other price risk.

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9. Series Information

Series	Inception/ Reinstatement Date	Minimum Investment (\$)	Management fee (%) ⁶	Administration fee (%) ⁶
Series A ¹	February 15, 2000	1,000	0.65	0.15
Series C ^{1,5}	January 26, 2007	1,000	0.40	0.15
Series F ²	November 27, 2009	1,000	0.40	0.15
Series I ^{2,3,6}	January 21, 2008	1,000	–	0.15
Series O ⁴	January 13, 2016	–	–	–
Series Private Wealth ⁷	October 19, 2020	–	–	0.15

¹ Series A and C are subject to sales or redemption charges; these charges are based on purchase options chosen. Securities purchased under the sales charge option may be subject to a negotiated fee of up to 5% at time of initial purchase. Securities previously purchased under the redemption charge purchase option may be subject to a redemption fee of up to 4.5% (based on date of initial purchase); new securities are not available under this options but may be acquired through switching from other Counsel funds. Effective June 15, 2022, the administration fee was reduced from 0.16%.

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

³ The management fee for this series is 0.40% and is payable directly to Counsel generally through the monthly redemption of securities.

⁴ 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. This series was terminated effective August 23, 2021.

⁵ This series is only available to investors utilizing the Counsel Advisor-Directed Rebalancing ("Counsel ADR") service.

⁶ Counsel may, at its discretion, waive or lower the management fee (either directly or indirectly) and/or administration fee payable by investors. Effective June 15, 2022, the management fee rates for all series were reduced 0.30% to rates stated above.

⁷ There are no management fees for Series Private Wealth. An investor must enter into an agreement to participate in a discretionary managed program offered by IPC Securities Corporation and agree to pay certain asset-based fees.