

COUNSEL | PORTFOLIO SERVICES

Counsel Global Low Volatility Equity

INTERIM UNAUDITED FINANCIAL STATEMENTS

For the period ended September 30, 2019

STATEMENTS OF FINANCIAL POSITION

at September 30, 2019 (unaudited) with comparative figures at March 31, 2019 (audited)
(in \$ 000 except per security amounts)

	Sept. 30 2019	Mar. 31 2019
Assets		
Current assets:		
Investments at fair value	72,777	64,507
Cash and cash equivalents	1,206	1,000
Accrued interest receivable	-	-
Dividends receivable	206	248
Accounts receivable for investments sold	-	-
Accounts receivable for securities issued	361	294
Accounts receivable from the Manager	-	-
Margin with broker	-	-
Derivative assets	-	-
Other assets	-	-
	74,550	66,049
Non-current assets:		
Taxes recoverable	-	-
Other assets	-	-
	-	-
Total assets	74,550	66,049
Liabilities		
Current liabilities:		
Bank indebtedness	-	-
Accounts payable for investments purchased	506	811
Accounts payable for securities redeemed	13	17
Distributions payable	-	-
Accrued expenses and miscellaneous payables	-	-
Dividends payable on investments sold short	-	-
Derivative liabilities	-	-
Taxes payable	-	-
Other liabilities	-	-
Total liabilities	519	828
Net assets attributable to securityholders	74,031	65,221

	Net assets attributable to securityholders			
	per security		per series	
	Sept. 30 2019	Mar. 31 2019	Sept. 30 2019	Mar. 31 2019
Series O	10.67	10.78	74,031	65,221
			74,031	65,221

STATEMENTS OF COMPREHENSIVE INCOME

for the periods ended September 30 (unaudited)
(in \$ 000 except per security amounts)

	2019	2018
Income:		
Dividends	1,302	842
Interest and other income	6	4
Net realized gain (loss)	558	967
Net unrealized gain (loss)	(1,196)	2,095
Income (loss) from derivatives	-	-
Income (loss) from short selling	-	-
Securities lending income	3	2
Trust income	2	1
Total income	675	3,911
Expenses:		
Management fees	-	-
Management fee rebates	-	-
Administration fees	-	-
Commissions and other portfolio transaction costs	23	20
Independent Review Committee costs	-	-
Interest and other charges	-	2
Expenses before amounts absorbed by Manager	23	22
Expenses absorbed by Manager	-	-
Net expenses	23	22
Increase (decrease) in net assets attributable to securityholders		
from operations before tax	652	3,889
Foreign withholding tax expense (recovery)	113	131
Foreign income tax expense (recovery)	-	-
Income tax expense (recovery)	-	-
Increase (decrease) in net assets attributable to securityholders		
from operations	539	3,758

	Increase (decrease) in net assets attributable to securityholders from operations			
	per security		per series	
	2019	2018	2019	2018
Series O	0.07	0.79	539	3,758
Series R	n/a	0.79	n/a	-
			539	3,758

STATEMENTS OF CHANGES IN FINANCIAL POSITION

for the periods ended September 30 (unaudited) (in \$ 000 except when stated)

	TOTAL		SERIES O		SERIES R	
	2019	2018	2019	2018	2019	2018
Net assets attributable to securityholders, beginning of period	65,221	46,162	65,221	46,161	-	1
Increase (decrease) in net assets attributable to securityholders resulting from:						
Operations	539	3,758	539	3,758	-	-
Distributions:						
Income	(1,172)	(591)	(1,172)	(591)	-	-
Capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Management fee rebates	-	-	-	-	-	-
Total distributions	(1,172)	(591)	(1,172)	(591)	-	-
Security transactions:						
Proceeds from sale of securities	10,211	9,950	10,211	9,950	-	-
Proceeds from securities issued on merger	-	-	-	-	-	-
Reinvested from distributions	1,172	591	1,172	591	-	-
Payment on redemption of securities	(1,940)	(1,455)	(1,940)	(1,455)	-	-
Total security transactions	9,443	9,086	9,443	9,086	-	-
Increase (decrease) in assets attributable to securityholders	8,810	12,253	8,810	12,253	-	-
Net assets attributable to securityholders, end of period	74,031	58,415	74,031	58,414	-	1
Increase (decrease) in securities (in thousands):						
Securities outstanding, beginning of period			6,050	4,415	-	-
Add (deduct):						
Securities sold			962	922	-	-
Securities issued on merger			-	-	-	-
Reinvested from distributions			111	54	-	-
Securities redeemed			(183)	(133)	-	-
Securities outstanding, end of period			6,940	5,258	-	-

STATEMENTS OF CASH FLOWS

for the periods ended September 30 (unaudited) (in \$ 000)

	2019	2018
Cash flows from operating activities		
Increase (decrease) in net assets attributable to securityholders from operations	539	3,758
Less non-cash impact of:		
Net realized loss (gain) on investments	(558)	(967)
Change in net unrealized loss (gain) on investments	1,196	(2,095)
Distributions received from Underlying Funds	-	-
Adjustments for:		
Proceeds from sale and maturity of investments	25,668	23,153
Purchases of investments	(34,880)	(32,980)
(Increase) decrease in accounts receivable and other assets	42	3
Increase (decrease) in accounts payable and other liabilities	-	-
Net cash provided by (used in) operating activities	(7,993)	(9,128)
Cash flows from financing activities:		
Proceeds from securities issued	10,144	9,757
Proceeds from securities issued on merger	-	-
Payments on redemption of securities	(1,944)	(1,432)
Distributions paid net of reinvestments	-	-
Net cash provided by (used in) financing activities	8,200	8,325
Increase (decrease) in cash and cash equivalents	207	(803)
Cash and cash equivalents at beginning of period	1,000	1,171
Effect of exchange rate fluctuations on cash and cash equivalents	(1)	-
Cash and cash equivalents, end of period	1,206	368
Cash	1,206	368
Cash equivalents	-	-
Bank indebtedness	-	-
	1,206	368
Supplementary disclosures on cash flow from operating activities:		
Dividends received net of withholding taxes	1,231	714
Interest received net of withholding taxes	6	4
Interest paid	-	2
Income taxes paid (recovered)	-	-

SCHEDULE OF INVESTMENTS

as at September 30, 2019 (unaudited)

	Country	Sector	No. of Units	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES					
Aflac Inc.	United States	Financials	12,507	691	866
AGL Energy Ltd.	Australia	Utilities	8,486	152	145
Agnico-Eagle Mines Ltd.	Canada	Materials	4,929	265	350
Aisin Seiki Co. Ltd.	Japan	Consumer Discretionary	2,100	104	87
Alphabet Inc. Class A	United States	Communication Services	236	335	381
Altria Group Inc.	United States	Consumer Staples	12,526	990	678
Amazon.com Inc.	United States	Consumer Discretionary	192	421	441
American Tower Corp. Class A	United States	Real Estate	3,277	903	959
Apple Inc.	United States	Information Technology	2,703	505	801
Aroundtown SA	Germany	Real Estate	8,575	97	93
Assicurazioni Generali SPA	Italy	Financials	22,081	537	567
Astellas Pharma Inc.	Japan	Health Care	38,400	719	723
AT&T Inc.	United States	Communication Services	20,047	909	1,004
Atos Origin	France	Information Technology	1,803	254	168
Auto Trader Group PLC	United Kingdom	Communication Services	13,525	107	112
Bank of Montreal	Canada	Financials	4,934	502	481
The Bank of Nova Scotia	Canada	Financials	4,958	351	373
Barclays PLC	United Kingdom	Financials	126,796	323	310
Barrick Gold Corp.	Canada	Materials	20,584	431	472
Baxter International Inc.	United States	Health Care	8,629	881	999
BCE Inc.	Canada	Communication Services	7,887	441	505
The Berkeley Group Holdings PLC	United Kingdom	Consumer Discretionary	3,849	243	262
Bouygues SA	France	Industrials	4,352	211	231
Bristol-Myers Squibb Co.	United States	Health Care	13,700	881	920
Brookfield Property REIT Inc.	United States	Real Estate	4,046	106	109
BT Group PLC	United Kingdom	Communication Services	46,084	188	134
Cabot Oil & Gas Corp.	United States	Energy	23,756	804	552
Canon Inc.	Japan	Information Technology	19,600	813	692
Capri Holdings Ltd.	United States	Consumer Discretionary	13,606	921	597
Centrica PLC	United Kingdom	Utilities	95,269	280	114
Chevron Corp.	United States	Energy	431	65	68
CI Financial Corp.	Canada	Financials	18,834	473	364
CK Asset Holdings Ltd.	Hong Kong	Real Estate	34,500	343	309
CLP Holdings Ltd.	Hong Kong	Utilities	19,500	265	271
The Coca-Cola Co.	United States	Consumer Staples	1,897	125	137
Colruyt SA	Belgium	Consumer Staples	1,230	93	89
ComfortDelGro Corp. Ltd.	Singapore	Industrials	49,200	114	113
ConocoPhillips	United States	Energy	10,213	872	770
Consolidated Edison Inc.	United States	Utilities	6,610	785	827
Covestro AG	Germany	Materials	5,128	458	336
Cummins Inc.	United States	Industrials	3,955	839	852
Daito Trust Construction Co. Ltd.	Japan	Real Estate	2,700	534	457
Deutsche Boerse AG	Germany	Financials	2,740	424	567
Deutsche Lufthansa AG Reg.	Germany	Industrials	25,497	795	536
Direct Line Insurance Group PLC	United Kingdom	Financials	20,099	108	98
Dominion Resources Inc.	United States	Utilities	679	71	73
DTE Energy Co.	United States	Utilities	2,225	386	392
Duke Energy Corp.	United States	Utilities	7,461	858	947
easyJet PLC	United Kingdom	Industrials	9,500	150	178
Eli Lilly and Co.	United States	Health Care	2,785	437	412
Endesa SA	Spain	Utilities	4,264	147	149
Eni SPA	Italy	Energy	39,963	845	809
EOG Resources Inc.	United States	Energy	6,795	838	668
Equinor ASA	Norway	Energy	18,606	596	469
Eutelsat Communications SA	France	Communication Services	3,608	100	89
Exelon Corp.	United States	Utilities	13,279	664	849
Exxon Mobil Corp.	United States	Energy	8,521	913	796
F5 Networks Inc.	United States	Information Technology	2,572	473	478
Franco-Nevada Corp.	Canada	Materials	3,263	299	394
The Gap Inc.	United States	Consumer Discretionary	17,915	507	412
Gecina SA	France	Real Estate	366	73	76
Gilead Sciences Inc.	United States	Health Care	2,274	217	191
GlaxoSmithKline PLC	United Kingdom	Health Care	17,319	450	492
Hang Seng Bank Ltd.	Hong Kong	Financials	5,700	166	163
HCA Holdings Inc.	United States	Health Care	5,068	623	808
HCP Inc.	United States	Real Estate	7,846	337	370
Henry Schein Inc.	United States	Health Care	5,623	508	473
Hermes International	France	Consumer Discretionary	218	199	199
The Hershey Co.	United States	Consumer Staples	4,985	887	1,023
HKT Trust and HKT Ltd.	Hong Kong	Communication Services	41,000	78	86
HollyFrontier Corp.	United States	Energy	9,065	788	644
Hong Kong Exchanges and Clearing Ltd.	Hong Kong	Financials	20,862	773	810

SCHEDULE OF INVESTMENTS (continued)

as at September 30, 2019 (unaudited)

	Country	Sector	No. of Units	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES (continued)					
Imperial Brands PLC	United Kingdom	Consumer Staples	5,618	198	167
Intact Financial Corp.	Canada	Financials	1,205	130	161
Intel Corp.	United States	Information Technology	14,577	820	994
International Business Machines Corp.	United States	Information Technology	4,762	911	917
ITOCHU Corp.	Japan	Industrials	22,300	549	609
Japan Airlines Co. Ltd.	Japan	Industrials	10,200	450	401
Johnson & Johnson	United States	Health Care	4,703	772	805
Kajima Corp.	Japan	Industrials	12,300	310	213
Kellogg Co.	United States	Consumer Staples	9,814	815	836
Kingfisher PLC	United Kingdom	Consumer Discretionary	21,724	79	73
Koninklijke Ahold Delhaize NV	Netherlands	Consumer Staples	18,590	566	616
The Kroger Co.	United States	Consumer Staples	25,908	864	884
Kuehne + Nagel International AG	Switzerland	Industrials	680	120	133
The Link Real Estate Investment Trust	Hong Kong	Real Estate	16,500	234	241
LyondellBasell Industries NV Class A	United States	Materials	7,964	959	943
Macy's Inc.	United States	Consumer Discretionary	12,676	355	261
McKesson Corp.	United States	Health Care	4,921	862	890
Medibank Private Ltd.	Australia	Financials	26,551	81	81
Merck & Co. Inc.	United States	Health Care	2,441	201	272
Microsoft Corp.	United States	Information Technology	4,384	584	807
Mizrahi Tefahot Bank Ltd.	Israel	Financials	6,963	151	229
Mizuho Financial Group Inc.	Japan	Financials	335,400	718	680
Mowi ASA	Norway	Consumer Staples	11,305	291	345
Nestle SA Reg.	Switzerland	Consumer Staples	6,619	698	951
Newcrest Mining Ltd.	Australia	Materials	11,251	237	349
Newmont Goldcorp Corp.	United States	Materials	20,732	955	1,041
Nippon Telegraph & Telephone Corp. (NTT)	Japan	Communication Services	14,600	802	922
Nordstrom Inc.	United States	Consumer Discretionary	12,592	568	561
Northern Trust Corp.	United States	Financials	551	65	68
NTT DoCoMo Inc.	Japan	Communication Services	22,100	667	745
Obayashi Corp.	Japan	Industrials	8,100	120	107
Occidental Petroleum Corp.	United States	Energy	12,141	1,047	715
Omnicom Group Inc.	United States	Communication Services	4,164	441	432
Pandora AS	Denmark	Consumer Discretionary	2,431	124	129
PepsiCo Inc.	United States	Consumer Staples	5,034	721	914
Persimmon PLC	United Kingdom	Consumer Discretionary	4,481	150	158
Pfizer Inc.	United States	Health Care	15,592	731	742
Philip Morris International Inc.	United States	Consumer Staples	7,576	903	761
Pinnacle West Capital Corp.	United States	Utilities	2,996	391	385
Plains GP Holdings LP	United States	Energy	5,317	166	149
Power Assets Holdings Ltd.	Hong Kong	Utilities	12,500	114	111
PPL Corp.	United States	Utilities	18,004	736	750
The Procter & Gamble Co.	United States	Consumer Staples	6,109	690	1,006
Proximus SA	Belgium	Communication Services	2,061	78	81
PSA Peugeot Citroen	France	Consumer Discretionary	9,421	292	311
Public Storage	United States	Real Estate	2,814	802	914
Publicis Groupe SA	France	Communication Services	3,133	233	204
Qantas Airways Ltd.	Australia	Industrials	37,482	216	211
RenaissanceRe Holdings Ltd.	Bermuda	Financials	990	229	253
Rio Tinto PLC	United Kingdom	Materials	2,592	172	178
RioCan Real Estate Investment Trust	Canada	Real Estate	3,989	98	105
Roche Holding AG Genussscheine	Switzerland	Health Care	2,456	775	946
Rogers Communications Inc. Class B non-voting	Canada	Communication Services	4,274	299	276
Royal Mail PLC	United Kingdom	Industrials	28,776	155	99
Seven & I Holdings Co. Ltd.	Japan	Consumer Staples	10,400	482	526
Shaw Communications Inc. Class B non-voting	Canada	Communication Services	3,195	87	83
Shionogi & Co. Ltd.	Japan	Health Care	4,100	305	301
Showa Denko K. K.	Japan	Materials	7,000	258	242
Simon Property Group Inc.	United States	Real Estate	3,760	831	775
Singapore Airlines Ltd.	Singapore	Industrials	44,500	437	390
Singapore Exchange Ltd.	Singapore	Financials	13,200	97	107
Singapore Telecommunications Ltd.	Singapore	Communication Services	76,400	225	227
Southern Co.	United States	Utilities	12,038	767	984
Spark New Zealand Ltd.	New Zealand	Communication Services	150,485	502	550
Taisei Corp.	Japan	Industrials	4,300	269	220
Target Corp.	United States	Consumer Discretionary	8,726	828	1,235
Telstra Corp. Ltd.	Australia	Communication Services	125,332	360	393
TELUS Corp.	Canada	Communication Services	4,069	204	192
Tosoh Corp.	Japan	Materials	8,600	158	150
UCB SA	Belgium	Health Care	1,388	144	133
Unilever NV CVA	United Kingdom	Consumer Staples	6,792	557	541
United Overseas Bank Ltd.	Singapore	Financials	8,728	186	215
Universal Health Services Inc. Class B	United States	Health Care	4,518	738	890
Vanguard FTSE Developed Markets ETF	Multinational	Exchange Traded Funds	20,072	1,096	1,091
Vanguard S&P 500 ETF	Multinational	Exchange Traded Funds	4,543	1,651	1,639

SCHEDULE OF INVESTMENTS (continued)

as at September 30, 2019 (unaudited)

	Country	Sector	No. of Units	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES (continued)					
Varian Medical Systems Inc.	United States	Health Care	2,282	387	360
Venture Corp. Ltd.	Singapore	Information Technology	4,800	70	70
Verizon Communications Inc.	United States	Communication Services	10,918	732	872
Vestas Wind Systems AS	Denmark	Industrials	726	66	75
Viacom Inc. Class B	United States	Communication Services	6,114	232	194
Walgreens Boots Alliance Inc.	United States	Consumer Staples	7,574	783	554
Wal-Mart Stores Inc.	United States	Consumer Staples	6,419	697	1,008
Wheaton Precious Metals Corp.	Canada	Materials	4,868	111	169
Yangzijiang Shipbuilding Holdings Ltd.	Singapore	Industrials	96,300	127	89
				71,123	72,777
COMMISSIONS AND OTHER PORTFOLIO TRANSACTION COSTS				(34)	-
TOTAL INVESTMENTS				71,089	72,777
Net Assets:					
Total investments					72,777
Cash and cash equivalents					1,206
Other net assets (liabilities)					48
					<u>74,031</u>

Schedule of Asset Composition

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

at September 30, 2019 (unaudited)

	% of net assets
BY ASSET TYPE	
Equities	94.6
Exchange Traded Funds	3.7
Cash and cash equivalents	1.6
Other	0.1
Total	100.0

EFFECTIVE SECTOR ALLOCATION

Consumer Staples	15.2
Health Care	14.5
Communication Services	10.4
Financials	9.1
Utilities	8.2
Energy	7.8
Information Technology	7.3
Consumer Discretionary	6.8
Industrials	6.4
Materials	6.4
Real Estate	6.1
Cash and cash equivalents	1.6
Other	0.2
Total	100.0

EFFECTIVE REGIONAL ALLOCATION

United States	59.5
Europe ex U.K.	11.8
Japan	9.9
Pacific ex Japan	6.9
Canada	5.9
United Kingdom	4.1
Middle East and Africa	0.3
Cash and cash equivalents	1.6
Total	100.0

at March 31, 2019

	% of net assets
BY ASSET TYPE	
Equities	97.7
Exchange Traded Funds	1.2
Cash and cash equivalents	1.5
Other	(0.4)
Total	100.0

EFFECTIVE SECTOR ALLOCATION

Consumer Staples	15.4
Health Care	15.0
Communication Services	9.8
Financials	9.3
Energy	9.2
Information Technology	9.0
Consumer Discretionary	7.5
Utilities	7.1
Industrials	6.4
Materials	6.3
Real Estate	3.9
Cash and cash equivalents	1.5
Other	(0.4)
Total	100.0

EFFECTIVE REGIONAL ALLOCATION

United States	57.0
Europe ex U.K.	11.6
Japan	10.3
Pacific ex Japan	8.8
Canada	5.4
United Kingdom	3.8
Middle East and Africa	1.6
Cash and cash equivalents	1.5
Total	100.0

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

The information provided in these financial statements and notes thereto is for the six-month periods ended or as at September 30, 2019 and 2018 (as applicable), except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2019. 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 unit trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust as amended and restated from time to time. The address of the Fund's registered office is 5015 Spectrum Way, Suite 300, Mississauga, Canada. The Fund is authorized to issue an unlimited number of units (referred to as "security" or "securities") of multiple series. Series of the Fund are available for sale under Simplified Prospectus and/or exempt distribution options.

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

2. BASIS OF PREPARATION AND PRESENTATION

These unaudited interim financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standard 34 Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These financial statements were prepared using the same accounting policies, critical accounting judgments and estimates as applied in the Fund's most recent audited annual financial statements for the year ended March 31, 2019. 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.

These financial statements were authorized for issue by Counsel's Board of Directors on November 12, 2019.

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.

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

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

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

(h) Net assets attributable to securityholders per security

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

(i) Net asset value per security

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

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

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

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

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

Functional currency

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

5. INCOME TAXES

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

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

6. MANAGEMENT FEES AND OPERATING EXPENSES

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

Such costs include taxes (including, but not limited to GST/HST and income tax), interest and borrowing costs, all fees and expenses of the Counsel Funds' Independent Review Committee, costs of complying with the regulatory requirement to produce Fund Facts, fees paid to external service providers associated with tax reclaims, refunds or the preparation of foreign tax reports on behalf of the Funds, and 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 Counsel Funds' last Simplified Prospectus).

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 September 30, 2019 and March 31, 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).

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.

NOTES TO INTERIM UNAUDITED FINANCIAL STATEMENTS**8. FINANCIAL INSTRUMENTS RISK (continued)****(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, and is monitored quarterly. 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") 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, please refer to the amounts disclosed pertaining to Series O 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 ETFs.

9. FURTHER INFORMATION

A copy of the Fund's current Annual Information Form, Management Report of Fund Performance, quarterly portfolio disclosures and proxy voting 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 or by visiting www.sedar.com.

NOTES TO INTERIM UNAUDITED 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 (%)	Administration Fee (%)
Series O ^{1,3}	January 7, 2016	-	-	-
Series R ^{2,3}	January 7, 2016	-	-	-

¹ There are no management or administration fees for this series since these securities are designed to facilitate fund-of-fund investing where duplication of management fees is prohibited.

² This series is not available for sale and is held solely by Counsel. On December 10, 2018, this series was terminated.

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

(b) Investment Objectives and Strategies

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

The Fund is not available to retail investors and is only available to other Counsel Funds.

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

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

September 30, 2019				
Currency	Investments	Cash and cash equivalents	Derivative instruments	Net exposure
Euro	5,255	3	-	5,258
Hong Kong dollars	1,992	-	-	1,992
Japanese yen	7,077	-	-	7,077
Singapore dollars	1,210	-	-	1,210
Swiss franc	2,029	-	-	2,029
United Kingdom pounds	2,917	4	-	2,921
United States dollars	45,396	514	-	45,910
Other currencies	2,976	8	-	2,984
Total	68,852	529	-	69,381
As percent of net assets (%)				93.7

March 31, 2019				
Currency	Investments	Cash and cash equivalents	Derivative instruments	Net exposure
Australian dollars	2,226	1	-	2,227
Euro	4,079	1	-	4,080
Hong Kong dollars	1,955	-	-	1,955
Japanese yen	6,675	1	-	6,676
Swiss franc	1,961	1	-	1,962
United Kingdom pounds	2,434	(1)	-	2,433
United States dollars	37,782	762	-	38,544
Other currencies	3,855	9	-	3,864
Total	60,967	774	-	61,741
As percent of net assets (%)				94.7

As at September 30, 2019, had the Canadian dollar strengthened or weakened by 5.0% relative to all foreign currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$3,469 or 4.7% of total net assets (March 31, 2019 – \$3,087 or 4.7% of total net assets). In practice, the actual trading results may differ and the difference could be material.

ii. Interest Rate Risk

As at September 30, 2019 and March 31, 2019, the Fund did not have a significant exposure to interest rate risk related to fixed income investments.

iii. Other Price Risk

The Fund's most significant exposure to other price risk arises from its investment in equity securities. As at September 30, 2019, had the prices on the respective stock exchanges for these securities raised or lowered by 10.0%, with all other variables held constant, net assets would have increased or decreased by approximately \$7,278 or 9.8% of total net assets (March 31, 2019 – \$6,451 or 9.9% of total net assets). In practice, the actual trading results may differ and the difference could be material.

iv. Credit Risk

As at September 30, 2019 and March 31, 2019, the Fund did not have a significant exposure to credit risk related to fixed income investments.

(d) Loss Carryforwards

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

NOTES TO INTERIM UNAUDITED FINANCIAL STATEMENTS

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

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

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

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

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

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

as at September 30, 2019	Level 1	Level 2	Level 3	Total
Fixed income	-	-	-	-
Mutual Funds	-	-	-	-
Equities	72,777	-	-	72,777
Cash equivalents	-	-	-	-
Derivative assets	-	-	-	-
Derivative liabilities	-	-	-	-
Total	72,777	-	-	72,777

as at March 31, 2019	Level 1	Level 2	Level 3	Total
Fixed income	-	-	-	-
Mutual Funds	-	-	-	-
Equities	64,507	-	-	64,507
Cash equivalents	-	-	-	-
Derivative assets	-	-	-	-
Derivative liabilities	-	-	-	-
Total	64,507	-	-	64,507

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

As of September 30, 2019, these securities were classified as Level 1 (March 31, 2019 – Level 1). Other than as described above, there were no significant transfers between Level 1 and Level 2.

(f) Securities Lending

as at	Value of securities loaned	Value of collateral received
September 30, 2019	5,056	5,336
March 31, 2019	1,065	1,151

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the Fund for the periods ended September 30, 2019 and 2018 is presented below:

for the six-month period ended September 30	Amount (\$)		Percentage of Total Amount (%)	
	2019	2018	2019	2018
Gross Securities Lending Income	4	3	100.0	100.0
Securities Lending Agent fees	-	(1)	0.0	(33.3)
Securities Lending Income to the Fund before Withholdings Taxes	4	2	100.0	66.7
Withholding Taxes	(1)	-	(25.0)	0.0
Securities Lending Income	3	2	75.0	66.7

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