

**COUNSEL | PORTFOLIO SERVICES**

# Counsel Short Term Bond

ANNUAL FINANCIAL STATEMENTS

For the year ended March 31, 2020

## COUNSEL | PORTFOLIO SERVICES

# Management's *Responsibility for Financial Reporting*

To the securityholders of:

Counsel All Equity Portfolio

Counsel Balanced Portfolio

Counsel Canadian Core Fixed Income

Counsel Canadian Dividend

Counsel Canadian Growth

Counsel Canadian Value

Counsel Conservative Portfolio

Counsel Defensive Global Equity

Counsel Fixed Income

Counsel Global Dividend

Counsel Global Fixed Income

Counsel Global Low Volatility Equity

Counsel Global Real Estate

Counsel Global Small Cap

Counsel Global Trend Strategy

Counsel Growth Portfolio

Counsel High Income Portfolio

Counsel High Yield Fixed Income

Counsel International Growth

Counsel International Value

Counsel Money Market

Counsel Monthly Income Portfolio

Counsel North American High Yield Bond

Counsel Retirement Accumulation Portfolio

Counsel Retirement Foundation Portfolio

Counsel Retirement Income Portfolio

Counsel Retirement Preservation Portfolio

Counsel Short Term Bond

Counsel U.S. Growth

Counsel U.S. Value

IPC Multi-Factor Canadian Equity

IPC Multi-Factor International Equity

IPC Multi-Factor U.S. Equity

(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

July 13, 2020



**Paulette Jervis**  
Chief Financial Officer

July 13, 2020

## Independent Auditor's Report

To the Securityholders of:

Counsel Fixed Income	Counsel Global Dividend
Counsel Money Market	Counsel High Yield Fixed Income
Counsel Balanced Portfolio	Counsel High Income Portfolio
Counsel Conservative Portfolio	Counsel Global Fixed Income
Counsel Growth Portfolio	Counsel Global Trend Strategy
Counsel All Equity Portfolio	Counsel North American High Yield Bond
Counsel Monthly Income Portfolio	Counsel Retirement Preservation Portfolio
Counsel Global Small Cap	Counsel Retirement Foundation Portfolio
Counsel Canadian Dividend	Counsel Retirement Accumulation Portfolio
Counsel Canadian Value	Counsel Retirement Income Portfolio
Counsel Canadian Growth	Counsel Defensive Global Equity
Counsel U.S. Value	Counsel Global Low Volatility Equity
Counsel U.S. Growth	Counsel Canadian Core Fixed Income
Counsel International Value	IPC Multi-Factor Canadian Equity
Counsel International Growth	IPC Multi-Factor U.S. Equity
Counsel Global Real Estate	IPC Multi-Factor International Equity
Counsel Short Term Bond	

(the "Funds" and each individually, the "Fund")

### Opinion

We have audited the financial statements of each of the Funds, which comprise the statements of financial position as at March 31, 2020 and 2019, and the statements of comprehensive income, changes in financial position and cash flows for the periods then ended, as indicated in note 1, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of each of the Funds as at March 31, 2020 and 2019, as applicable, and its financial performance and its cash flows for the periods then ended, as indicated in note 1, in accordance with International Financial Reporting Standards ("IFRS").

### Basis for Opinion

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

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance.

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, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to 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 this 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 IFRS, 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 Fund's financial reporting process.

## **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 GAAS 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 these financial statements.

As part of an audit in accordance with Canadian GAAS, 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 Fund's 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.

We 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

/s/ Deloitte LLP

Chartered Professional Accountants  
Licensed Public Accountants  
July 13, 2020

**STATEMENTS OF FINANCIAL POSITION**

at March 31, 2020 with comparative figures at March 31, 2019  
(in \$ 000 except per security amounts)

	2020	2019
<b>Assets</b>		
<b>Current assets:</b>		
Investments at fair value	29,227	88,204
Cash and cash equivalents	1,108	8,912
Accrued interest receivable	191	629
Dividends receivable	-	3
Accounts receivable for investments sold	251	129
Accounts receivable for securities issued	1	44
Accounts receivable from the Manager	-	-
Margin on derivative contracts	62	98
Derivative assets	578	52
Other assets	-	-
	31,418	98,071
<b>Non-current assets:</b>		
Taxes recoverable	-	-
Other assets	-	-
	-	-
<b>Total assets</b>	31,418	98,071
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Bank indebtedness	-	-
Accounts payable for investments purchased	216	282
Accounts payable for securities redeemed	42	42
Distributions payable	-	-
Accrued expenses and miscellaneous payables	1	1
Dividends payable on investments sold short	-	-
Derivative liabilities	697	23
Taxes payable	-	-
Other liabilities	-	-
<b>Total liabilities</b>	956	348
<b>Net assets attributable to securityholders</b>	30,462	97,723

	Net assets attributable to securityholders			
	per security		per series	
	2020	2019	2020	2019
Series A	9.38	9.37	7,856	8,609
Series F	9.45	9.44	6,256	3,764
Series I	9.49	9.47	836	1,065
Series O	9.44	9.42	12,065	79,964
Series Private Wealth	9.71	9.69	3,449	4,321
			30,462	97,723

**STATEMENTS OF COMPREHENSIVE INCOME**

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

	2020	2019
<b>Income:</b>		
Dividends	1	5
Interest and other income	2,560	3,384
Net realized gain (loss)	858	(1,441)
Net unrealized gain (loss)	(157)	1,713
Income (loss) from derivatives	(391)	(11)
Income (loss) from short selling	-	-
Securities lending income	-	3
Trust income	-	-
<b>Total income</b>	2,871	3,653
<b>Expenses:</b>		
Management fees	140	163
Management fee rebates	(2)	(3)
Administration fees	31	38
Commissions and other portfolio transaction costs	4	9
Independent Review Committee costs	-	-
Interest and other charges	5	4
<b>Expenses before amounts absorbed by Manager</b>	178	211
Expenses absorbed by Manager	-	-
<b>Net expenses</b>	178	211
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	2,693	3,442
Foreign withholding tax expense (recovery)	1	1
Foreign income tax expense (recovery)	-	-
Income tax expense (recovery)	-	-
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	2,692	3,441

	Increase (decrease) in net assets attributable to securityholders from operations			
	per security		per series	
	2020	2019	2020	2019
Series A	0.12	0.21	108	193
Series F	0.17	0.25	105	100
Series I	0.24	0.32	23	40
Series O	0.26	0.34	2,367	2,981
Series Private Wealth	0.22	0.33	89	127
			2,692	3,441

**STATEMENTS OF CHANGES IN FINANCIAL POSITION**

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

	TOTAL		SERIES A		SERIES F		SERIES I	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Net assets attributable to securityholders, beginning of period</b>	97,723	120,373	8,609	11,545	3,764	9,511	1,065	1,460
Increase (decrease) in net assets attributable to securityholders resulting from:								
<b>Operations</b>	2,692	3,441	108	193	105	100	23	40
<b>Distributions:</b>								
Income	(2,208)	(3,185)	(106)	(176)	(80)	(106)	(21)	(39)
Capital gains	-	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-	-	-
Management fee rebates	(2)	(3)	-	-	(2)	(3)	-	-
<b>Total distributions</b>	(2,210)	(3,188)	(106)	(176)	(82)	(109)	(21)	(39)
<b>Security transactions:</b>								
Proceeds from sale of securities	16,326	13,500	2,137	1,498	5,053	1,518	363	624
Proceeds from securities issued on merger	-	-	-	-	-	-	-	-
Reinvested from distributions	2,199	3,159	106	176	78	104	21	38
Payment on redemption of securities	(86,268)	(39,562)	(2,998)	(4,627)	(2,662)	(7,360)	(615)	(1,058)
<b>Total security transactions</b>	(67,743)	(22,903)	(755)	(2,953)	2,469	(5,738)	(231)	(396)
<b>Increase (decrease) in assets attributable to securityholders</b>	(67,261)	(22,650)	(753)	(2,936)	2,492	(5,747)	(229)	(395)
<b>Net assets attributable to securityholders, end of period</b>	30,462	97,723	7,856	8,609	6,256	3,764	836	1,065
<b>Increase (decrease) in securities (in thousands):</b>								
<b>Securities outstanding, beginning of period</b>			919	1,237	399	1,012	113	155
Add (deduct):								
Securities sold			227	162	536	162	38	67
Securities issued on merger			-	-	-	-	-	-
Reinvested from distributions			11	19	8	11	2	4
Securities redeemed			(319)	(499)	(281)	(786)	(65)	(113)
<b>Securities outstanding, end of period</b>			838	919	662	399	88	113

	SERIES O		SERIES PRIVATE WEALTH	
	2020	2019	2020	2019
<b>Net assets attributable to securityholders, beginning of period</b>	79,964	86,210	4,321	11,647
Increase (decrease) in net assets attributable to securityholders resulting from:				
<b>Operations</b>	2,367	2,981	89	127
<b>Distributions:</b>				
Income	(1,924)	(2,727)	(77)	(137)
Capital gains	-	-	-	-
Return of capital	-	-	-	-
Management fee rebates	-	-	-	-
<b>Total distributions</b>	(1,924)	(2,727)	(77)	(137)
<b>Security transactions:</b>				
Proceeds from sale of securities	5,212	5,670	3,561	4,190
Proceeds from securities issued on merger	-	-	-	-
Reinvested from distributions	1,924	2,727	70	114
Payment on redemption of securities	(75,478)	(14,897)	(4,515)	(11,620)
<b>Total security transactions</b>	(68,342)	(6,500)	(884)	(7,316)
<b>Increase (decrease) in assets attributable to securityholders</b>	(67,899)	(6,246)	(872)	(7,326)
<b>Net assets attributable to securityholders, end of period</b>	12,065	79,964	3,449	4,321
<b>Increase (decrease) in securities (in thousands):</b>				
<b>Securities outstanding, beginning of period</b>	8,491	9,191	446	1,207
Add (deduct):				
Securities sold	554	607	367	436
Securities issued on merger	-	-	-	-
Reinvested from distributions	204	293	7	12
Securities redeemed	(7,970)	(1,600)	(465)	(1,209)
<b>Securities outstanding, end of period</b>	1,279	8,491	355	446

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

**STATEMENTS OF CASH FLOWS**

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

	2020	2019
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to securityholders from operations	2,692	3,441
<b>Less non-cash impact of:</b>		
Net realized loss (gain) on investments	(858)	1,441
Change in net unrealized loss (gain) on investments	157	(1,713)
Distributions received from Underlying Funds	-	-
<b>Adjustments for:</b>		
Proceeds from sale and maturity of investments	131,674	87,491
Purchases of investments	(72,052)	(58,372)
(Increase) decrease in accounts receivable and other assets	497	(49)
Increase (decrease) in accounts payable and other liabilities	-	(1)
<b>Net cash provided by (used in) operating activities</b>	<b>62,110</b>	<b>32,238</b>
<b>Cash flows from financing activities:</b>		
Proceeds from securities issued	16,369	13,580
Proceeds from securities issued on merger	-	-
Payments on redemption of securities	(86,268)	(39,580)
Distributions paid net of reinvestments	(11)	(29)
<b>Net cash provided by (used in) financing activities</b>	<b>(69,910)</b>	<b>(26,029)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(7,800)</b>	<b>6,209</b>
Cash and cash equivalents at beginning of period	8,912	2,703
Effect of exchange rate fluctuations on cash and cash equivalents	(4)	-
<b>Cash and cash equivalents, end of period</b>	<b>1,108</b>	<b>8,912</b>
Cash	1,108	517
Cash equivalents	-	8,395
Bank indebtedness	-	-
	1,108	8,912
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received net of withholding taxes	3	8
Interest received net of withholding taxes	2,984	3,438
Interest paid	5	3
Income taxes paid (recovered)	-	-



## SCHEDULE OF INVESTMENTS

as at March 31, 2020

	Country	Sector	Currency*	Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS</b>						
AerCap Ireland Capital Designated Activity Co. 3.30% 01-23-2023 Callable 2022	Ireland	Corporate	USD	70,000	89	84
AG Merger Sub II Inc. Term Loan B 1st Lien F/R 08-01-2026	United States	Bank Loans	USD	9,900	13	11
AIMCo Realty Investors LP 2.27% 06-26-2024 Callable 2024	Canada	Corporate		310,000	310	308
AIMCo Realty Investors LP 2.71% 06-01-2029 Callable 2029	Canada	Corporate		20,000	20	20
Air Lease Corp. 2.63% 12-05-2024 Callable 2024	United States	Corporate		50,000	50	41
Alcami Carolinas Corp. Term Loan 1st Lien F/R 07-06-2025	United States	Bank Loans	USD	29,550	39	38
Alchemy US Holdco LLC Term Loan B 1st Lien F/R 10-01-2025	United States	Bank Loans	USD	39,250	50	49
Algonquin Power & Utilities Corp. 4.65% 02-15-2022	Canada	Corporate		30,000	31	31
Alimentation Couche-Tard Inc. 3.90% 11-01-2022 Callable	Canada	Corporate		40,000	41	41
Alimentation Couche-Tard Inc. 2.95% 01-25-2030 Callable 2029	Canada	Corporate	USD	10,000	13	13
AltaLink LP 2.98% 11-28-2022	Canada	Corporate		340,000	349	348
AltaLink LP 3.67% 11-06-2023 MTN	Canada	Corporate		450,000	482	473
Anheuser-Busch InBev Finance Inc. 2.60% 05-15-2024 Callable 2024	Belgium	Corporate		150,000	151	147
APFS Staffing Holdings Inc. Term Loan 1st Lien F/R 04-10-2026	United States	Bank Loans	USD	19,850	26	23
Aroundtown SA 4.63% 09-18-2025 Callable 2025	Germany	Corporate		40,000	40	41
Ascend Performance Materials Operations LLC Term Loan B 1st Lien F/R 08-16-2026	United States	Bank Loans	USD	29,850	39	37
Ball Metalpack Finco LLC Term Loan B 1st Lien F/R 07-26-2025	United States	Bank Loans	USD	19,650	26	21
Bank of America Corp. F/R 04-24-2022 Callable 2021	United States	Corporate		140,000	140	139
Bank of America Corp. 3.30% 04-24-2024 Callable 2023	United States	Corporate		190,000	192	192
Bank of America Corp. F/R 04-25-2025 Callable 2024	United States	Corporate		230,000	231	229
Bank of America Corp. F/R 03-24-2026 Callable 2025	United States	Corporate		50,000	50	50
Bank of Montreal 2.27% 07-11-2022 DPNT	Canada	Corporate		160,000	157	161
Bank of Montreal 2.89% 06-20-2023	Canada	Corporate		460,000	460	471
Bank of Montreal 2.28% 07-29-2024	Canada	Corporate		60,000	60	59
Bank of Montreal 2.37% 02-03-2025 Callable 2025	Canada	Corporate		60,000	60	59
Bank of Montreal F/R 09-17-2029 Callable 2024	Canada	Corporate		10,000	10	10
The Bank of Nova Scotia 2.36% 11-08-2022	Canada	Corporate		150,000	150	151
The Bank of Nova Scotia 2.98% 04-17-2023	Canada	Corporate		320,000	320	328
The Bank of Nova Scotia 2.38% 05-01-2023	Canada	Corporate		110,000	110	109
The Bank of Nova Scotia 2.49% 09-23-2024	Canada	Corporate		60,000	60	59
The Bank of Nova Scotia 2.16% 02-03-2025	Canada	Corporate		100,000	100	97
The Bank of Nova Scotia F/R 07-03-2029 Callable 2024	Canada	Corporate		60,000	60	58
bcIMC Realty Corp. 3.00% 03-31-2027 Callable 2026	Canada	Corporate		310,000	308	320
BCPE Cycle Merger Sub II Inc. 10.63% 07-15-2027 Callable 2022	United States	Corporate	USD	10,000	13	12
Bell Canada Inc. 3.00% 10-03-2022 Callable 2022	Canada	Corporate		570,000	576	576
BP Capital Markets PLC 3.47% 05-15-2025	United Kingdom	Corporate		60,000	60	61
Brookfield Infrastructure Finance ULC 4.20% 09-11-2028 Callable 2028	Canada	Corporate		20,000	20	20
Brookfield Infrastructure Finance ULC 3.41% 10-09-2029 Callable 2029	Canada	Corporate		20,000	20	19
Brookfield Residential Properties Inc. 6.25% 09-15-2027 Callable 2022	Canada	Corporate	USD	10,000	13	12
Bruce Power LP 2.84% 06-23-2021	Canada	Corporate		200,000	201	200
Bruce Power LP 3.00% 06-21-2024 Callable 2024	Canada	Corporate		40,000	39	40
Canada Housing Trust No. 1 2.90% 06-15-2024	Canada	Federal Government		1,480,000	1,564	1,594
Canada Housing Trust No. 1 1.80% 12-15-2024	Canada	Federal Government		3,050,000	3,040	3,155
Canadian Imperial Bank of Commerce 2.43% 06-09-2023	Canada	Corporate		70,000	70	70
Canadian Imperial Bank of Commerce 2.97% 07-11-2023	Canada	Corporate		130,000	131	133
Canadian Imperial Bank of Commerce 2.35% 08-28-2024	Canada	Corporate		50,000	50	49
Canadian Imperial Bank of Commerce 3.30% 05-26-2025	Canada	Corporate		260,000	260	273
Canadian Imperial Bank of Commerce F/R 06-19-2029 Callable 2024	Canada	Corporate		60,000	60	59
Canadian National Railway Co. 3.00% 02-08-2029 Callable 2028	Canada	Corporate		10,000	10	10
Canadian Natural Resources Ltd. 3.55% 06-03-2024	Canada	Corporate		30,000	30	28
Canadian Pacific Railway Ltd. 3.15% 03-13-2029 Callable 2028	Canada	Corporate		10,000	10	10
Canadian Western Bank 2.61% 01-30-2025 Callable 2024	Canada	Corporate		30,000	30	29
Capital Power Corp. 4.28% 09-18-2024 Callable 2024	Canada	Corporate		130,000	130	132
Capital Power Corp. 4.99% 01-23-2026 Callable 2025	Canada	Corporate		40,000	40	41
CARDS II Trust 2.43% 11-15-2024	Canada	Corporate		60,000	60	60
Cascades Inc. 5.13% 01-15-2026 Callable 2023	Canada	Corporate	USD	10,000	13	14
CCS-CMGC Holdings Inc. Term Loan 1st Lien F/R 09-25-2025	United States	Bank Loans	USD	19,750	25	22
CEVA Logistics Finance BV Term Loan B 1st Lien F/R 08-03-2025	United States	Bank Loans	USD	29,775	38	24
Charter Communications Operating LLC F/R 02-01-2024 Callable 2024	United States	Corporate	USD	360,000	477	504
Charter Communications Operating LLC 5.05% 03-30-2029 Callable 2028	United States	Corporate	USD	10,000	14	15
Chartwell Retirement Residences 4.21% 04-28-2025 Callable 2025	Canada	Corporate		20,000	20	21
Choice Properties Real Estate Investment Trust 3.53% 06-11-2029 Callable 2029	Canada	Corporate		10,000	10	10
Citadel Securities LP Term Loan B 1st Lien F/R 02-27-2026	United States	Bank Loans	USD	88,727	117	114
Colbun SA 4.50% 07-10-2024 Callable 2024	Chile	Corporate	USD	5,000	7	7
CoolSys Inc. Delayed Draw Term Loan 1st Lien F/R 12-31-2049	United States	Bank Loans	USD	29,936	39	41
CPPIB Capital Inc. 1.95% 09-30-2029	Canada	Corporate		30,000	30	30
Crown Subsea Communications Holding Inc. Term Loan 1st Lien F/R 11-02-2025	United States	Bank Loans	USD	15,870	20	20
DynCorp International Inc. Term Loan B 1st Lien F/R 08-15-2025	United States	Bank Loans	USD	48,750	63	59
Edgewell Personal Care Co. Term Loan B 1st Lien F/R 09-20-2026	United States	Bank Loans	USD	10,000	13	14
Electrical Components International Inc. Term Loan 1st Lien F/R 06-22-2025	United States	Bank Loans	USD	39,300	52	42
Emera Inc. 2.90% 06-16-2023	Canada	Corporate		70,000	68	70
Enbridge Gas Inc. 2.90% 04-01-2030 Callable 2030	Canada	Corporate		5,000	5	5

\*Par value of bonds is stated in Canadian dollars unless otherwise noted.

**SCHEDULE OF INVESTMENTS (continued)**

as at March 31, 2020

	Country	Sector	Currency*	Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (continued)</b>						
Enbridge Inc. 3.19% 12-05-2022	Canada	Corporate		170,000	174	169
Enbridge Inc. 3.94% 06-30-2023 Callable MTN	Canada	Corporate		350,000	364	354
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate		180,000	178	149
ENMAX Corp. 2.92% 10-18-2022	Canada	Corporate		20,000	20	21
EnTrans International LLC Term Loan 1st Lien F/R 10-29-2025	United States	Bank Loans	USD	27,375	36	33
EPCOR Utilities Inc. 1.95% 07-08-2022	Canada	Corporate		470,000	469	471
Fédération des Caisses Desjardins du Québec 2.42% 10-04-2024	Canada	Corporate		30,000	30	30
Fairfax Financial Holdings Ltd. 4.50% 03-22-2023	Canada	Corporate		200,000	209	205
Fairfax Financial Holdings Ltd. 4.95% 03-03-2025	Canada	Corporate		90,000	98	94
Federation des Caisses Desjardins du Quebec 3.06% 09-11-2023	Canada	Corporate		650,000	659	667
First American Payment Systems LP Term Loan B 1st Lien F/R 02-21-2027	United States	Bank Loans	USD	30,000	39	37
Forming Machining Industries Holdings LLC Term Loan 1st Lien F/R 10-03-2025	United States	Bank Loans	USD	23,298	30	26
Fortified Trust 2.34% 01-23-2023	Canada	Corporate		150,000	150	150
Fortified Trust 2.56% 03-23-2024	Canada	Corporate		60,000	60	60
Foxtrot Escrow Issuer LLC 12.25% 11-15-2026 Callable 2022	United States	Corporate	USD	24,000	31	32
GBT III BV Term Loan 1st Lien F/R 02-27-2027	Netherlands	Bank Loans	USD	21,770	29	27
GBT US III LLC Delayed Draw Term Loan 1st Lien F/R 02-27-2027	United States	Bank Loans	USD	18,230	24	23
GEMS MENASA (Cayman) Ltd. Term Loan B 1st Lien F/R 07-30-2026	United Arab Emirates	Bank Loans	USD	9,875	13	12
Gibson Energy Inc. 5.25% 07-15-2024 Callable 2020 Reg S	Canada	Corporate		110,000	117	111
GLOBALFOUNDRIES Inc. Term Loan B 1st Lien F/R 05-24-2026	United States	Bank Loans	USD	59,550	79	72
The Goldman Sachs Group Inc. F/R 07-27-2022 Callable 2021	United States	Corporate		80,000	80	78
Government of Canada 1.50% 09-01-2024	Canada	Federal Government		610,000	611	634
Government of Canada 1.25% 03-01-2025	Canada	Federal Government		300,000	308	309
H&R Real Estate Investment Trust 2.92% 05-06-2022	Canada	Corporate		350,000	347	350
H&R Real Estate Investment Trust 3.42% 01-23-2023 Callable 2022	Canada	Corporate		10,000	10	10
Halo Buyer Inc. Term Loan 1st Lien F/R 06-28-2025	United States	Bank Loans	USD	19,650	26	23
HCA Healthcare Inc. 3.50% 09-01-2030 Callable 2030	United States	Corporate	USD	10,000	13	13
Heathrow Funding Ltd. 3.00% 06-17-2023	United Kingdom	Corporate		230,000	231	231
Heathrow Funding Ltd. 3.25% 05-21-2025	United Kingdom	Corporate		20,000	21	21
Heritage Power LLC Term Loan B 1st Lien F/R 07-08-2026	United States	Bank Loans	USD	39,800	51	46
HSBC Bank Canada 2.17% 06-29-2022	Canada	Corporate		420,000	416	418
HSBC Bank Canada 2.25% 09-15-2022	Canada	Corporate		40,000	40	40
Hydro One Inc. 2.57% 06-25-2021	Canada	Corporate		380,000	381	383
Hydro One Inc. 2.54% 04-05-2024 Callable 2024	Canada	Corporate		220,000	224	223
Hydro One Inc. 2.16% 02-28-2030	Canada	Corporate		40,000	40	39
II-VI Inc. Term Loan B 1st Lien F/R 05-08-2026	United States	Bank Loans	USD	49,750	66	59
INEOS Enterprises Holdings US Finco LLC Term Loan B 1st Lien F/R 09-03-2026	United States	Bank Loans	USD	24,526	32	31
Innovative Water Care Global Corp. Term Loan 1st Lien F/R 02-27-2026	United States	Bank Loans	USD	39,600	49	31
Institutional Mortgage Securities Canada Inc. 3.69% 04-12-2020 Class A1	Canada	Mortgage Backed		34	-	-
Institutional Shareholder Services Inc. Term Loan 1st Lien F/R 02-26-2026	United States	Bank Loans	USD	29,700	39	35
Inter Pipeline Ltd. 2.73% 04-18-2024 Callable 2024	Canada	Corporate		280,000	272	262
Inter Pipeline Ltd. 3.17% 03-24-2025 Callable 2024 MTN	Canada	Corporate		50,000	51	48
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	Canada	Corporate		10,000	10	9
Inter Pipeline Ltd. F/R 11-19-2079 Callable 2029	Canada	Corporate		20,000	20	17
Interior Logic Group Holdings IV LLC Term Loan B 1st Lien F/R 05-21-2025	United States	Bank Loans	USD	49,250	63	60
Ivanhoe Cambridge II Inc. 2.91% 06-27-2023 Callable 2023	Canada	Corporate		260,000	268	266
Ivanhoe Cambridge II Inc. 2.30% 12-12-2024 Callable 2024	Canada	Corporate		30,000	30	30
Kestrel Bidco Inc. Term Loan 1st Lien F/R 08-07-2026	Canada	Bank Loans	USD	38,903	51	43
Keyera Corp. F/R 06-13-2079 Callable 2029	Canada	Corporate		10,000	10	9
LABL Escrow Issuer LLC 6.75% 07-15-2026 Callable 2022	United States	Corporate	USD	9,000	12	12
LABL Escrow Issuer LLC 10.50% 07-15-2027 Callable 2022	United States	Corporate	USD	14,000	19	18
Laurentian Bank of Canada 2.55% 06-20-2022	Canada	Corporate		70,000	70	69
Manulife Bank of Canada 2.84% 01-12-2023	Canada	Corporate		20,000	20	20
Manulife Bank of Canada 2.38% 11-19-2024	Canada	Corporate		10,000	10	10
Manulife Financial Corp. F/R 05-09-2028 Callable 2023	Canada	Corporate		440,000	448	442
McDonald's Corp. 3.13% 03-04-2025 Callable 2025	United States	Corporate		180,000	177	183
Metronet Systems Holding LLC Term Loan 1st Lien F/R 12-31-2049	United States	Bank Loans	USD	19,900	26	27
Morgan Stanley 3.00% 02-07-2024 Series MPL	United States	Corporate		170,000	174	170
Multi-Color Corp. Term Loan B 1st Lien F/R 06-17-2026	United States	Bank Loans	USD	29,850	40	36
MyNEXUS Inc. Term Loan 1st Lien F/R 06-19-2024	United States	Bank Loans	USD	27,750	36	37
National Australia Bank Ltd. F/R 06-12-2030 Callable 2025	Australia	Corporate		20,000	20	19
National Bank of Canada 2.98% 03-04-2024	Canada	Corporate		280,000	287	283
National Bank of Canada 2.55% 07-12-2024	Canada	Corporate		320,000	323	318
National Bank of Canada 2.58% 02-03-2025	Canada	Corporate		110,000	111	109
Norbord Inc. 5.75% 07-15-2027 Callable 2022	Canada	Corporate	USD	10,000	13	13
OMERS Finance Trust 2.60% 05-14-2029	Canada	Corporate		10,000	10	11
Owens & Minor Inc. Term Loan B 1st Lien F/R 05-01-2025	United States	Bank Loans	USD	36,800	46	43
PayPal Holdings Inc. 2.20% 09-26-2022	United States	Corporate	USD	60,000	80	83
PayPal Holdings Inc. 2.40% 10-01-2024 Callable 2024	United States	Corporate	USD	30,000	40	42
Pembina Pipeline Corp. 2.56% 06-01-2023	Canada	Corporate		140,000	140	135
Pembina Pipeline Corp. 3.62% 04-03-2029 Callable 2029	Canada	Corporate		10,000	10	9
Pluto Acquisition I Inc. Term Loan 1st Lien F/R 06-18-2026	United States	Bank Loans	USD	29,775	39	36

\*Par value of bonds is stated in Canadian dollars unless otherwise noted.

**SCHEDULE OF INVESTMENTS (continued)**

as at March 31, 2020

	Country	Sector	Currency*	Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (continued)</b>						
Polymer Process Holdings Inc. Term Loan 1st Lien F/R 04-29-2026	United States	Bank Loans	USD	29,775	39	38
Prime Securities Mortgage Trust 1.97% 02-15-2023	Canada	Corporate		50,000	50	49
Province of Newfoundland 3.00% 06-02-2026	Canada	Provincial Governments		20,000	20	21
Province of Ontario 2.30% 09-08-2024	Canada	Provincial Governments		1,240,000	1,259	1,287
Province of Ontario 2.65% 02-05-2025	Canada	Provincial Governments		30,000	30	32
Province of Ontario 1.75% 09-08-2025	Canada	Provincial Governments		110,000	111	111
Province of Quebec 2.25% 02-22-2024	Canada	Provincial Governments		110,000	110	114
Rogers Communications Inc. 5.34% 03-22-2021 Callable	Canada	Corporate		240,000	263	247
Rogers Communications Inc. 3.65% 03-31-2027	Canada	Corporate		10,000	10	10
Rogers Communications Inc. 3.25% 05-01-2029 Callable 2029	Canada	Corporate		10,000	10	10
Royal Bank of Canada 2.36% 12-05-2022	Canada	Corporate		10,000	10	10
Royal Bank of Canada 2.95% 05-01-2023	Canada	Corporate		890,000	897	911
Royal Bank of Canada 3.30% 09-26-2023	Canada	Corporate		20,000	20	20
Royal Bank of Canada 2.35% 07-02-2024	Canada	Corporate		50,000	50	49
Royal Bank of Canada 2.33% 01-28-2027	Canada	Corporate		20,000	20	19
Royal Bank of Canada F/R 07-25-2029	Canada	Corporate		30,000	30	29
Royal Bank of Canada F/R 12-23-2029 Callable 2024	Canada	Corporate		20,000	20	19
Saputo Inc. 2.88% 11-19-2024 Callable 2024	Canada	Corporate		30,000	30	30
Scotia Capital Inc. 1.74% 01-01-2025	Canada	Mortgage Backed		137,601	136	140
Shaw Communications Inc. 3.80% 03-01-2027 Callable	Canada	Corporate		40,000	43	41
Shaw Communications Inc. 4.40% 11-02-2028 Callable 2028	Canada	Corporate		20,000	20	21
Shields Health Solutions Holdings LLC Term Loan 1st Lien F/R 08-13-2026	United States	Bank Loans	USD	19,900	26	25
Sienna Senior Living Inc. 3.47% 02-03-2021	Canada	Corporate		110,000	112	111
Sienna Senior Living Inc. 3.11% 11-04-2024	Canada	Corporate		20,000	20	20
SmartCentres Real Estate Investment Trust 3.53% 12-20-2029 Callable 2029	Canada	Corporate		10,000	10	10
SS&C Technologies Inc. Term Loan B5 1st Lien F/R 04-16-2025	United States	Bank Loans	USD	19,697	26	26
Sun Life Financial Inc. F/R 08-13-2029 Callable 2024	Canada	Corporate		390,000	387	374
Suncor Energy Inc. 3.10% 05-24-2029 Callable 2029	Canada	Corporate		10,000	10	9
Sydney Airport Finance Co. Pty. Ltd. 3.63% 04-28-2026 Callable 2026	Australia	Corporate	USD	104,000	130	151
Sysco Canada Inc. 3.65% 04-25-2025 Callable 2025	United States	Corporate		20,000	20	18
Target Corp. 2.25% 04-15-2025 Callable 2025	United States	Corporate	USD	20,000	28	28
TELUS Corp. 3.35% 04-01-2024 Callable MTN	Canada	Corporate		210,000	213	213
TELUS Corp. 3.30% 05-02-2029 Callable 2029	Canada	Corporate		10,000	10	10
TELUS Corp. 3.15% 02-19-2030 Callable 2029	Canada	Corporate		20,000	20	19
Teneo Holdings LLC Term Loan B 1st Lien F/R 07-12-2025	United States	Bank Loans	USD	39,800	50	46
Terrier Media Buyer Inc. Term Loan B 1st Lien F/R 12-12-2026	United States	Bank Loans	USD	29,925	39	38
Thor Industries Inc. Term Loan B 1st Lien F/R 11-01-2025	United States	Bank Loans	USD	38,139	49	47
Titan Sub LLC Term Loan B 1st Lien F/R 09-19-2026	United States	Bank Loans	USD	19,950	26	24
The Toronto-Dominion Bank 3.01% 05-30-2023	Canada	Corporate		560,000	560	575
The Toronto-Dominion Bank 1.91% 07-18-2023 DPNT	Canada	Corporate		170,000	167	169
The Toronto-Dominion Bank 2.85% 03-08-2024	Canada	Corporate		80,000	80	81
The Toronto-Dominion Bank 1.94% 03-13-2025	Canada	Corporate		20,000	20	19
The Toronto-Dominion Bank F/R 07-25-2029 Callable 2024	Canada	Corporate		40,000	41	40
The Toronto-Dominion Bank 4.86% 03-04-2031 Callable 2026	Canada	Corporate		10,000	11	11
Toyota Credit Canada Inc. 2.11% 02-26-2025	Canada	Corporate		20,000	20	19
TransCanada Pipelines Ltd. 3.65% 11-15-2021	Canada	Corporate		170,000	179	172
TransCanada Pipelines Ltd. 3.00% 09-18-2029 Callable 2029	Canada	Corporate		10,000	10	10
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate		70,000	69	56
Transurban Finance Co. Pty. Ltd. 4.56% 11-14-2028 Callable 2028	Australia	Corporate		30,000	30	33
Trulieve Cannabis Corp. 9.75% 06-18-2024	United States	Corporate	USD	8,000	10	8
Ultra Clean Holdings Inc. Term Loan B 1st Lien F/R 08-27-2025	United States	Bank Loans	USD	51,054	66	62
United States Treasury 0.50% 04-15-2024 Inflation Indexed	United States	Foreign Governments	USD	720,000	986	1,053
United States Treasury 1.75% 06-30-2024	United States	Foreign Governments	USD	890,000	1,157	1,329
Ventas Canada Finance Ltd. 2.55% 03-15-2023 Callable 2023	United States	Corporate		70,000	68	68
Ventas Inc. F/R 11-12-2021	United States	Corporate		130,000	129	130
Ventas Inc. 2.80% 04-12-2024 Callable 2024	United States	Corporate		50,000	50	50
Vertex Aerospace Services Corp. Term Loan B 1st Lien F/R 06-14-2025	United States	Bank Loans	USD	9,726	13	12
Videotron Ltd. 5.13% 04-15-2027 Callable 2022	Canada	Corporate	USD	160,000	203	229
Videotron Ltd. 4.50% 01-15-2030 Callable 2024	Canada	Corporate		30,000	30	27
Vungle Inc. Term Loan B 1st Lien F/R 09-30-2026	United States	Bank Loans	USD	29,850	39	38
VVC Holding Corp. Term Loan B 1st Lien F/R 02-07-2026	United States	Bank Loans	USD	19,576	26	26
Waste Management of Canada Corp. 2.60% 09-23-2026 Callable 2026	Canada	Corporate		20,000	20	20
Wells Fargo & Co. 3.19% 02-08-2024 Callable 2024	United States	Corporate		80,000	80	81
Wells Fargo & Co. 2.49% 02-18-2027	United States	Corporate		20,000	20	19

\*Par value of bonds is stated in Canadian dollars unless otherwise noted.

**SCHEDULE OF INVESTMENTS (continued)**

as at March 31, 2020

	Country	Sector	Currency*	Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (continued)</b>						
Welltower Inc. 3.63% 03-15-2024 Callable 2024	United States	Corporate	USD	30,000	40	42
Wolverine World Wide Inc. 8.50% 11-15-2024 Callable 2021	United States	Corporate	USD	30,000	39	32
Yak Access LLC Term Loan B 1st Lien F/R 06-26-2025	United States	Bank Loans	USD	37,513	48	39
					<u>28,960</u>	<u>29,226</u>
<b>EQUITIES</b>						
Trulieve Cannabis Corp. Purchase Warrants Exp. 06-18-2022	United States	Health Care		210	-	1
<b>COMMISSIONS AND OTHER PORTFOLIO TRANSACTION COSTS</b>						
					-	-
<b>TOTAL INVESTMENTS</b>						
					<u>28,960</u>	<u>29,227</u>
<b>Net Assets</b>						
Total investments						29,227
Cash and cash equivalents						1,108
Derivative assets (see schedules of derivative instruments)						578
Derivative liabilities (see schedules of derivative instruments)						(697)
Other net assets (liabilities)						246
						<u>30,462</u>

**Schedule of Asset Composition**

at March 31, 2020

at March 31, 2019

	% of net assets		% of net assets
<b>EFFECTIVE ASSET TYPE</b>		<b>EFFECTIVE ASSET TYPE</b>	
Corporate	50.7	Corporate	53.7
Federal Government	18.9	Federal Government	18.9
Foreign governments	6.4	Provincial Governments	9.8
Bank Loans	5.5	Bank Loans	3.9
Provincial Governments	5.2	Foreign governments	(9.1)
Mortgage Backed	0.5	Cash and cash equivalents	9.1
Cash and cash equivalents	3.7	Other	13.7
Other	9.1	<b>Total</b>	<b>100.0</b>
<b>Total</b>	<b>100.0</b>	<b>EFFECTIVE REGIONAL ALLOCATION</b>	
<b>EFFECTIVE REGIONAL ALLOCATION</b>		Canada	87.9
Canada	81.5	United Kingdom	1.4
United States	13.6	Europe ex U.K.	0.7
United Kingdom	1.0	Pacific ex Japan	0.5
Pacific ex Japan	0.7	Latin America	0.3
Europe ex U.K.	(0.5)	United States	0.1
Cash and cash equivalents	3.7	Cash and cash equivalents	9.1
	<b>100.0</b>		<b>100.0</b>

\*Par value of bonds is stated in Canadian dollars unless otherwise noted.

## Schedule of Derivative Instruments

as at March 31, 2020

## Schedule of Forward Currency Contracts

Counterparty credit rating	Settlement date	Currency to be received (000)	Contract costs (CAD\$ 000)	Currency to be delivered (000)	Current fair value (CAD\$ 000)	Unrealized gains (CAD\$ 000)	Unrealized losses (CAD\$ 000)
AA	04-03-2020	1,908 CAD	1,908	1,460 USD	2,058	-	(150)
AA	04-03-2020	39 CAD	39	28 USD	39	-	-
AA	04-03-2020	774 CAD	774	592 USD	834	-	(61)
A	04-17-2020	684 CAD	684	510 USD	718	-	(34)
A	04-17-2020	1,383 CAD	1,383	1,063 USD	1,497	-	(114)
AA	04-17-2020	390 CAD	390	300 USD	422	-	(32)
AA	04-24-2020	71 CAD	71	50 USD	70	-	-
AA	04-24-2020	1,406 CAD	1,406	1,078 USD	1,517	-	(111)
AA	04-24-2020	972 CAD	972	745 USD	1,048	-	(76)
AA	05-22-2020	325 CAD	325	245 USD	345	-	(20)
A	06-12-2020	835 CAD	835	630 USD	886	-	(51)
AA	06-19-2020	872 CAD	872	633 USD	890	-	(18)
AA	06-19-2020	562 CAD	562	420 USD	591	-	(29)
AA	07-10-2020	831 CAD	831	592 USD	832	-	(1)
AA	04-03-2020	1,460 USD	1,954	1,954 CAD	2,058	104	-
AA	04-03-2020	28 USD	38	38 CAD	39	1	-
AA	04-03-2020	592 USD	832	832 CAD	834	2	-
A	04-17-2020	1,063 USD	1,423	1,423 CAD	1,497	74	-
AA	04-17-2020	28 USD	38	38 CAD	39	1	-
AA	04-24-2020	50 USD	67	67 CAD	70	3	-
AA	04-24-2020	1,078 USD	1,443	1,443 CAD	1,517	74	-
AA	04-24-2020	20 USD	28	28 CAD	28	1	-
AA	04-24-2020	50 USD	67	67 CAD	70	3	-
AA	05-08-2020	50 USD	67	67 CAD	70	3	-
A	06-12-2020	30 USD	40	40 CAD	42	2	-
A	06-12-2020	20 USD	28	28 CAD	28	-	-
AA	06-19-2020	28 USD	38	38 CAD	39	1	-
AA	06-19-2020	20 USD	28	28 CAD	28	-	-
AA	06-19-2020	28 USD	38	38 CAD	39	1	-
						270	(697)

## Schedule of Futures Contracts

Type of contract	No. of contracts	Expiration date	Average rate of contracts	Notional value (CAD\$ 000)	Unrealized gains (CAD\$ 000)	Unrealized losses (CAD\$ 000)
EUX Euro-BTP Future	(2)	June 2020	141.98 EUR	(439)	2	-

## Schedule of Options Purchased

Underlying security	No. of options	No. of shares or Notional currency	Option type	Strike price	Expiration date	Premium paid (CAD\$ 000)	Fair value (CAD\$ 000)
iShares iBoxx \$ High Yield Corporate Bond ETF	100	10,000	Put	85.00 USD	05-15-2020	20	120
iShares iBoxx \$ High Yield Corporate Bond ETF	32	3,200	Put	87.00 USD	06-19-2020	6	50
iShares iBoxx \$ High Yield Corporate Bond ETF	96	9,600	Put	86.00 USD	06-19-2020	14	136
						40	306

## TOTAL DERIVATIVE ASSETS

578

## TOTAL DERIVATIVE LIABILITIES

(697)

## Note:

The following abbreviations have been used:

AUD – Australian dollars	JPY – Japanese yen
BRL – Brazilian real	KOR – South Korean won
CAD – Canadian dollars	MXN – Mexican peso
CHF – Swiss franc	NOK – Norwegian krona
DKK – Danish krone	NZD – New Zealand dollars
EUR – Euro	PLN – Polish zloty
GBP – United Kingdom pounds	SEK – Swedish krona
HKD – Hong Kong dollars	SGD – Singapore dollars
HUF – Hungarian forint	THB – Thailand baht
IDR – Indonesian rupiah	USD – United States dollars
INR – Indian rupee	ZAR – South African rand

**NOTES TO ANNUAL FINANCIAL STATEMENTS****1. FISCAL PERIODS AND GENERAL INFORMATION**

The information provided in these financial statements and notes thereto is for the year ended or as at March 31, 2020 and 2019, as applicable. In the year a series is established, 'period' represents the period from inception to the period end of that fiscal period. Refer to Note 10 (a) for series inception dates.

The Fund is organized as an open-ended mutual fund trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust as amended and restated from time to time. The address of the Fund's registered office is 5015 Spectrum Way, Suite 300, Mississauga, Ontario, Canada. The Fund is authorized to issue an unlimited number of units (referred to as "security" or "securities") of multiple series. Series of the Fund are available for sale under Simplified Prospectus and/or exempt distribution options.

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

**2. BASIS OF PREPARATION AND PRESENTATION**

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

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

These financial statements were authorized for issue by Counsel's Board of Directors on July 10, 2020.

**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. 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.

**(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.

**NOTES TO ANNUAL FINANCIAL STATEMENTS**

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.

**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****(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 sums of the increase (decrease) in net assets attributable to securityholders from operations for each month, divided by the weighted average number of securities outstanding during each month.

**(k) Mergers**

The Fund applies the acquisition method of accounting for Fund mergers. Under this method, one of the Funds in each merger is identified as the acquiring Fund, and is referred to as the Continuing Fund, and the other Fund involved in the merger is referred to as the Terminated Fund. This identification is based on the comparison of the relative net asset values of the Funds as well as consideration of the continuation of such aspects of the Continuing Fund as: investment advisors; investment objectives and practices; type of portfolio securities; and management fees and expenses.

**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.

The outbreak of the novel coronavirus (COVID-19) developed rapidly over the first three months of 2020, with the World Health Organization declaring it a pandemic on March 11, 2020, and governments around the world enacting emergency measures that resulted in business disruptions, volatility in markets and a global economic slowdown.

The Manager uses judgment in assessing the impact from such events on assumptions and estimates applied in reporting the assets and liabilities in the Fund's financial statements at March 31, 2020.

The duration and impact of the COVID-19 pandemic on businesses and markets, and the extent of economic relief measures provided by governments and central banks, are unknown at the reporting date and it is therefore not possible to reliably estimate the impact on the financial results and position of the Fund in future periods.

**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 qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its securityholders as at the end of the taxation year. It is the intention of the Fund to distribute all of its net income and sufficient net realized capital gains so that the Fund will not be subject to income taxes other than foreign withholding taxes, if applicable. The Fund's taxation year end is December 15.

Losses of the Fund cannot be allocated to securityholders and are retained in the Fund for use in future years. Non-capital losses incurred may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Net capital losses may be carried forward indefinitely to reduce future realized capital gains.

Refer to Note 10 (d) for a summary of the Fund's loss carryforwards.

**6. MANAGEMENT FEES AND OPERATING EXPENSES**

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

Each series of the Fund, 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, any new fees related to external services that were not commonly charged in the Canadian mutual fund industry and introduced after October 29, 2019 (the date of the Fund's last Simplified Prospectus).

The management fee and Administration Fee are calculated for each series of securities of the Fund as an annualized percentage of the daily net asset value of the series. Refer to Note 10 (a) for the management and Administration Fee rates charged to each series of securities.

At its sole discretion, the Manager may waive management fees or Administration fees otherwise payable by a series.

**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, 2020 and 2019 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 (b).



**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 (b) 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 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. Series Private Wealth securities may also be issued on a prospectus-exempt basis to investors in the IPC Private Wealth program offered by IPC Securities Corporation, an affiliate of Counsel.

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 and/or Series Private Wealth, 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.

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.

Note 10 (c) 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. Note 10 (c) 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. Note 10 (c) 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. Note 10 (c) summarizes the Fund's exposure to other price risk, including indirect exposure through underlying investment funds and ETFs.

**9. FURTHER INFORMATION**

A copy of the Fund's current Simplified Prospectus, Annual Information Form, Management Report of Fund Performance, Fund Fact Sheets, quarterly portfolio disclosures and proxy voting 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.counsel-services.com](http://www.counsel-services.com) or by visiting [www.sedar.com](http://www.sedar.com).



**NOTES TO ANNUAL FINANCIAL STATEMENTS**

All figures stated in \$000s of Canadian dollars, except for Note 10(a), unless otherwise noted

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

Series	Date of Inception	Minimum Investment (\$)	Management Fee <sup>7</sup> (%)	Administration Fee <sup>7</sup> (%)
Series A <sup>1</sup>	January 14, 2010	1,000	1.10	0.18
Series F <sup>2,3</sup>	January 14, 2010	1,000	0.75	0.15
Series I <sup>2,3,4,7</sup>	January 14, 2010	1,000	-	0.15
Series O <sup>3,5</sup>	October 26, 2010	-	-	-
Series Private Wealth <sup>3,6</sup>	November 5, 2013	-	-	0.15

<sup>1</sup> As described in the Fund's Simplified Prospectus, securities of this series purchased under the sales charge purchase option may be subject to a fee of up to 5%. Securities purchased under the redemption charge or low-load purchase options may be subject to a redemption fee of up to 6% or 3% respectively; new securities are not available under these purchase options but may be acquired through switching from other Counsel funds. Effective April 1, 2020, investors in this series may be eligible for a management fee reduction subject to meeting certain requirements as discussed in the Fund's Simplified Prospectus.

<sup>2</sup> A negotiable advisory or asset-based fee (plus sales taxes) is payable by investors to their dealer(s) in connection with the securities held in this series. The fee may be collected by Counsel from the investor's account through redemption of securities and remitted to the dealer at the investor's request. Alternatively, the dealer may collect it directly from the investor. Investors in this series may be eligible for a management fee reduction subject to meeting certain requirements as discussed in the Fund's Simplified Prospectus.

<sup>3</sup> Securities of this series are not subject to sales charges or redemption charges.

<sup>4</sup> The management fee for this series is 0.75% and is payable directly to Counsel generally through the monthly redemption of securities.

<sup>5</sup> 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.

<sup>6</sup> There are no management fees for Series Private Wealth. An investor must enter into an agreement to participate in the IPC Private Wealth Program and agree to pay certain asset-based fees.

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

**(b) Investment Objectives and Strategies**

The Fund seeks to achieve a moderate level of income while preserving investment capital and liquidity. The Fund invests in a diversified portfolio of primarily Canadian fixed-income securities. The Fund may invest up to 30% of its assets directly in foreign securities.

**(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, including the underlying principal amount of forward currency contracts.

Currency	March 31, 2020			
	Investments	Cash and cash equivalents	Derivative instruments	Net exposure
United States dollars	5,420	281	(4,980)	721
Total	5,420	281	(4,980)	721
As percent of net assets (%)				2.4

Currency	March 31, 2019			
	Investments	Cash and cash equivalents	Derivative instruments	Net exposure
Japanese yen	-	4	-	4
United States dollars	5,631	23	(4,653)	1,001
Total	5,631	27	(4,653)	1,005
As percent of net assets (%)				1.0

As at March 31, 2020, 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 \$36 or 0.1% of total net assets (March 31, 2019 – \$50 or 0.1% of total net assets). In practice, the actual trading results may differ and the difference could be material.

**ii. Interest Rate Risk**

The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity.

Bonds	Less than 1 year	1 - 5 years	5 - 10 years	> 10 years	Total
March 31, 2020	358	23,722	4,791	355	29,226
March 31, 2019	4,755	67,359	11,589	1,023	84,726

As at March 31, 2020, had prevailing interest rates raised or lowered by 1.0%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased by approximately \$1,007 or 3.3% of total net assets (March 31, 2019 – approximately \$2,372 or 2.4% of total net assets). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, the actual trading results may differ and the difference could be material.

**iii. Other Price Risk**

As at March 31, 2020 and March 31, 2019, the Fund did not have a significant exposure to other price risk.

**NOTES TO ANNUAL FINANCIAL STATEMENTS**

All figures stated in \$000s of Canadian dollars, except for Note 10(a), unless otherwise noted

**10. FUND SPECIFIC INFORMATION****(c) Risks Associated with Financial Instruments (continued)**

## iv. Credit Risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. As at March 31, 2020, the maximum exposure to any one debt issuer was 18.7% of the net assets of the Fund (March 31, 2019 – 18.9%).

The table below indicates the Fund's exposure to debt securities by credit rating as a percentage of net assets:

<b>March 31, 2020</b>	
AAA	19.4
AA	14.1
A	24.1
BBB	22.2
less than BBB	6.1
Unrated	12.0
<b>Total</b>	<b>97.9</b>
<b>March 31, 2019</b>	
AAA	22.8
AA	18.2
A	20.5
BBB	22.4
less than BBB	2.6
Unrated	0.2
<b>Total</b>	<b>86.7</b>

*Credit ratings are based on DBRS, Standard & Poor's or Moody's ratings.*

**(d) Loss Carryforwards**

As at the last taxation year-end, \$4,757 of net capital losses and \$nil of non-capital losses were available to offset future taxable income.

**(e) Fair Value Classification**

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

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

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

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

<b>as at March 31, 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Fixed income	8	29,218	-	29,226
Equities	1	-	-	1
Cash equivalents	-	-	-	-
Derivative assets	2	576	-	578
Derivative liabilities	-	(697)	-	(697)
<b>Total</b>	<b>11</b>	<b>29,097</b>	<b>-</b>	<b>29,108</b>
<b>as at March 31, 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Fixed income	-	84,726	-	84,726
Equities	3,478	-	-	3,478
Cash equivalents	-	8,395	-	8,395
Derivative assets	10	42	-	52
Derivative liabilities	(6)	(17)	-	(23)
<b>Total</b>	<b>3,482</b>	<b>93,146</b>	<b>-</b>	<b>96,628</b>

There were no significant transfers between Level 1 and Level 2. Cash equivalents classified as level 2 investments are valued based on amortized cost plus accrued interest which closely approximates fair value.

**NOTES TO ANNUAL FINANCIAL STATEMENTS**

All figures stated in \$000s of Canadian dollars, except for Note 10(a), unless otherwise noted

**10. FUND SPECIFIC INFORMATION (continued)****(f) Securities Lending**

as at	Value of securities loaned	Value of collateral received
March 31, 2020	-	-
March 31, 2019	-	-

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, 2020 and 2019 is presented below:

for the year ended March 31	Amount (\$)		Percentage of Total Amount (%)	
	2020	2019	2020	2019
Gross Securities Lending Income	-	4	0.0	100.0
Securities Lending Agent fees	-	(1)	0.0	(25.0)
Securities Lending Income to the Fund before Withholdings Taxes	-	3	0.0	75.0
Withholding Taxes	-	-	0.0	0.0
Securities Lending Income	-	3	0.0	75.0



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