

**COUNSEL | PORTFOLIO SERVICES**

# *Counsel Global Low Volatility Equity*

ANNUAL FINANCIAL STATEMENTS

For the year ended March 31, 2021

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

A copy of the Fund's current Simplified Prospectus, Annual Information Form, Management Report of Fund Performance, Fund Fact Sheets, quarterly portfolio disclosures and proxy voting policies and disclosures will be provided, without charge, by: calling toll-free 1-877-625-9885, writing to Counsel Portfolio Services Inc., 5015 Spectrum Way, Suite 300, Mississauga, ON, L4W 0E4, by visiting our website at [www.ipcportfolios.ca](http://www.ipcportfolios.ca) or by visiting [www.sedar.com](http://www.sedar.com).

## 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 Income Trend Strategy  
(formerly Counsel Retirement Income Portfolio)  
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 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  
IPC Private Wealth Visio Balanced Growth Pool  
IPC Private Wealth Visio Balanced Pool  
IPC Private Wealth Visio Core Fixed Income  
IPC Private Wealth Visio Growth Pool  
IPC Private Wealth Visio Income Pool  
IPC Private Wealth Visio North American 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  
June 8, 2021



**Paulette Jervis**  
Chief Financial Officer  
June 8, 2021

## Independent Auditor's Report

To the Securityholders of:

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

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

### Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at March 31, 2021 and 2020, as applicable, 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 the Fund as at March 31, 2021 and 2020, 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 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 scepticism 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.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
June 8, 2021

**STATEMENTS OF FINANCIAL POSITION**

at March 31, 2021 with comparative figures at March 31, 2020  
(in \$ 000 except per security amounts)

	2021	2020
<b>Assets</b>		
<b>Current assets:</b>		
Investments at fair value	110,281	91,856
Cash and cash equivalents	745	1,055
Accrued interest receivable	–	–
Dividends receivable	218	359
Accounts receivable for investments sold	–	–
Accounts receivable for securities issued	79	163
Accounts receivable from the Manager	–	–
Margin with broker	–	–
Derivative assets	–	–
Other assets	–	–
	111,323	93,433
<b>Non-current assets:</b>		
Taxes recoverable	–	–
Other assets	–	–
	–	–
<b>Total assets</b>	111,323	93,433
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Bank indebtedness	–	–
Accounts payable for investments purchased	–	–
Accounts payable for securities redeemed	217	–
Distributions payable	–	–
Accrued expenses and miscellaneous payables	–	–
Dividends payable on investments sold short	–	–
Derivative liabilities	–	–
Taxes payable	–	–
Other liabilities	–	–
	217	–
<b>Total liabilities</b>	217	–
<b>Net assets attributable to securityholders</b>	111,106	93,433

**STATEMENTS OF COMPREHENSIVE INCOME**

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

	2021	2020
<b>Income:</b>		
Dividends	3,042	2,573
Interest and other income	2	15
Net realized gain (loss)	(2,779)	784
Net unrealized gain (loss)	20,145	(13,696)
Income (loss) from derivatives	–	–
Income (loss) from short selling	–	–
Securities lending income	23	8
Trust income	1	5
<b>Total income</b>	20,434	(10,311)
<b>Expenses:</b>		
Management fees	–	–
Management fee rebates	–	–
Administration fees	–	–
Commissions and other portfolio transaction costs	27	55
Independent Review Committee costs	–	–
Interest and other charges	–	1
<b>Expenses before amounts absorbed by Manager</b>	27	56
Expenses absorbed by Manager	–	–
<b>Net expenses</b>	27	56
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	20,407	(10,367)
Foreign withholding tax expense (recovery)	411	277
Foreign income tax expense (recovery)	–	–
Income tax expense (recovery)	–	–
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	19,996	(10,644)

	Net assets attributable to securityholders			
	per security		per series	
	2021	2020	2021	2020
Series 0	10.99	9.33	111,105	93,433
Series Private Wealth	10.46	n/a	1	n/a
			111,106	93,433

	Increase (decrease) in net assets attributable to securityholders from operations			
	per security		per series	
	2021	2020	2021	2020
Series 0	1.84	(0.97)	19,996	(10,644)
Series Private Wealth	0.52	n/a	–	n/a
			19,996	(10,644)

**STATEMENTS OF CHANGES IN FINANCIAL POSITION**

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

	TOTAL		SERIES O		SERIES PRIVATE WEALTH	
	2021	2020	2021	2020	2021	2020
<b>Net assets attributable to securityholders, beginning of period</b>	93,433	65,221	93,433	65,221	–	–
Increase (decrease) in net assets attributable to securityholders resulting from:						
<b>Operations</b>	19,996	(10,644)	19,996	(10,644)	–	–
<b>Distributions:</b>						
Income	(2,566)	(2,238)	(2,566)	(2,238)	–	–
Capital gains	–	(1,511)	–	(1,511)	–	–
Return of capital	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–
<b>Total distributions</b>	(2,566)	(3,749)	(2,566)	(3,749)	–	–
<b>Security transactions:</b>						
Proceeds from sale of securities	21,532	44,665	21,531	44,665	1	–
Proceeds from securities issued on merger	–	–	–	–	–	–
Reinvested from distributions	2,566	3,749	2,566	3,749	–	–
Payment on redemption of securities	(23,855)	(5,809)	(23,855)	(5,809)	–	–
<b>Total security transactions</b>	243	42,605	242	42,605	1	–
<b>Increase (decrease) in assets attributable to securityholders</b>	17,673	28,212	17,672	28,212	1	–
<b>Net assets attributable to securityholders, end of period</b>	111,106	93,433	111,105	93,433	1	–
<b>Increase (decrease) in securities (in thousands):</b>						
<b>Securities outstanding, beginning of period</b>			10,014	6,050	–	–
Add (deduct):						
Securities sold			2,086	4,189	–	–
Securities issued on merger			–	–	–	–
Reinvested from distributions			245	357	–	–
Securities redeemed			(2,233)	(582)	–	–
<b>Securities outstanding, end of period</b>			10,112	10,014	–	–

**STATEMENTS OF CASH FLOWS**

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

	2021	2020
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to securityholders from operations	19,996	(10,644)
<b>Less non-cash impact of:</b>		
Net realized loss (gain) on investments	2,779	(784)
Change in net unrealized loss (gain) on investments	(20,145)	13,696
Distributions received from Underlying Funds	–	–
<b>Adjustments for:</b>		
Proceeds from sale and maturity of investments	82,101	73,516
Purchases of investments	(83,159)	(114,588)
(Increase) decrease in accounts receivable and other assets	141	(111)
Increase (decrease) in accounts payable and other liabilities	–	–
<b>Net cash provided by (used in) operating activities</b>	<b>1,713</b>	<b>(38,915)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from securities issued	21,616	44,796
Proceeds from securities issued on merger	–	–
Payments on redemption of securities	(23,638)	(5,826)
Distributions paid net of reinvestments	–	–
<b>Net cash provided by (used in) financing activities</b>	<b>(2,022)</b>	<b>38,970</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(309)</b>	<b>55</b>
Cash and cash equivalents at beginning of period	1,055	1,000
Effect of exchange rate fluctuations on cash and cash equivalents	(1)	–
<b>Cash and cash equivalents, end of period</b>	<b>745</b>	<b>1,055</b>
Cash	745	1,055
Cash equivalents	–	–
Bank indebtedness	–	–
	745	1,055
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received net of withholding taxes	2,772	2,185
Interest received net of withholding taxes	2	15
Interest paid	–	1
Income taxes paid (recovered)	–	–

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



## SCHEDULE OF INVESTMENTS

as at March 31, 2021

	Country	Sector	No. of Shares/ Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EXCHANGE TRADED FUNDS</b>					
Vanguard FTSE Developed Markets ETF	Multinational	Exchange Traded Funds	11,209	686	692
Vanguard S&P 500 ETF	United States	Exchange Traded Funds	2,312	1,030	1,058
				<u>1,716</u>	<u>1,750</u>
<b>EQUITIES</b>					
Accenture PLC Class A	United States	Information Technology	2,529	796	878
Activision Blizzard Inc.	United States	Communication Services	7,579	798	886
Adobe Systems Inc.	United States	Information Technology	1,103	677	659
The Allstate Corp.	United States	Financials	8,940	1,306	1,291
Alphabet Inc. Class A	United States	Communication Services	428	705	1,109
Amazon.com Inc.	United States	Consumer Discretionary	356	1,052	1,384
American Tower Corp. Class A	United States	Real Estate	2,772	798	833
AmerisourceBergen Corp.	United States	Health Care	9,175	1,222	1,361
Amgen Inc.	United States	Health Care	1,486	478	465
Aon PLC	Ireland	Financials	2,534	672	733
Apple Inc.	United States	Information Technology	14,475	949	2,222
Astellas Pharma Inc.	Japan	Health Care	34,100	682	662
AT&T Inc.	United States	Communication Services	25,502	1,163	970
Atos Origin	France	Information Technology	1,454	184	143
AutoZone Inc.	United States	Consumer Discretionary	804	1,223	1,419
Bank Hapoalim	Israel	Financials	29,427	230	289
The Bank of New York Mellon Corp.	United States	Financials	22,695	1,141	1,349
Barrick Gold Corp.	Canada	Materials	28,770	670	717
Baxter International Inc.	United States	Health Care	2,984	319	316
Biogen Inc.	United States	Health Care	3,315	1,269	1,165
BOC Hong Kong (Holdings) Ltd.	Hong Kong	Financials	38,000	137	167
Bristol-Myers Squibb Co.	United States	Health Care	10,803	762	857
Cabot Oil & Gas Corp.	United States	Energy	20,773	479	490
Canon Inc.	Japan	Information Technology	27,900	1,060	794
Cardinal Health Inc.	United States	Health Care	13,942	1,015	1,064
Cboe Global Markets Inc.	United States	Financials	2,956	460	367
Cerner Corp.	United States	Health Care	6,783	657	613
The Charles Schwab Corp.	United States	Financials	2,905	140	238
Check Point Software Technologies Ltd.	Israel	Information Technology	5,182	763	729
Chugai Pharmaceutical Co. Ltd.	Japan	Health Care	7,400	447	378
CI Financial Corp.	Canada	Financials	12,560	315	228
Cisco Systems Inc.	United States	Information Technology	25,780	1,392	1,675
Citrix Systems Inc.	United States	Information Technology	1,125	189	198
CK Asset Holdings Ltd.	Hong Kong	Real Estate	52,500	348	401
The Clorox Co.	United States	Consumer Staples	2,955	616	716
Colgate Palmolive Co.	United States	Consumer Staples	11,940	1,085	1,183
Coloplast AS	Denmark	Health Care	3,869	774	732
Colruyt SA	Belgium	Consumer Staples	2,586	194	194
ConocoPhillips	United States	Energy	3,572	278	238
Consolidated Edison Inc.	United States	Utilities	9,927	1,158	933
Cummins Inc.	United States	Industrials	4,320	923	1,406
CVS Health Corp.	United States	Health Care	1,160	92	110
Dai Nippon Printing Co. Ltd.	Japan	Industrials	4,000	125	106
Daio Trust Construction Co. Ltd.	Japan	Real Estate	3,900	680	570
DAVITA Inc.	United States	Health Care	4,885	523	661
Deutsche Boerse AG	Germany	Financials	795	139	166
DiaSorin SPA	Italy	Health Care	996	260	201
Dollar General Corp.	United States	Consumer Discretionary	4,704	1,302	1,198
eBay Inc.	United States	Consumer Discretionary	3,906	270	301
Edwards Lifesciences Corp.	United States	Health Care	10,204	1,070	1,072
Electronic Arts Inc.	United States	Communication Services	8,468	1,304	1,440
Eli Lilly and Co.	United States	Health Care	904	181	212
EMS-Chemie Holding AG	Switzerland	Materials	91	110	102
Eni SPA	Italy	Energy	59,887	1,169	928
Erie Indemnity Co. Class A	United States	Financials	616	147	171
Eversource Energy	United States	Utilities	9,395	1,044	1,022
Exelon Corp.	United States	Utilities	13,308	711	731
Expeditors International of Washington Inc.	United States	Industrials	7,628	889	1,032
Exxon Mobil Corp.	United States	Energy	9,651	898	677
F5 Networks Inc.	United States	Information Technology	3,336	600	874
Facebook Inc.	United States	Communication Services	314	102	116
Fortescue Metals Group Ltd.	Australia	Materials	26,288	231	504
Franco-Nevada Corp.	Canada	Materials	6,166	830	971
Fresenius Medical Care AG & Co.	Germany	Health Care	1,897	213	175
FUJIFILM Holdings Corp.	Japan	Information Technology	4,700	334	352
Fujitsu Ltd.	Japan	Information Technology	5,500	860	1,003
Garmin Ltd.	United States	Consumer Discretionary	3,199	428	530
Geberit AG	Switzerland	Industrials	1,007	715	805

## SCHEDULE OF INVESTMENTS (continued)

as at March 31, 2021

	Country	Sector	No. of Shares/ Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES (continued)</b>					
Gilead Sciences Inc.	United States	Health Care	16,871	1,476	1,370
GlaxoSmithKline PLC	United Kingdom	Health Care	25,629	694	572
Hang Seng Bank Ltd.	Hong Kong	Financials	33,800	805	824
Henry Schein Inc.	United States	Health Care	8,258	728	718
Hermes International	France	Consumer Discretionary	180	172	250
HKT Trust and HKT Ltd.	Hong Kong	Communication Services	63,000	123	113
The Hong Kong and China Gas Co. Ltd.	Hong Kong	Utilities	135,000	256	269
Hong Kong Exchanges and Clearing Ltd.	Hong Kong	Financials	21,562	952	1,602
Hormel Foods Corp.	United States	Consumer Staples	16,580	1,076	995
Idemitsu Kosan Co.	Japan	Energy	3,500	96	113
Intel Corp.	United States	Information Technology	15,650	992	1,259
International Business Machines Corp.	United States	Information Technology	7,450	1,376	1,247
Investor AB	Sweden	Financials	8,231	632	825
ITOCHU Corp.	Japan	Industrials	30,100	803	1,230
J Sainsbury PLC	United Kingdom	Consumer Staples	33,737	114	142
Jardine Matheson Holdings Ltd.	Hong Kong	Industrials	1,800	99	148
Jeronimo Martins SGPS SA	Portugal	Consumer Staples	4,867	107	103
Kajima Corp.	Japan	Industrials	12,900	286	231
Kamigumi Co. Ltd.	Japan	Industrials	5,200	125	124
Kao Corp.	Japan	Consumer Staples	6,300	607	524
KDDI Corp.	Japan	Communication Services	33,900	1,217	1,309
Kellogg Co.	United States	Consumer Staples	13,781	1,165	1,096
Kimberly-Clark Corp.	United States	Consumer Staples	5,102	916	891
Kinross Gold Corp.	Canada	Materials	14,075	88	118
Kirkland Lake Gold Ltd.	Canada	Materials	5,099	305	216
Kone OYJ B	Finland	Industrials	5,290	594	543
Koninklijke Ahold Delhaize NV	Netherlands	Consumer Staples	37,059	1,220	1,297
Koninklijke Vopak NV	Netherlands	Energy	4,493	327	281
The Kroger Co.	United States	Consumer Staples	31,596	1,131	1,429
Kuehne + Nagel International AG	Switzerland	Industrials	2,264	492	812
The Link Real Estate Investment Trust	Hong Kong	Real Estate	34,182	459	392
Logitech International SA Reg.	Switzerland	Information Technology	8,237	761	1,085
MarketAxess Holdings Inc.	United States	Financials	306	161	191
McKesson Corp.	United States	Health Care	5,705	1,050	1,398
Medibank Private Ltd.	Australia	Financials	39,966	116	107
MEIJ Holdings Co. Ltd.	Japan	Consumer Staples	1,500	134	121
Merck & Co. Inc.	United States	Health Care	12,510	1,324	1,212
Microsoft Corp.	United States	Information Technology	6,178	1,021	1,830
Mizrahi Tefahot Bank Ltd.	Israel	Financials	4,795	104	158
Mizuho Financial Group Inc.	Japan	Financials	12,829	261	232
MTR Corp. Ltd.	Hong Kong	Industrials	49,500	348	353
NEC Corp.	Japan	Information Technology	1,700	92	126
Neste Oil OYJ	Finland	Energy	1,290	105	86
Nestle SA Reg.	Switzerland	Consumer Staples	8,132	967	1,139
Newmont Goldcorp Corp.	United States	Materials	15,115	782	1,145
Nikon Corp.	Japan	Consumer Discretionary	16,400	199	193
Nintendo Co. Ltd.	Japan	Communication Services	900	615	633
Nippon Telegraph & Telephone Corp.	Japan	Communication Services	43,500	1,274	1,407
Northern Trust Corp.	United States	Financials	6,205	793	820
Novartis AG Reg.	Switzerland	Health Care	5,149	586	553
Novo Nordisk AS B	Denmark	Health Care	15,037	1,213	1,276
Novozymes AS	Denmark	Materials	4,096	336	330
Obayashi Corp.	Japan	Industrials	19,500	268	226
Ono Pharmaceutical Co. Ltd.	Japan	Health Care	4,600	197	151
Oracle Corp.	United States	Information Technology	17,728	1,377	1,563
O'Reilly Automotive Inc.	United States	Consumer Discretionary	442	268	282
Osaka Gas Co. Ltd.	Japan	Utilities	3,700	101	91
PepsiCo Inc.	United States	Consumer Staples	6,463	1,017	1,149
The Procter & Gamble Co.	United States	Consumer Staples	7,043	904	1,199
The Progressive Corp.	United States	Financials	2,231	280	268
Proximus SA	Belgium	Communication Services	5,697	183	156
Public Storage	United States	Real Estate	4,303	1,216	1,334
Red Electrica Corporacion SA	Spain	Utilities	8,998	228	200
Regeneron Pharmaceuticals Inc.	United States	Health Care	1,649	1,250	980
Roche Holding AG Genussscheine	Switzerland	Health Care	2,971	1,090	1,207
S&P Global Inc.	United States	Financials	682	248	302
Schindler Holding AG PC	Switzerland	Industrials	1,672	597	617
Seagate Technology	United States	Information Technology	1,477	104	142
Secom Co. Ltd.	Japan	Industrials	7,400	890	785
Shimamura Co. Ltd.	Japan	Consumer Discretionary	800	76	116
Shionogi & Co. Ltd.	Japan	Health Care	5,700	429	386
Singapore Exchange Ltd.	Singapore	Financials	44,800	357	418

**SCHEDULE OF INVESTMENTS (continued)**

as at March 31, 2021

	Country	Sector	No. of Shares/ Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES (continued)</b>					
Singapore Telecommunications Ltd.	Singapore	Communication Services	63,800	187	146
Softbank Corp.	Japan	Communication Services	14,200	225	232
Spark New Zealand Ltd.	New Zealand	Communication Services	136,514	456	536
Sun Hung Kai Properties Ltd.	Hong Kong	Real Estate	42,000	740	801
Swisscom AG Reg.	Switzerland	Communication Services	1,771	1,247	1,194
Taisei Corp.	Japan	Industrials	5,100	253	247
Take-Two Interactive Software Inc.	United States	Communication Services	1,299	278	288
Target Corp.	United States	Consumer Discretionary	6,352	901	1,581
TC Energy Corp.	Canada	Energy	2,261	123	130
Telefonica SA	Spain	Communication Services	21,722	96	122
Telstra Corp. Ltd.	Australia	Communication Services	120,374	356	392
Texas Instruments Inc.	United States	Information Technology	4,178	788	992
Toho Co. Ltd.	Japan	Communication Services	2,200	111	112
Tokyo Gas Co. Ltd.	Japan	Utilities	12,000	378	335
Tractor Supply Co.	United States	Consumer Discretionary	1,410	267	314
United Overseas Bank Ltd.	Singapore	Financials	4,828	105	117
Venture Corp. Ltd.	Singapore	Information Technology	9,900	151	186
Verizon Communications Inc.	United States	Communication Services	16,624	1,192	1,215
Vertex Pharmaceuticals Inc.	United States	Health Care	2,261	804	610
Visa Inc. Class A	United States	Information Technology	4,770	1,155	1,268
W.W. Grainger Inc.	United States	Industrials	1,760	730	887
Wal-Mart Stores Inc.	United States	Consumer Staples	4,078	662	696
Welcia Holdings Co. Ltd.	Japan	Consumer Staples	1,900	102	82
West Pharmaceutical Services Inc.	United States	Health Care	568	217	201
Wheaton Precious Metals Corp.	Canada	Materials	7,391	232	355
				99,264	108,531
				(31)	—
<b>COMMISSIONS AND OTHER PORTFOLIO TRANSACTION COSTS</b>					
<b>TOTAL INVESTMENTS</b>				<b>100,949</b>	<b>110,281</b>
<b>Net Assets:</b>					
Total investments					110,281
Cash and cash equivalents					745
Other net assets (liabilities)					80
					<u>111,106</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 March 31, 2021

	% of net assets
<b>BY ASSET TYPE</b>	
Equities	97.7
Exchange Traded Funds	1.6
Cash and cash equivalents	0.7
<b>Total</b>	<b>100.0</b>

**EFFECTIVE SECTOR ALLOCATION**

Health Care	18.8
Information Technology	17.6
Consumer Staples	11.8
Financials	11.6
Communication Services	11.2
Industrials	8.8
Consumer Discretionary	5.4
Materials	4.1
Real Estate	3.9
Utilities	3.2
Energy	2.8
Cash and cash equivalents	0.7
Other	0.1
	<b>100.0</b>

**EFFECTIVE REGIONAL ALLOCATION**

United States	63.0
Europe ex U.K.	14.8
Japan	11.7
Pacific ex Japan	6.9
Middle East and Africa	1.1
Canada	1.1
United Kingdom	0.7
Cash and cash equivalents	0.7
	<b>100.0</b>

at March 31, 2020

	% of net assets
<b>BY ASSET TYPE</b>	
Equities	97.1
Exchange Traded Funds	1.2
Cash and cash equivalents	1.1
Other	0.6
<b>Total</b>	<b>100.0</b>

**EFFECTIVE SECTOR ALLOCATION**

Health Care	16.0
Consumer Staples	14.6
Communication Services	12.5
Information Technology	11.5
Financials	9.9
Industrials	7.3
Real Estate	6.0
Materials	5.8
Energy	5.5
Consumer Discretionary	5.4
Utilities	3.8
Cash and cash equivalents	1.1
Other	0.6
	<b>100.0</b>

**EFFECTIVE REGIONAL ALLOCATION**

United States	60.6
Europe ex U.K.	14.5
Japan	10.8
Pacific ex Japan	5.1
Canada	4.5
United Kingdom	3.2
Middle East and Africa	0.2
Cash and cash equivalents	1.1
	<b>100.0</b>

**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, 2021 and 2020 (as applicable). In the year a series is established, 'period' represents the period from inception to the period end of that fiscal period. Refer to Note 9 (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, Ontario, Canada. The Fund is authorized to issue an unlimited number of units (referred to as "security" or "securities") of multiple series. Series of the Fund are available for sale under Simplified Prospectus and/or exempt distribution options.

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

**2. BASIS OF PREPARATION AND PRESENTATION**

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

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

These financial statements were authorized for issue by Counsel's Board of Directors on June 8, 2021.

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

Financial instruments include financial assets and liabilities such as debt and equity securities, investment funds, 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.

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

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.

The Fund accounts for its investments at FVTPL. Counsel has concluded that the investment funds in which the Fund invests, do not meet the definition of structured entities.

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

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

**(b) Fair Value Measurement**

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

Investments listed on a public securities exchange, including exchange traded funds ("ETFs"), or traded on an over-the-counter market are valued on the basis of the last traded market price or close price recorded by the security exchange on which the security is principally traded, where this price falls within the quoted bid-ask spread for the investment. In circumstances where this price is not within the bid-ask spread, Counsel 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 Counsel 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.

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. Bank overdraft positions are presented under current liabilities as bank indebtedness in the Statement of Financial Position.

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 Counsel or the Fund's sub-advisor(s), 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. Refer to "Exemptions from National Instrument 81-102" in the Annual Information Form of the Fund for further details, including the complete conditions of these exemptions, 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 – Net unrealized gain (loss).

The value of futures contracts or swaps fluctuates daily, and cash settlements made daily, where applicable, by the Fund are equal to the change in unrealized gains or losses that are best determined at the settlement price. These unrealized gains or losses are recorded and reported as such until the Fund closes out the contract or the contract expires. Margin paid or deposited in respect of futures contracts or swaps is reflected as a receivable in the Statement of Financial Position – Margin on derivatives. Any change in the variation margin requirement is settled daily.

The Fund categorizes the fair value of its assets and liabilities into three categories, which are differentiated based on the observable nature of the inputs and extent of estimation required.

**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. Examples of Level 2 valuations include quoted prices for similar securities, quoted prices on inactive markets and from recognized investment dealers, and the application of factors derived from observable data to non-North American quoted prices in order to estimate the impact of differences in market closing times.

Financial instruments classified as Level 2 investments are valued based on the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices. The estimated fair values for these securities may be different from the values that would have been used had a ready market for the investment existed; and

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

The inputs are considered observable if they are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumption that market participants would use when pricing the asset or liability.

See Note 9 (e) for the fair value classifications of the Fund.

**NOTES TO ANNUAL FINANCIAL STATEMENTS****3. SIGNIFICANT ACCOUNTING POLICIES (continued)****(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, issue or dispose of financial assets or liabilities. They include fees and commissions paid to agents, exchanges, brokers, dealers and other intermediaries. The total brokerage commissions incurred by the Fund in connection with portfolio transactions for the periods, together with other transaction charges, is disclosed in the Statements of Comprehensive Income. Brokerage business is allocated to brokers based on the best net result for the Fund. Subject to this criteria, commissions may be paid to brokerage firms which provide (or pay for) certain services, other than order execution, which may include investment research, analysis and reports, and databases or software in support of these services. Where applicable and ascertainable, the value of third-party services that were paid for by brokers during the periods is disclosed in Note 9. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

**(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.

Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is included in the Statements of Comprehensive Income and recognized when earned. Securities lending transactions are administered by the Canadian Imperial Bank of Commerce (the "Securities Lending Agent"). The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased.

Note 9 summarizes the details of securities loaned and collateral received, as well as a reconciliation of securities lending income, if applicable. Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments, and financial institutions.

**(f) Foreign currency**

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

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

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

**(g) Offsetting**

The Fund only offsets financial assets and liabilities in the Statement of Financial Position when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. Note 9 summarizes the details of such offsetting, if applicable, subject to master netting arrangements or other similar agreements and the net impact to the Statements of Financial Position if all such rights were exercised.

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, 2021 and March 31, 2020, 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 sums of the increase (decrease) in net assets attributable to securityholders from operations for each month, divided by the weighted average number of securities outstanding during each month.

**(k) Future Accounting Changes**

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

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

Governments worldwide have enacted various measures in seeking to combat the spread of the COVID-19 virus. These measures have led to significant volatility in equity markets and material disruption to businesses globally, resulting in an economic slowdown.

Ongoing uncertainty regarding the duration and long-term impact of the pandemic and the implementation of vaccination programs, as well as the efficacy of government and central bank monetary and fiscal interventions, may continue to affect the Fund's performance in future periods.

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

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

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

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

*Functional Currency*

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

**5. INCOME TAXES**

The Fund qualifies as a 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. 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 9 (d) for a summary of the Fund's loss carryforwards.

**NOTES TO ANNUAL FINANCIAL STATEMENTS****6. MANAGEMENT FEES AND OPERATING EXPENSES**

No management fee is charged to investors in the fund by Counsel.

Series Private Wealth 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 (IRC), fees paid to external service providers associated with tax reclaims, refunds or the preparation of foreign tax reports on behalf of the Funds, new fees related to external services that were not commonly charged in the Canadian mutual fund industry and introduced after the date of the most recently filed Counsel Funds' simplified prospectus, and the costs of complying with any new regulatory requirements, including, without limitation, any new fees introduced after the date of the most recently filed Counsel Funds' simplified prospectus.

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

**7. FUND'S CAPITAL**

The capital of the Fund is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at March 31, 2021 and March 31, 2020 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 8 (a).

**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 9 (b), and where applicable, by using derivatives to hedge certain risk exposures. To assist in managing risks, Counsel also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy, internal guidelines, and securities regulations.

**(b) Liquidity risk**

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

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

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

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

**(c) Credit Risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment into which it has entered with the Fund. Note 9 (c) summarizes the Fund's exposure, if applicable and significant, to credit risk through fixed income instruments. Where presented, credit ratings and rating categories are based on ratings issued by a designated rating organization.

All transactions in listed securities are executed with approved brokers.

To minimize the possibility of settlement default, securities are exchanged for payment simultaneously, where market practices permit, through the facilities of a central depository and/or clearing agency where customary.

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

**(d) Currency risk**

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

Note 9 (c) indicates the foreign currencies, if applicable, to which the Fund had significant exposure, in Canadian dollar terms, to the Fund's net assets had the Canadian dollar strengthened or weakened by 5% relative to all foreign currencies, all other variables held constant. In practice, the actual trading results may differ and the difference could be material. Other financial assets and liabilities (including dividends and interest receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not generally expose the Fund to significant currency risk.

**(e) Interest rate risk**

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

If significant, Note 9 (c) summarizes the Fund's bonds by remaining term to maturity and illustrates the potential impact to the Fund's net assets had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

Cash and cash equivalents are short term in nature and are not generally subject to significant amounts of interest rate risk.

**(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.

Other price risk typically arises from exposure to equity securities. Note 9 (c) illustrates the potential increase or decrease in the Fund's net assets had the prices on the respective exchanges for these securities increased or decreased by 10%, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

**NOTES TO ANNUAL FINANCIAL STATEMENTS**

All figures stated in \$000s of Canadian dollars, except for Note 9(a), unless otherwise noted

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

Series	Date of Inception	Minimum Investment (\$)	Management Fee (%)	Administration Fee <sup>3</sup> (%)
Series O <sup>1</sup>	January 7, 2016	–	–	–
Series R <sup>2</sup>	January 7, 2016	–	–	–

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

<sup>2</sup> There are no management fees for Series Private Wealth. An investor must enter into an agreement to participate in the IPC One Program offered by IPC Securities and agree to pay certain asset-based fees.

<sup>3</sup> Counsel may, at its discretion, waive or lower the administration fee payable by investors.

**(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 equity market movements.

The Fund is only available on a prospectus-exempt basis and is not available to registered investors.

**(c) Risks Associated with Financial Instruments**

## i. Currency Risk

Currency	March 31, 2021				Impact on net assets			
	Investments	Cash and cash equivalents	Derivative instruments	Net exposure	Strengthened by 5%		Weakened by 5%	
					(\$)	(%)	(\$)	(%)
Danish krone	2,337	–	–	2,337				
Euro	5,578	–	–	5,578				
Hong Kong dollars	5,068	–	–	5,068				
Japanese yen	12,874	12	–	12,886				
Swiss franc	7,513	–	–	7,513				
United States dollars	69,056	39	–	69,095				
Other	5,119	–	–	5,119				
<b>Total</b>	<b>107,545</b>	<b>51</b>	<b>–</b>	<b>107,596</b>				
As percent of net assets (%)				96.8				
Total sensitivity to currency rate changes					(5,380)	(4.9)	5,380	5.0

  

Currency	March 31, 2020				Impact on net assets			
	Investments	Cash and cash equivalents	Derivative instruments	Net exposure	Strengthened by 5%		Weakened by 5%	
					(\$)	(%)	(\$)	(%)
Australian dollars	1,658	–	–	1,658				
Danish krone	1,607	1	–	1,608				
Euro	6,296	(4)	–	6,292				
Japanese yen	10,031	–	–	10,031				
Swiss franc	5,035	–	–	5,035				
United Kingdom pounds	2,892	(38)	–	2,854				
United States dollars	55,927	46	–	55,973				
Other	3,626	(1)	–	3,625				
<b>Total</b>	<b>87,072</b>	<b>4</b>	<b>–</b>	<b>87,076</b>				
As percent of net assets (%)				93.2				
Total sensitivity to currency rate changes					(4,354)	(4.7)	4,354	4.7

The Fund does not currently use derivatives to hedge currency risk.

## ii. Interest Rate Risk

As at March 31, 2021 and March 31, 2020, the Fund did not have a significant exposure to interest rate risk related to fixed income investments.

## iii. Other Price Risk

Impact on net assets	Increase by 10%		Decrease by 10%	
	(\$)	(%)	(\$)	(%)
March 31, 2021	11,028	9.9	(11,028)	(9.9)
March 31, 2020	9,186	9.8	(9,186)	(9.8)

## iv. Credit Risk

As at March 31, 2021 and 2020, the Fund did not have a significant exposure to credit risk related to fixed income investments.



**NOTES TO ANNUAL FINANCIAL STATEMENTS**

All figures stated in \$000s of Canadian dollars, except for Note 9(a), unless otherwise noted

**9. FUND SPECIFIC INFORMATION (continued)****(d) Loss Carryforwards**

Non-Capital Losses carryforward	Net Capital Losses carryforward
\$Nil	\$1,717

**(e) Fair Value Classification**

The tables below summarize the fair value of the Fund's investments using the fair value categories described in Note 3.

as at March 31, 2021	Level 1	Level 2	Level 3	Total
Fixed income	–	–	–	–
Exchange Traded Funds	1,750	–	–	1,750
Equities	71,504	37,027	–	108,531
Cash equivalents	–	–	–	–
Derivative assets	–	–	–	–
Derivative liabilities	–	–	–	–
<b>Total</b>	<b>73,254</b>	<b>37,027</b>	<b>–</b>	<b>110,281</b>

as at March 31, 2020	Level 1	Level 2	Level 3	Total
Fixed income	–	–	–	–
Mutual Funds	1,150	–	–	1,150
Equities	60,205	30,501	–	90,706
Cash equivalents	–	–	–	–
Derivative assets	–	–	–	–
Derivative liabilities	–	–	–	–
<b>Total</b>	<b>61,355</b>	<b>30,501</b>	<b>–</b>	<b>91,856</b>

The Fund's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

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 year, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As of March 31, 2021, these securities were classified as Level 2 (March 31, 2020 – Level 2). 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
March 31, 2021	3,352	3,542
March 31, 2020	4,743	5,132

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the Fund for the periods ended March 31, 2021 and 2020 is presented below:

	Amount (\$)		Percentage of Total Amount (%)	
	2021	2020	2021	2020
<b>for the year ended March 31</b>				
Gross Securities Lending Income	28	10	100.0	100.0
Securities Lending Agent fees	(5)	(2)	(17.9)	(20.0)
Securities Lending Income to the Fund before Withholdings Taxes	23	8	82.1	80.0
Withholding Taxes	–	–	–	–
Securities Lending Income	23	8	82.1	80.0



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