

COUNSEL | PORTFOLIO SERVICES

Counsel Money Market

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
Assets		
Current assets:		
Investments at fair value	30,133	24,655
Cash	-	-
Accrued interest receivable	74	30
Dividends receivable	-	-
Accounts receivable for investments sold	-	-
Accounts receivable for securities issued	9	3
Accounts receivable from the Manager	-	-
Margin on derivative contracts	-	-
Derivative assets	-	-
Other assets	-	-
	30,216	24,688
Non-current assets:		
Taxes recoverable	-	-
Other assets	-	-
	-	-
Total assets	30,216	24,688
Liabilities		
Current liabilities:		
Bank indebtedness	-	1
Accounts payable for investments purchased	-	-
Accounts payable for securities redeemed	-	172
Dividends payable	16	12
Accrued expenses and miscellaneous payables	1	1
Dividends payable on investments sold short	-	-
Derivative liabilities	-	-
Taxes payable	-	-
Other liabilities	-	-
	-	-
Total liabilities	17	186
Net assets attributable to securityholders	30,199	24,502

STATEMENTS OF COMPREHENSIVE INCOME

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

	2020	2019
Income:		
Dividends	-	-
Interest income	430	390
Net realized gain (loss)	-	-
Net unrealized gain (loss)	-	-
Income (loss) from derivatives	-	-
Income (loss) from short selling	-	-
Securities lending income	-	-
Trust income	-	-
Total income	430	390
Expenses:		
Management fees	182	179
Management fee rebates	-	-
Administration fees	33	33
Commissions and other portfolio transaction costs	-	-
Independent Review Committee costs	-	-
Interest and other charges	-	-
Expenses before amounts absorbed by Manager	215	212
Expenses absorbed by Manager	-	(1)
Net expenses	215	211
Increase (decrease) in net assets attributable to securityholders from operations before tax	215	179
Foreign withholding tax expense (recovery)	-	-
Foreign income tax expense (recovery)	-	-
Income tax expense (recovery)	-	-
Increase (decrease) in net assets attributable to securityholders from operations	215	179

	Net assets attributable to securityholders			
	per security		per series	
	2020	2019	2020	2019
Series A	10.00	10.00	19,618	17,061
Series C	10.00	10.00	2	59
Series F	10.00	10.00	3,438	951
Series I	10.00	10.00	1,101	2,454
Series O	10.00	10.00	6,040	3,977
			30,199	24,502

	Increase (decrease) in net assets attributable to securityholders from operations			
	per security		per series	
	2020	2019	2020	2019
Series A	0.06	0.06	104	88
Series C	0.09	0.12	1	1
Series F	0.09	0.09	12	9
Series I	0.17	0.16	19	20
Series O	0.19	0.18	79	61
			215	179

STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	TOTAL		SERIES A		SERIES C		SERIES F	
	2020	2019	2020	2019	2020	2019	2020	2019
Net assets attributable to securityholders, beginning of period	24,502	22,309	17,061	16,194	59	850	951	857
Increase (decrease) in net assets attributable to securityholders resulting from:								
Operations	215	179	104	88	1	1	12	9
Distributions:								
Income	(215)	(179)	(99)	(88)	-	(1)	(11)	(9)
Capital gains	-	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-	-	-
Management fee rebates	-	-	-	-	-	-	-	-
Total distributions	(215)	(179)	(99)	(88)	-	(1)	(11)	(9)
Security transactions:								
Proceeds from sale of securities	34,955	34,068	20,896	20,159	3,637	5,386	6,432	2,758
Proceeds from securities issued on merger	-	-	-	-	-	-	-	-
Reinvested from distributions	204	171	93	84	-	-	9	9
Payment on redemption of securities	(29,462)	(32,046)	(18,437)	(19,376)	(3,695)	(6,177)	(3,955)	(2,673)
Total security transactions	5,697	2,193	2,552	867	(58)	(791)	2,486	94
Increase (decrease) in assets attributable to securityholders	5,697	2,193	2,557	867	(57)	(791)	2,487	94
Net assets attributable to securityholders, end of period	30,199	24,502	19,618	17,061	2	59	3,438	951
Increase (decrease) in securities (in thousands):								
Securities outstanding, beginning of period			1,706	1,619	6	85	95	86
Add (deduct):								
Securities sold			2,090	2,016	364	539	643	275
Securities issued on merger			-	-	-	-	-	-
Reinvested from distributions			9	8	-	-	1	1
Securities redeemed			(1,844)	(1,937)	(370)	(618)	(395)	(267)
Securities outstanding, end of period			1,961	1,706	-	6	344	95

	SERIES I		SERIES O	
	2020	2019	2020	2019
Net assets attributable to securityholders, beginning of period	2,454	1,434	3,977	2,974
Increase (decrease) in net assets attributable to securityholders resulting from:				
Operations	19	20	79	61
Distributions:				
Income	(19)	(20)	(86)	(61)
Capital gains	-	-	-	-
Return of capital	-	-	-	-
Management fee rebates	-	-	-	-
Total distributions	(19)	(20)	(86)	(61)
Security transactions:				
Proceeds from sale of securities	1,606	4,530	2,384	1,235
Proceeds from securities issued on merger	-	-	-	-
Reinvested from distributions	16	17	86	61
Payment on redemption of securities	(2,975)	(3,527)	(400)	(293)
Total security transactions	(1,353)	1,020	2,070	1,003
Increase (decrease) in assets attributable to securityholders	(1,353)	1,020	2,063	1,003
Net assets attributable to securityholders, end of period	1,101	2,454	6,040	3,977
Increase (decrease) in securities (in thousands):				
Securities outstanding, beginning of period	245	143	398	297
Add (deduct):				
Securities sold	161	453	238	124
Securities issued on merger	-	-	-	-
Reinvested from distributions	2	2	9	6
Securities redeemed	(298)	(353)	(40)	(29)
Securities outstanding, end of period	110	245	605	398

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
Cash flows from operating activities		
Increase (decrease) in net assets attributable to securityholders from operations	215	179
Less non-cash impact of:		
Net realized loss (gain) on investments	-	-
Change in net unrealized loss (gain) on investments	-	-
Distributions received from Underlying Funds	-	-
Adjustments for:		
Proceeds from sale and maturity of investments	273,080	389,770
Purchases of investments	(278,558)	(392,223)
(Increase) decrease in accounts receivable and other assets	(44)	33
Increase (decrease) in accounts payable and other liabilities	-	-
Net cash provided by (used in) operating activities	(5,307)	(2,241)
Cash flows from financing activities:		
Proceeds from securities issued	34,949	34,117
Proceeds from securities issued on merger	-	-
Payments on redemption of securities	(29,634)	(31,874)
Distributions paid net of reinvestments	(7)	(4)
Net cash provided by (used in) financing activities	5,308	2,239
Increase (decrease) in cash	1	(2)
Cash (Bank indebtedness) at beginning of period	(1)	1
Effect of exchange rate fluctuations on cash	-	-
Cash, end of period	-	(1)
Cash	-	-
Bank indebtedness	-	(1)
	-	(1)
Supplementary disclosures on cash flow from operating activities:		
Dividends received net of withholding taxes	-	-
Interest received	386	423
Interest paid	-	-
Income taxes paid (recovered)	-	-

SCHEDULE OF INVESTMENTS

as at March 31, 2020

	Country	Sector	Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS					
Bank of Montreal F/R 10-14-2020	Canada	Corporate	250,000	250	250
The Bank of Nova Scotia F/R 04-02-2020	Canada	Corporate	480,000	481	481
The Bank of Nova Scotia 2.13% 06-15-2020 DPNT	Canada	Corporate	110,000	110	110
The Bank of Nova Scotia 3.27% 01-11-2021 DPNT	Canada	Corporate	50,000	51	51
The Bank of Nova Scotia F/R 01-13-2021	Canada	Corporate	70,000	70	70
Canada Housing Trust No. 1 1.08% 09-15-2021	Canada	Federal Government	400,000	404	404
Canadian Imperial Bank of Commerce F/R 04-09-2020	Canada	Corporate	500,000	500	500
Canadian Imperial Bank of Commerce F/R 12-08-2020	Canada	Corporate	200,000	201	201
Cards II Trust 2.16% 10-15-2020	Canada	Corporate	335,000	336	336
Central 1 Credit Union F/R 02-05-2021	Canada	Corporate	300,000	300	300
Eagle Credit Card Trust 2.15% 09-17-2020	Canada	Corporate	50,000	50	50
Federation des Caisses Desjardins du Quebec F/R 12-17-2020	Canada	Corporate	50,000	50	50
Genesis Trust II 1.70% 04-15-2020	Canada	Corporate	20,000	20	20
Honda Canada Finance Inc. F/R 04-17-2020	Canada	Corporate	200,000	200	200
Honda Canada Finance Inc. F/R 12-18-2020	Canada	Corporate	21,000	21	21
Honda Canada Finance Inc. F/R 09-13-2021	Canada	Corporate	100,000	100	100
John Deere Canada Funding Inc. F/R 09-21-2020	United States	Corporate	200,000	200	200
Manulife Bank of Canada F/R 03-04-2021	Canada	Corporate	180,000	180	180
National Bank of Canada F/R 06-12-2020	Canada	Corporate	500,000	500	500
Plaza Trust F/R 04-02-2020	Canada	Corporate	100,000	100	100
Royal Bank of Canada 1.92% 07-17-2020	Canada	Corporate	215,000	215	215
The Toronto-Dominion Bank F/R 10-06-2020	Canada	Corporate	250,000	250	250
Toyota Credit Canada Inc. F/R 07-24-2020	Canada	Corporate	150,000	150	150
Toyota Credit Canada Inc. F/R 09-27-2021	Canada	Corporate	175,000	175	175
Zeus Receivables Trust F/R 09-25-2020	Canada	Corporate	100,000	100	100
				5,014	5,014
MONEY MARKET INSTRUMENTS					
Bank of Montreal 0.99% 04-30-2020		Corporate	50,000	50	50
Bank of Montreal 1.05% 09-08-2020		Corporate	600,000	597	597
Canadian Imperial Bank of Commerce 1.68% 02-25-2021		Corporate	20,000	20	20
Canadian Master Trust 1.96% 04-16-2020		Corporate	150,000	149	149
Enbridge Pipelines Inc. 1.54% 04-01-2020		Corporate	95,000	95	95
Enbridge Pipelines Inc. 1.51% 04-06-2020		Corporate	50,000	50	50
Fusion Trust 1.23% 06-08-2020		Corporate	100,000	100	100
Government of Canada 1.66% 04-16-2020		Federal Government	1,800,000	1,790	1,790
Government of Canada 0.38% 06-25-2020		Federal Government	900,000	899	899
Government of Canada 0.31% 09-17-2020		Federal Government	1,410,000	1,408	1,408
Government of Canada 0.29% 10-15-2020		Federal Government	650,000	649	649
Lakeshore Trust 1.51% 12-02-2020		Corporate	100,000	99	99
Manulife Financial Corp. 1.90% 05-28-2020		Corporate	25,000	25	25
Manulife Financial Corp. 1.13% 09-17-2020		Corporate	100,000	99	99
Merit Trust 1.30% 06-05-2020		Corporate	100,000	100	100
National Bank of Canada 1.63% 02-25-2021		Corporate	100,000	98	98
Prime Trust 1.25% 06-12-2020		Corporate	100,000	100	100
Plaza Trust 1.51% 12-02-2020		Corporate	20,000	20	20
Province of Alberta 1.77% 04-14-2020		Provincial Governments	1,280,000	1,274	1,274
Province of Alberta 1.73% 04-21-2020		Provincial Governments	600,000	598	598
Province of Alberta 1.24% 06-02-2020		Provincial Governments	2,000,000	1,994	1,994
Province of Alberta 1.19% 06-11-2020		Provincial Governments	800,000	798	798
Province of British Columbia 1.63% 08-11-2020		Provincial Governments	1,500,000	1,489	1,489
Province of British Columbia 1.39% 05-25-2020		Provincial Governments	190,000	190	190
Province of British Columbia 0.69% 09-25-2020		Provincial Governments	50,000	50	50
Province of New Brunswick 1.78% 04-09-2020		Provincial Governments	1,700,000	1,692	1,692
Province of New Brunswick 1.68% 08-25-2020		Provincial Governments	3,500,000	3,471	3,471
Province of Ontario 1.73% 07-15-2020		Provincial Governments	200,000	197	197
Province of Ontario 1.25% 09-02-2020		Provincial Governments	295,000	293	293
Province of Ontario 1.24% 09-16-2020		Provincial Governments	195,000	194	194
Province of Ontario 1.59% 11-18-2020		Provincial Governments	800,000	791	791
Province of Ontario 0.79% 01-20-2021		Provincial Governments	700,000	695	695
Province of Quebec 1.75% 04-03-2020		Provincial Governments	550,000	549	549
Province of Quebec 1.80% 05-01-2020		Provincial Governments	500,000	492	492
Province of Quebec 1.82% 05-01-2020		Provincial Governments	20,000	20	20
Province of Quebec 1.44% 02-26-2021		Provincial Governments	200,000	197	197
Province of Saskatchewan 1.75% 05-19-2020		Provincial Governments	150,000	149	149
Ridge Trust 1.80% 07-07-2020		Corporate	100,000	99	99

SCHEDULE OF INVESTMENTS

as at March 31, 2020

	Country	Sector	Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
Ridge Trust 1.89% 08-10-2020		Corporate	100,000	99	99
Royal Bank of Canada 0.20% 04-01-2020		Corporate	1,465,000	1,465	1,465
Royal Bank of Canada 1.54% 04-23-2020		Corporate	600,000	599	599
Royal Bank of Canada 1.20% 06-09-2020		Corporate	290,000	289	289
Safe Trust 1.90% 06-25-2020		Corporate	260,000	255	255
Stable Trust 1.90% 06-25-2020		Corporate	260,000	255	255
The Bank of Nova Scotia 1.88% 05-06-2020		Corporate	100,000	99	99
The Bank of Nova Scotia 1.87% 06-05-2020		Corporate	150,000	149	149
The Toronto-Dominion Bank 1.09% 04-27-2020		Corporate	80,000	80	80
The Toronto-Dominion Bank 1.09% 04-30-2020		Corporate	50,000	50	50
The Toronto-Dominion Bank 1.19% 06-08-2020		Corporate	200,000	199	199
				25,119	25,119
				30,133	30,133

TOTAL INVESTMENTS

Net Assets					
Total investments					30,133
Other net assets (liabilities)					66
					30,199

Schedule of Asset Composition

at March 31, 2020

	% of net assets
BY ASSET TYPE	
Provincial Governments	50.1
Corporate	32.6
Federal Government	17.1
Other	0.2
Total	100.0
COUNTRY ALLOCATION	
Canada	99.3
United States	0.7
	100.0

at March 31, 2019

	% of net assets
BY ASSET TYPE	
Corporate	46.2
Provincial Governments	39.0
Federal Government	15.4
Other	(0.6)
Total	100.0
COUNTRY ALLOCATION	
Canada	97.8
Germany	1.4
United States	0.8
	100.0

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

The information provided in these financial statements and notes thereto is for the year ended or as at March 31, 2020 and 2019.

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 13, 2020.

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

Financial instruments include financial assets and liabilities such as debt securities. 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 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. If the bid or ask price is not available, investments are valued at cost which, together with accrued interest, approximates fair value. The cost of investments is determined on a weighted average cost basis.

The Fund's financial instruments carried at fair value are classified using the following fair value hierarchy:

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

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

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

As at March 31, 2020 and March 31, 2019, all investments were classified as Level 2. There were no significant transfers between Level 1 and Level 2 during the periods.

(c) Income recognition

Interest income from interest bearing investments is recognized using the effective interest method.

Income is allocated daily among the series on a pro-rata basis.

(d) Securities lending, repurchase and reverse repurchase transactions

The Fund is permitted to enter into securities lending, repurchase and reverse repurchase transactions as set out in the Fund's Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date. 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.

(e) 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. As at March 31, 2020 and March 31, 2019, there were no such differences.

(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.

NOTES TO ANNUAL FINANCIAL STATEMENTS**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 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 31.

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

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

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). 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. Investments in money market securities will have terms to maturity of one year or less and the Fund's portfolio will have a dollar-weighted average term to maturity not exceeding 90 days. At least 95.0% of the portfolio will consist of cash and cash equivalents. Currently, the Fund has no intention to invest its assets in securities denominated in foreign currencies. In addition, the Fund retains sufficient cash positions to maintain adequate liquidity. The Fund also has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

Other investment funds managed by Counsel ("Top Funds") may invest in Series 0 securities offered by the Fund on a prospectus-exempt basis in accordance with the investment objectives of those funds. From time to time, these holdings may be rebalanced by either reducing an allocation to the Fund or eliminating such investments in the Fund entirely. In either case, depending on the size of the investment by a large investor, this could cause a significant redemption from the Fund. Meeting such a redemption may require the Fund to sell portfolio holdings. This could result in the Fund selling a particular holding before it has achieved the valuation sought by the Manager thus affecting Fund returns. This could also result in the Fund realizing capital gains on its holdings earlier than planned, which could result in capital gains distributed to investors in the Fund (which could result in income tax payable by the investor) that might not have occurred or might have occurred at a later date. For the amounts held by and the changes thereto during, please refer to the amounts disclosed pertaining to Series 0 in the Statement of Financial Position and Statement of Changes in Financial Position.

(c) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment 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.

NOTES TO ANNUAL FINANCIAL STATEMENTS**8. FINANCIAL INSTRUMENTS RISK (continued)****(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 mutual funds and ETFs.

9. FURTHER INFORMATION

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

NOTES TO ANNUAL FINANCIAL STATEMENTS

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

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

Series	Date of Inception	Minimum Investment (\$)	Management Fee ^a (%)	Administration Fee ^b (%)
Series A ¹	February 15, 2000	1,000	0.95	0.16
Series C ¹	January 26, 2007	1,000	0.70	0.16
Series F ^{2,3}	November 27, 2009	1,000	0.70	0.15
Series I ^{2,3,4,6}	January 21, 2008	1,000	-	0.15
Series O ^{3,5}	January 13, 2016	-	-	-

¹ As described in the Fund's Simplified Prospectus, securities of this series purchased under the sales charge purchase option may be subject to a fee of up to 5%. Securities purchased under the redemption charge or low-load purchase options may be subject to a redemption fee of up to 6% or 3% respectively; new securities are not available under these purchase options but may be acquired through switching from other Counsel funds.

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

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

⁴ The management fee for this series is 0.70% and is payable directly to Counsel generally through the monthly redemption of securities.

⁵ 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.

⁶ 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 investment portfolio is comprised primarily of investment grade short-term Canadian money market securities and floating rate notes. The Fund selects investments that include short-term debt issued or guaranteed by federal, provincial or municipal governments, promissory notes, non-government obligations issued by chartered banks and commercial paper issued by corporations.

(c) Risks Associated with Financial Instruments

i. Currency Risk

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

ii. Interest Rate Risk

As at March 31, 2020 and March 31, 2019, the Fund did not have a significant exposure to interest rate risk as its investments have short terms to maturity.

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.

iv. Credit Risk

The Fund's greatest concentration of credit risk is in short-term debt securities. 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 17.1% of net assets (March 31, 2019 – 26.8%).

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

March 31, 2020	
R1 (High)	62.7
R1 (Mid)	34.6
R1 (Low)	1.1
Unrated	1.4
Total	99.8
March 31, 2019	
R1 (High)	73.8
R1 (Mid)	21.3
R1 (Low)	5.5
Total	100.6

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

(d) Loss Carryforwards

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

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