

COUNSEL | PORTFOLIO SERVICES

IPC Multi-Factor U.S. Equity

ANNUAL FINANCIAL STATEMENTS

For the year ended March 31, 2023

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

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

IPC MULTI-FACTOR U.S. EQUITY

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

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

The Board of Directors (the "Board") of Counsel Portfolio Services Inc. is responsible for reviewing and approving the financial statements and overseeing the Manager's performance of its financial reporting responsibilities. The Board meets regularly with the Manager, internal auditors and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.

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



Sam Febraro
President and Chief Executive Officer



Paulette Jervis
Chief Financial Officer

June 5, 2023

INDEPENDENT AUDITOR'S REPORT

To the Securityholders of IPC Multi-Factor U.S. Equity (the "Fund")

Opinion

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

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

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

Basis for Opinion

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

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

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

Other Matter – Comparative Information

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

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INDEPENDENT AUDITOR'S REPORT (cont'd)

Other Information

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

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

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

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

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

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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



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

IPC MULTI-FACTOR U.S. EQUITY

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

STATEMENTS OF FINANCIAL POSITION

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

	2023	2022
ASSETS		
Current assets		
Investments at fair value	247,689	185,849
Cash and cash equivalents	412	345
Dividends receivable	269	172
Accounts receivable for investments sold	—	—
Accounts receivable for securities issued	5	162
Derivative assets	—	941
Total assets	248,375	187,469
LIABILITIES		
Current liabilities		
Accounts payable for investments purchased	—	76
Accounts payable for securities redeemed	153	51
Total liabilities	153	127
Net assets attributable to securityholders	248,222	187,342

	Net assets attributable to securityholders (note 3)			
	per security		per series	
	2023	2022	2023	2022
Series O	12.14	12.21	241,919	181,728
Series Private Wealth	12.14	12.21	6,303	5,614
			248,222	187,342

STATEMENTS OF COMPREHENSIVE INCOME

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

	2023	2022
Income		
Dividends	4,516	3,916
Interest income for distribution purposes	10	37
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(2,963)	14,737
Net unrealized gain (loss)	6,858	4,251
Securities lending income	4	4
Fee rebate income	2	—
Total income (loss)	8,427	22,945
Expenses (note 6)		
Administration fees	10	12
Commissions and other portfolio transaction costs	71	27
Independent Review Committee fees	—	—
Expenses before amounts absorbed by Manager	81	39
Expenses absorbed by Manager	—	—
Net expenses	81	39
Increase (decrease) in net assets attributable to securityholders from operations before tax	8,346	22,906
Foreign withholding tax expense (recovery)	670	487
Foreign income tax expense (recovery)	—	—
Increase (decrease) in net assets attributable to securityholders from operations	7,676	22,419

	Increase (decrease) in net assets attributable to securityholders from operations (note 3)			
	per security		per series	
	2023	2022	2023	2022
Series O	0.41	1.31	7,558	21,667
Series Private Wealth	0.24	1.27	118	752
			7,676	22,419

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

IPC MULTI-FACTOR U.S. EQUITY

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STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	Total		Series O		Series Private Wealth	
	2023	2022	2023	2022	2023	2022
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS						
Beginning of period	187,342	201,383	181,728	194,048	5,614	7,335
Increase (decrease) in net assets from operations	7,676	22,419	7,558	21,667	118	752
Distributions paid to securityholders:						
Investment income	(3,688)	(3,414)	(3,601)	(3,310)	(87)	(104)
Capital gains	—	—	—	—	—	—
Management fee rebates	—	—	—	—	—	—
Total distributions paid to securityholders	(3,688)	(3,414)	(3,601)	(3,310)	(87)	(104)
Security transactions:						
Proceeds from securities issued	96,798	8,364	93,423	7,771	3,375	593
Reinvested distributions	3,680	3,414	3,601	3,310	79	104
Payments on redemption of securities	(43,586)	(44,824)	(40,790)	(41,758)	(2,796)	(3,066)
Total security transactions	56,892	(33,046)	56,234	(30,677)	658	(2,369)
Increase (decrease) in net assets attributable to securityholders	60,880	(14,041)	60,191	(12,320)	689	(1,721)
End of period	248,222	187,342	241,919	181,728	6,303	5,614
Increase (decrease) in fund securities (in thousands) (note 7):			Securities		Securities	
Securities outstanding – beginning of period			14,888	17,381	460	657
Issued			8,198	659	287	49
Reinvested distributions			310	274	7	9
Redeemed			(3,462)	(3,426)	(235)	(255)
Securities outstanding – end of period			19,934	14,888	519	460

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

IPC MULTI-FACTOR U.S. EQUITY

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STATEMENTS OF CASH FLOWS

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

	2023	2022
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	7,676	22,419
Adjustments for:		
Net realized loss (gain) on investments	2,340	(13,472)
Change in net unrealized loss (gain) on investments	(6,858)	(4,251)
Distributions received in-kind from underlying funds	(2)	(1)
Purchase of investments	(163,865)	(95,267)
Proceeds from sale and maturity of investments	107,410	127,867
(Increase) decrease in accounts receivable and other assets	(97)	12
Net cash provided by (used in) operating activities	(53,396)	37,307
Cash flows from financing activities		
Proceeds from securities issued	96,955	8,211
Payments on redemption of securities	(43,484)	(44,940)
Distributions paid net of reinvestments	(8)	—
Net cash provided by (used in) financing activities	53,463	(36,729)
Increase (decrease) in cash and cash equivalents	67	578
Cash and cash equivalents at beginning of period	345	(233)
Effect of exchange rate fluctuations on cash and cash equivalents	—	—
Cash and cash equivalents, end of period	412	345
Cash	412	345
Cash equivalents	—	—
Cash and cash equivalents, end of period	412	345
Supplementary disclosures on cash flow from operating activities:		
Dividends received	4,419	3,928
Foreign taxes paid	670	487
Interest received	10	1
Interest paid	—	—

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

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SCHEDULE OF INVESTMENTS

as at March 31, 2023

	Country	Sector	Shares/ Units	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES					
3M Co.	United States	Industrials	4,226	736	601
Abbott Laboratories	United States	Health Care	11,078	1,460	1,517
Accenture PLC Class A	United States	Information Technology	1,841	652	712
Activision Blizzard Inc.	United States	Communication Services	6,891	710	798
Adobe Systems Inc.	United States	Information Technology	2,297	1,050	1,197
Advance Auto Parts Inc.	United States	Consumer Discretionary	2,280	519	375
Advanced Micro Devices Inc.	United States	Information Technology	7,166	650	950
Aflac Inc.	United States	Financials	11,812	836	1,031
Agilent Technologies Inc.	United States	Health Care	6,182	856	1,157
Airbnb Inc.	United States	Consumer Discretionary	2,021	240	340
Akamai Technologies Inc.	United States	Information Technology	7,666	977	812
Alexandria Real Estate Equities Inc.	United States	Real Estate	1,798	343	305
Align Technology Inc.	United States	Health Care	577	185	261
The Allstate Corp.	United States	Financials	6,999	1,060	1,049
Ally Financial Inc.	United States	Financials	7,311	420	252
Alphabet Inc. Class A	United States	Communication Services	10,589	1,327	1,486
Amazon.com Inc.	United States	Consumer Discretionary	7,775	1,494	1,086
Amcor PLC (US Shares)	Jersey	Materials	16,264	244	250
Amdocs Ltd.	United States	Information Technology	5,985	590	777
American Express Co.	United States	Financials	3,370	702	752
American International Group Inc.	United States	Financials	2,759	178	188
American Water Works Co. Inc.	United States	Utilities	1,201	217	238
Amgen Inc.	United States	Health Care	3,742	1,200	1,224
Amphenol Corp. Class A	United States	Information Technology	2,693	235	298
Analog Devices Inc.	United States	Information Technology	1	—	—
Annaly Capital Management Inc.	United States	Financials	23,261	853	601
ANSYS Inc.	United States	Information Technology	1,348	486	607
APA Corp.	United States	Energy	5,968	357	291
Apple Inc.	United States	Information Technology	6,719	1,165	1,499
Applied Materials Inc.	United States	Information Technology	5,582	689	927
Arch Capital Group Ltd.	United States	Financials	8,009	446	735
Archer-Daniels-Midland Co.	United States	Consumer Staples	8,694	627	937
Arista Networks Inc.	United States	Information Technology	3,015	430	685
AT&T Inc.	United States	Communication Services	94,280	2,444	2,455
Atlassian Corp. PLC Class A	United States	Information Technology	4,501	780	1,042
Atmos Energy Corp.	United States	Utilities	6,053	850	920
AutoZone Inc.	United States	Consumer Discretionary	89	234	296
AvalonBay Communities Inc.	United States	Real Estate	2,297	586	522
The Bank of New York Mellon Corp.	United States	Financials	3,875	224	238
Becton, Dickinson and Co.	United States	Health Care	1,983	610	664
Best Buy Co. Inc.	United States	Consumer Discretionary	5,258	597	557
Biogen Inc.	United States	Health Care	4,177	1,528	1,571
Bio-Techne Corp.	United States	Health Care	1,592	165	160
BlackRock Inc.	United States	Financials	550	454	498
Booking Holdings Inc.	United States	Consumer Discretionary	121	291	434
BorgWarner Inc.	United States	Consumer Discretionary	6,001	290	399
Boston Properties Inc.	United States	Real Estate	2,448	318	179
Boston Scientific Corp.	United States	Health Care	8,677	433	587
Bristol-Myers Squibb Co.	United States	Health Care	23,959	2,298	2,246
Broadcom Inc.	United States	Information Technology	393	263	341
Brown-Forman Corp. Class B non-voting	United States	Consumer Staples	6,026	552	524
Bunge Ltd.	United States	Consumer Staples	6,556	833	847
Burlington Stores Inc.	United States	Consumer Discretionary	1,383	371	378
Cadence Design Systems Inc.	United States	Information Technology	8,805	1,529	2,503
Campbell Soup Co.	United States	Consumer Staples	1,476	114	110
Capital One Financial Corp.	United States	Financials	2,626	467	342
CBRE Group Inc. Class A	United States	Real Estate	5,592	488	551
CDW Corp. of Delaware	United States	Information Technology	889	171	234
Check Point Software Technologies Ltd.	Israel	Information Technology	4,640	721	816

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SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Shares/ Units	Average Cost (\$ '000)	Fair Value (\$ '000)
EQUITIES (cont'd)					
Chevron Corp.	United States	Energy	15,240	2,901	3,364
Chipotle Mexican Grill Inc.	United States	Consumer Discretionary	234	382	541
Chubb Ltd.	United States	Financials	4,136	877	1,086
Church & Dwight Co. Inc.	United States	Consumer Staples	11,155	1,200	1,334
Cigna Corp.	United States	Health Care	646	201	223
Cincinnati Financial Corp.	United States	Financials	4,493	541	681
Cintas Corp.	United States	Industrials	1,734	747	1,085
Cisco Systems Inc.	United States	Information Technology	20,354	1,275	1,439
Citizens Financial Group Inc.	United States	Financials	16,634	879	683
The Clorox Co.	United States	Consumer Staples	5,340	1,122	1,143
The Coca-Cola Co.	United States	Consumer Staples	9,435	699	792
Cognizant Technology Solutions Corp.	United States	Information Technology	12,911	1,157	1,064
Colgate Palmolive Co.	United States	Consumer Staples	17,236	1,703	1,752
Comcast Corp. Class A	United States	Communication Services	30,949	1,558	1,587
ConocoPhillips	United States	Energy	8,428	785	1,131
Consolidated Edison Inc.	United States	Utilities	13,250	1,523	1,715
Constellation Brands Inc. Class A	United States	Consumer Staples	745	227	228
Constellation Energy	United States	Utilities	7,998	674	849
The Cooper Companies Inc.	United States	Health Care	1,531	685	773
Copart Inc.	United States	Industrials	2,550	171	259
Corning Inc.	United States	Information Technology	22,148	958	1,057
Corteva Inc.	United States	Materials	13,775	741	1,124
Costco Wholesale Corp.	United States	Consumer Staples	1,537	782	1,033
Coterra Energy Inc.	United States	Energy	11,159	393	370
CSX Corp.	United States	Industrials	5,535	214	224
Cummins Inc.	United States	Industrials	5,108	1,374	1,651
CVS Health Corp.	United States	Health Care	5,316	634	534
D.R. Horton Inc.	United States	Consumer Discretionary	6,217	560	822
Deere & Co.	United States	Industrials	590	252	330
Dentsply Sirona Inc.	United States	Health Care	10,622	610	564
Devon Energy Corp.	United States	Energy	7,755	581	531
Diamondback Energy Inc.	United States	Energy	6,735	924	1,231
Discover Financial Services	United States	Financials	4,603	632	615
Dollar General Corp.	United States	Consumer Staples	3,309	848	942
Dollar Tree Inc.	United States	Consumer Staples	6,438	1,006	1,250
DoorDash Inc.	United States	Consumer Discretionary	2,492	221	214
Dover Corp.	United States	Industrials	2,763	432	568
Eastman Chemical Co.	United States	Materials	3,127	359	357
Eaton Corp. PLC	United States	Industrials	3,933	590	912
eBay Inc.	United States	Consumer Discretionary	11,730	730	704
Edison International	United States	Utilities	10,301	860	984
Electronic Arts Inc.	United States	Communication Services	8,110	1,346	1,321
Elevance Health Inc.	United States	Health Care	992	460	617
Eli Lilly and Co.	United States	Health Care	2,799	775	1,300
Emerson Electric Co.	United States	Industrials	8,188	860	965
Entergy Corp.	United States	Utilities	6,919	993	1,008
EOG Resources Inc.	United States	Energy	11,993	1,629	1,860
EPAM Systems Inc.	United States	Information Technology	870	369	352
Equity Lifestyle Properties Inc.	United States	Real Estate	1,290	114	117
Equity Residential	United States	Real Estate	6,127	580	497
Essex Property Trust Inc.	United States	Real Estate	1,867	684	528
The Estée Lauder Companies Inc. Class A	United States	Consumer Staples	1,391	432	464
Everest Re Group Ltd.	United States	Financials	1,219	408	590
Eversource Energy	United States	Utilities	5,237	566	554
Exelon Corp.	United States	Utilities	15,426	747	874
Expedia Group Inc.	United States	Consumer Discretionary	1,703	241	224
Expeditors International of Washington Inc.	United States	Industrials	3,966	465	591
Exxon Mobil Corp.	United States	Energy	23,189	2,538	3,441
F5 Networks Inc.	United States	Information Technology	2,988	628	589

IPC MULTI-FACTOR U.S. EQUITY

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SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Shares/ Units	Average Cost (\$ '000)	Fair Value (\$ '000)
EQUITIES (cont'd)					
FactSet Research Systems Inc.	United States	Financials	925	440	519
Fair Issac Corp.	United States	Information Technology	815	497	775
Fastenal Co.	United States	Industrials	9,356	564	683
FedEx Corp.	United States	Industrials	1,705	459	527
Fidelity National Financial Inc.	United States	Financials	7,837	415	370
Fifth Third Bancorp	United States	Financials	2,903	125	105
FMC Corp.	United States	Materials	5,031	701	831
Fortinet Inc.	United States	Information Technology	3,587	166	322
Fortive Corp.	United States	Industrials	2,386	198	220
Fox Corp. Class A	United States	Communication Services	12,248	544	564
Garmin Ltd.	United States	Consumer Discretionary	5,987	844	817
Gartner Inc.	United States	Information Technology	859	280	379
Gen Digital Inc.	United States	Information Technology	5,316	159	123
Genuine Parts Co.	United States	Consumer Discretionary	5,664	895	1,282
Gilead Sciences Inc.	United States	Health Care	19,872	1,803	2,230
The Goldman Sachs Group Inc.	United States	Financials	817	326	361
The Hartford Financial Services Group Inc.	United States	Financials	11,359	878	1,071
Hasbro Inc.	United States	Consumer Discretionary	1,861	197	135
Healthpeak Properties Inc.	United States	Real Estate	17,373	612	516
Henry Schein Inc.	United States	Health Care	6,298	560	695
The Hershey Co.	United States	Consumer Staples	3,153	728	1,085
Hess Corp.	United States	Energy	10,665	1,182	1,909
Hewlett Packard Enterprise Co.	United States	Information Technology	40,431	774	871
Hologic Inc.	United States	Health Care	10,087	878	1,101
The Home Depot Inc.	United States	Consumer Discretionary	1,450	535	579
Horizon Pharma PLC	United States	Health Care	9,018	1,010	1,331
Hormel Foods Corp.	United States	Consumer Staples	11,372	680	613
Host Hotels & Resorts Inc.	United States	Real Estate	21,891	438	488
HP Inc.	United States	Information Technology	11,773	478	467
HubSpot Inc.	United States	Information Technology	875	463	507
Humana Inc.	United States	Health Care	1,433	799	941
IDEX Corp.	United States	Industrials	826	199	258
Illinois Tool Works Inc.	United States	Industrials	2,807	698	924
Incyte Corp.	United States	Health Care	6,182	612	604
Insulet Corp.	United States	Health Care	1,149	356	496
Intel Corp.	United States	Information Technology	26,935	1,050	1,190
International Business Machines Corp.	United States	Information Technology	1,918	341	340
International Paper Co.	United States	Materials	12,146	682	592
Intuit Inc.	United States	Information Technology	1,874	984	1,130
Invitation Homes Inc.	United States	Real Estate	14,663	607	619
J.B. Hunt Transport Services Inc.	United States	Industrials	3,324	632	789
J.M. Smucker Co.	United States	Consumer Staples	5,095	792	1,085
Jack Henry & Associates Inc.	United States	Financials	3,343	792	682
Johnson & Johnson	United States	Health Care	9,333	1,964	1,957
Johnson Controls International PLC	United States	Industrials	3,346	217	273
Keurig Dr Pepper Inc.	United States	Consumer Staples	23,264	1,051	1,110
Keysight Technologies Inc.	United States	Information Technology	7,136	1,245	1,559
Kimberly-Clark Corp.	United States	Consumer Staples	9,983	1,701	1,812
Kinder Morgan Inc.	United States	Energy	49,564	1,156	1,174
KLA-Tencor Corp.	United States	Information Technology	2,412	942	1,302
The Kraft Heinz Co.	United States	Consumer Staples	32,348	1,529	1,692
The Kroger Co.	United States	Consumer Staples	23,638	1,134	1,579
Lam Research Corp.	United States	Information Technology	332	197	238
Lennar Corp. Class A	United States	Consumer Discretionary	7,951	803	1,130
Linde PLC	United Kingdom	Materials	575	210	276
LKQ Corp.	United States	Consumer Discretionary	10,549	561	810
Loews Corp.	United States	Financials	8,931	592	701
Lowe's Companies Inc.	United States	Consumer Discretionary	870	175	235
LPL Financial Holdings Inc.	United States	Financials	413	119	113

IPC MULTI-FACTOR U.S. EQUITY

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Shares/ Units	Average Cost (\$ '000)	Fair Value (\$ '000)
EQUITIES (cont'd)					
Lululemon Athletica Inc.	United States	Consumer Discretionary	821	302	404
M&T Bank Corp.	United States	Financials	2,183	402	353
Marathon Oil Corp.	United States	Energy	31,363	983	1,016
Marathon Petroleum Corp.	United States	Energy	3,495	316	637
Markel Corp.	United States	Financials	452	666	781
Marvell Technology Group Ltd.	Bermuda	Information Technology	5,114	331	300
Masco Corp.	United States	Industrials	6,976	458	469
MasterCard Inc. Class A	United States	Financials	1,917	815	942
Medtronic PLC	United States	Health Care	7,036	891	767
Merck & Co. Inc.	United States	Health Care	26,238	2,874	3,777
Meta Platforms Inc.	United States	Communication Services	7,382	1,331	2,116
MetLife Inc.	United States	Financials	7,855	598	616
Mettler-Toledo International Inc.	United States	Health Care	610	900	1,263
Micron Technology Inc.	United States	Information Technology	11,837	978	966
Microsoft Corp.	United States	Information Technology	3,600	1,197	1,404
Mid-America Apartment Communities Inc.	United States	Real Estate	2,957	589	604
Moderna Inc.	United States	Health Care	1,728	330	359
Molina Healthcare Inc.	United States	Health Care	2,345	710	848
Molson Coors Brewing Co. Class B	United States	Consumer Staples	8,725	548	610
Mondelez International Inc.	United States	Consumer Staples	6,539	486	617
Monolithic Power Systems Inc.	United States	Information Technology	1,145	655	775
Monster Beverage Corp.	United States	Consumer Staples	10,494	574	767
Morgan Stanley	United States	Financials	3,311	323	393
The Mosaic Co.	United States	Materials	13,464	901	836
Motorola Solutions Inc.	United States	Information Technology	820	251	317
NetApp Inc.	United States	Information Technology	10,217	846	882
Newmont Goldcorp Corp. (USD Shares)	United States	Materials	6,068	467	402
Nike Inc. Class B	United States	Consumer Discretionary	4,687	685	778
Northern Trust Corp.	United States	Financials	2,734	323	326
Nucor Corp.	United States	Materials	6,214	674	1,298
NVR Inc.	United States	Consumer Discretionary	69	367	520
Occidental Petroleum Corp.	United States	Energy	8,155	383	689
Old Dominion Freight Line Inc.	United States	Industrials	1,962	566	905
ON Semiconductor Corp.	United States	Information Technology	14,781	1,115	1,646
ONEOK Inc.	United States	Energy	3,744	272	322
O'Reilly Automotive Inc.	United States	Consumer Discretionary	1,394	1,136	1,601
Otis Worldwide Corp.	United States	Industrials	4,502	453	514
PACCAR Inc.	United States	Industrials	7,470	582	740
Packaging Corp. of America	United States	Materials	4,428	694	832
Palantir Technologies Inc.	United States	Information Technology	11,262	138	129
Paychex Inc.	United States	Industrials	6,102	914	946
PepsiCo Inc.	United States	Consumer Staples	5,679	1,130	1,400
Pfizer Inc.	United States	Health Care	39,384	2,240	2,174
PG&E Corp.	United States	Utilities	28,740	380	629
Phillips 66	United States	Energy	8,753	1,062	1,200
Pinterest Inc.	United States	Communication Services	26,091	787	962
Pioneer Natural Resources Co.	United States	Energy	1,571	322	434
PNC Financial Services Group Inc.	United States	Financials	942	189	162
PPG Industries Inc.	United States	Materials	3,827	624	691
The Procter & Gamble Co.	United States	Consumer Staples	6,501	1,121	1,308
The Progressive Corp.	United States	Financials	4,505	588	872
ProLogis Inc.	United States	Real Estate	1,376	191	232
Prudential Financial Inc.	United States	Financials	3,258	395	365
Public Service Enterprise Group Inc.	United States	Utilities	13,440	1,060	1,135
Public Storage	United States	Real Estate	3,658	1,427	1,495
Qorvo Inc.	United States	Information Technology	3,704	592	509
Qualcomm Inc.	United States	Information Technology	8,972	1,464	1,548
Quanta Services Inc.	United States	Industrials	648	122	146
Quest Diagnostics Inc.	United States	Health Care	1,078	186	206

IPC MULTI-FACTOR U.S. EQUITY

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SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Shares/ Units	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES (cont'd)					
Raymond James Financial Inc.	United States	Financials	5,778	517	729
Realty Income Corp.	United States	Real Estate	9,137	823	783
Regeneron Pharmaceuticals Inc.	United States	Health Care	2,243	1,775	2,494
Regions Financial Corp.	United States	Financials	23,374	579	587
ResMed Inc.	United States	Health Care	3,399	873	1,007
Rockwell Automation Inc.	United States	Industrials	680	193	270
S&P Global Inc.	United States	Financials	571	230	266
Seagate Technology	United States	Information Technology	10,256	774	917
Sempra Energy	United States	Utilities	7,579	1,445	1,550
The Sherwin-Williams Co.	United States	Materials	1,940	590	590
Skyworks Solutions Inc.	United States	Information Technology	6,043	1,015	964
Snap-On Inc.	United States	Industrials	2,362	580	789
Splunk Inc.	United States	Information Technology	3,414	482	443
Steel Dynamics Inc.	United States	Materials	3,224	484	493
Steris PLC	United States	Health Care	2,538	579	657
Stryker Corp.	United States	Health Care	2,309	650	892
Sun Communities Inc.	United States	Real Estate	2,188	444	417
Synchrony Financial	United States	Financials	13,286	651	523
Synopsys Inc.	United States	Information Technology	5,841	2,101	3,053
Sysco Corp.	United States	Consumer Staples	2,041	209	213
T. Rowe Price Group Inc.	United States	Financials	2,445	431	373
Take-Two Interactive Software Inc.	United States	Communication Services	5,255	1,028	848
Target Corp.	United States	Consumer Staples	3,803	780	852
TE Connectivity Ltd.	United States	Information Technology	4,147	621	736
Teradyne Inc.	United States	Information Technology	6,721	892	977
Texas Instruments Inc.	United States	Information Technology	5,333	1,093	1,342
The TJX Companies Inc.	United States	Consumer Discretionary	5,230	428	554
T-Mobile US Inc.	United States	Communication Services	7,367	1,154	1,443
Tractor Supply Co.	United States	Consumer Discretionary	5,297	1,042	1,684
Trane Technologies PLC	United States	Industrials	2,429	437	604
The Travelers Companies Inc.	United States	Financials	5,859	1,159	1,358
Trimble Inc.	United States	Information Technology	5,690	531	403
Tyson Foods Inc. Class A	United States	Consumer Staples	13,680	1,462	1,098
U.S. Bancorp	United States	Financials	7,106	453	347
UDR Inc.	United States	Real Estate	2,212	129	123
Ulta Beauty Inc.	United States	Consumer Discretionary	651	292	481
UnitedHealth Group Inc.	United States	Health Care	722	384	462
Universal Health Services Inc. Class B	United States	Health Care	2,613	423	449
Ventas Inc.	United States	Real Estate	13,722	890	805
VeriSign Inc.	United States	Information Technology	4,743	1,197	1,356
Verizon Communications Inc.	United States	Communication Services	39,643	2,194	2,085
Vertex Pharmaceuticals Inc.	United States	Health Care	5,363	1,761	2,286
VF Corp.	United States	Consumer Discretionary	7,373	686	228
Viatis Inc.	United States	Health Care	30,023	530	391
VICI Properties Inc.	United States	Real Estate	28,681	1,157	1,266
Visa Inc. Class A	United States	Financials	1,459	385	445
W. P. Carey Inc.	United States	Real Estate	8,070	885	845
W.W. Grainger Inc.	United States	Industrials	1,734	934	1,616
Wabtec Corp.	United States	Industrials	1,171	132	160
Walgreens Boots Alliance Inc.	United States	Consumer Staples	9,124	544	427
Wal-Mart Stores Inc.	United States	Consumer Staples	9,637	1,631	1,922
Waste Management Inc.	United States	Industrials	1,268	246	280
Waters Corp.	United States	Health Care	1,811	599	758
Wells Fargo & Co.	United States	Financials	15,188	752	768
Welltower Inc.	United States	Real Estate	5,705	587	553
West Pharmaceutical Services Inc.	United States	Health Care	1,822	714	854
Western Digital Corp.	United States	Information Technology	11,251	771	573
Westrock Co.	United States	Materials	8,602	435	355
Weyerhaeuser Co.	United States	Real Estate	12,315	524	502

IPC MULTI-FACTOR U.S. EQUITY

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SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Shares/ Units	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES (cont'd)					
Whirlpool Corp.	United States	Consumer Discretionary	1,699	389	303
The Williams Companies Inc.	United States	Energy	9,545	357	386
Xylem Inc.	United States	Industrials	2,956	342	419
Zebra Technologies Corp. Class A	United States	Information Technology	1,065	454	458
Zimmer Biomet Holdings Inc.	United States	Health Care	3,525	568	616
Total equities				215,658	246,440
EXCHANGE-TRADED FUNDS					
¹ Mackenzie US Large Cap Equity Index ETF	Canada	Exchange-Traded Funds	7,926	1,225	1,249
Total exchange-traded funds				1,225	1,249
Transaction costs				(41)	—
Total investments				216,842	247,689
Cash and cash equivalents					412
Other assets less liabilities					121
Net assets attributable to securityholders					248,222

¹ The issuer of this security is related to the Manager of the Fund.

IPC MULTI-FACTOR U.S. EQUITY

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SUMMARY OF INVESTMENT PORTFOLIO

MARCH 31, 2023

ASSET TYPE	% OF NAV
Equities	99.2
Exchange-traded funds	0.5
Cash and cash equivalents	0.2
Other	0.1

EFFECTIVE SECTOR ALLOCATION	% OF NAV
Information technology	18.9
Health care	17.3
Consumer staples	11.9
Financials	10.0
Energy	8.0
Industrials	7.5
Consumer discretionary	7.2
Communication services	6.3
Real estate	4.8
Utilities	4.2
Materials	3.6
Cash and cash equivalents	0.2
Other	0.1

EFFECTIVE COUNTRY ALLOCATION	% OF NAV
United States	98.6
Canada	0.6
Israel	0.3
Bermuda	0.1
United Kingdom	0.1
Jersey	0.1
Cash and cash equivalents	0.2

MARCH 31, 2022

ASSET TYPE	% OF NAV
Equities	97.8
Exchange traded funds	1.4
Cash and cash equivalents	0.2
Other	0.6

EFFECTIVE SECTOR ALLOCATION	% OF NAV
Information technology	18.9
Health care	15.5
Financials	13.8
Consumer discretionary	11.1
Consumer staples	10.1
Industrials	8.3
Communication services	5.5
Real estate	5.5
Energy	5.3
Materials	3.3
Utilities	1.8
Cash and cash equivalents	0.2
Other	0.7

EFFECTIVE REGIONAL ALLOCATION	% OF NAV
United States	98.7
Canada	0.7
Israel	0.3
Ireland	0.1
Cash and cash equivalents	0.2

The effective allocation shows the country, regional or sector exposure of the Fund calculated by combining its direct and indirect investments through exchange traded funds.

IPC MULTI-FACTOR U.S. EQUITY

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the years ended or as at March 31, 2023 and 2022 (as applicable). In the year a series is established, 'period' represents the period from inception to the period end of that fiscal period. In a period where a series is terminated the period represents from the beginning of the fiscal year to the termination date. Refer to Note 10 (a) for series inception and termination dates.

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

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

2. Basis of Preparation and Presentation

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

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

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

3. Significant Accounting Policies

(a) Financial Instruments

Financial instruments include financial assets 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 FVTPL. All financial instruments are recognized in the Statements of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial assets are derecognized when the right to receive cash flows from the instrument has expired. Financial liabilities are derecognized when the Fund has transferred substantially all risks and rewards of ownership. Investment purchase and sale transactions are recorded as of the trade date.

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 holdings in investment funds 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, 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 amortized cost which closely approximates their fair value 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.

IPC MULTI-FACTOR U.S. EQUITY

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(b) Fair Value Measurement (cont'd)

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.

Premiums paid (written) for purchasing (writing) options are recorded in Derivative Assets (Liabilities) and subsequently adjusted daily to fair value. If a written option expires unexercised, the premium received is recognized as a realized gain. If a written call option is exercised, the difference between the proceeds of the sale plus the value of the premium, and the cost of the security is recognized as a realized gain or loss. If a written put option is exercised, the cost of the security acquired is the exercise price of the option less the premium received. Refer to the Schedule of Derivative Instruments and Schedule of Options Purchased/Written, as applicable, included in the Schedule of Investments for a listing of derivative and options positions.

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 10 (e) for the fair value classifications of the Fund.

(c) Income recognition

Interest income for distribution purposes represents the coupon interest received by the Fund which is accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds, which are amortized on a straight-line basis

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, and unrealized gains or losses are calculated on an average cost basis.

The Fund may invest in ETFs managed by Mackenzie Investments (an affiliate of Counsel) which are indicated in the Schedule of Investments. The Fund receives Fee rebate income in respect of management fees paid indirectly to Mackenzie which offset the management fees indirectly borne in the return of these Underlying Funds.

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 10. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

IPC MULTI-FACTOR U.S. EQUITY

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NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(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 10 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

Financial assets and liabilities are offset and the net amount reported 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 10 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, 2023 and March 31, 2022, 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 Statement of Comprehensive Income represents the increase (decrease) in net assets attributable to securityholders from operations for the period, divided by the weighted average number of securities outstanding during the period.

(k) Comparative amounts

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

(l) Future Accounting Changes

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

4. Critical accounting estimates and judgments

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

Use of 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

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.

IPC MULTI-FACTOR U.S. EQUITY

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

NOTES TO FINANCIAL STATEMENTS

4. Critical accounting estimates and judgments

Use of Judgments (cont'd)

Functional currency

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

5. Income taxes

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its securityholders as at the end of the taxation year. The Fund maintains a December 15 year-end for tax purposes. The Fund may be subject to withholding taxes on foreign income. In general, the Fund treats withholding tax as a charge against income for tax purposes. The Fund will distribute sufficient amounts from net income for tax purposes, as required, so that the Fund will not pay income taxes other than refundable tax on capital gains, if applicable.

Losses of the Fund cannot be allocated to securityholders and are retained in the Fund for use in future years. Non-capital losses incurred may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Net capital losses may be carried forward indefinitely to reduce future realized capital gains. Refer to Note 10 (d) for a summary of the Fund's loss carryforwards.

6. Management Fees and Operating Expenses

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

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

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

Counsel may waive or absorb management fees and/or Administration Fees at its discretion and stop waiving or absorbing such fees at any time without notice. Refer to Note 10 (a) for the management fee and Administration Fee rates charged to each series of securities.

7. Fund's Capital

The capital of the Fund is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at March 31, 2023 and 2022 and securities issued, reinvested and redeemed for the periods are presented in the Statements of Changes in Financial Position. Counsel manages the capital of the Fund in accordance with the investment objectives and strategies as discussed in Note 8 (a).

8. Financial Instruments Risk

(a) Risk exposure and management

The Fund's investment activities expose it to a variety of financial risks, as defined in IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7"). The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, grouped by asset type, with geographic and sector information.

The Manager seeks to minimize potential adverse effects of financial risks on the Fund's performance by employing professional, experienced portfolio advisors, by monitoring the Fund's positions and market events daily, by diversifying the investment portfolio within the constraints of the Fund's investment objectives and strategies, as disclosed in Note 10 (b), and where applicable, by using derivatives to hedge certain risk exposures. To assist in managing risks, 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. Series Private Wealth securities may also be issued on a prospectus-exempt basis to investors in the IPC Private Wealth program offered by IPC Securities Corporation, an affiliate of Counsel.

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NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

(b) Liquidity risk (cont'd)

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

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

(c) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment into which it has entered with the Fund. Note 10 (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 10 (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 10 (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 10 (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.

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NOTES TO FINANCIAL STATEMENTS

9. Foreign currency abbreviations

Currency Code	Description	Currency Code	Description	Currency Code	Description
AUD	Australian dollars	HUG	Hungarian forint	PKR	Pakistani rupee
AED	United Arab Emirates Dirham	IDR	Indonesian rupiah	PLN	Polish zloty
BRL	Brazilian real	ILS	Israeli shekel	QAR	Qatar Rial
CAD	Canadian dollars	INR	Indian rupee	RON	Romanian leu
CHF	Swiss franc	JPY	Japanese yen	RUB	Russian ruble
CLP	Chilean peso	KOR	South Korean won	SAR	Saudi riyal
CNY	Chinese yuan	MXN	Mexican peso	SEK	Swedish krona
CZK	Czech koruna	MYR	Malaysian ringgit	SGD	Singapore dollars
DKK	Danish krone	NGN	Nigerian naira	THB	Thailand baht
EGP	Egyptian pound	NOK	Norwegian krona	TRL	Turkish lira
EUR	Euro	NTD	New Taiwan dollar	USD	United States dollars
GBP	United Kingdom pounds	NXD	New Zealand dollars	VND	Vietnamese dong
GHS	Ghana Cedi	PEN	Peruvian nuevo sol	ZAR	South African rand
HKD	Hong Kong dollars	PHP	Philippine peso	ZMW	Zambian kwacha

IPC MULTI-FACTOR U.S. EQUITY

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NOTES TO FINANCIAL STATEMENTS

10. Fund Specific Information (in '000, except for (a))

(a) Fund Formation and Series Information

Series	Inception/ Reinstatement Date	Minimum Investment (\$)	Management fee (%)	Administration fee (%) ³
Series O ¹	October 29, 2019	—	—	—
Series Private Wealth ²	October 29, 2019	—	—	0.15

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

² There are no management fees for Series Private Wealth. An investor must enter into an agreement to participate in a discretionary managed program offered by IPC Securities Corporation and agree to pay certain asset-based fees.

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

(b) Investment Objectives and Strategies

The Fund seeks to achieve long-term capital growth by primarily investing, either directly or indirectly, in a portfolio of U.S. equities seeking to track a factor-based index. Currently, the Fund tracks the SciBeta United States CPS Core-ESG High-Factor-Intensity Diversified Multi-Beta Multi-Strategy 6-Factor 4-Strategy EW Index which seeks to enhance returns, reduce volatility, and improve diversification when compared to a market capitalization weighted index. The Fund is only available on a prospectus-exempt basis.

(c) Risks Associated with Financial Instruments

i. Currency Risk

The tables below summarize the Fund's exposure to currency risk.

March 31, 2023								
Currency	Investments (\$)	Cash and Cash Equivalents (\$)	Derivative Instruments (\$)	Net Exposure (\$)	Impact on net assets			
					Strengthened by 5%		Weakened by 5%	
					(\$)	%	(\$)	%
USD	247,689	5	—	247,694				
Total	247,689	5	—	247,694				
% of Net Assets				99.8				
Total currency rate sensitivity					(12,385)	(5.0)	12,385	5.0

March 31, 2022								
Currency	Investments (\$)	Cash and Cash Equivalents (\$)	Derivative Instruments (\$)	Net Exposure (\$)	Impact on net assets			
					Strengthened by 5%		Weakened by 5%	
					(\$)	%	(\$)	%
USD	184,969	8	(49,562)	135,415				
ILS	602	—	—	602				
EUR	182	—	—	182				
Total	185,753	8	(49,562)	136,199				
% of Net Assets				72.8				
Total currency rate sensitivity					(6,810)	(3.6)	6,810	3.6

The Fund follows a dynamic hedging strategy where it targets a hedge against foreign currencies, based on the Counsel's expectation of future exchange rates at that time. As of March 31, 2023, the Fund had target hedges of 0.0% (2022 – 25.0%) against the USD.

ii. Interest Rate Risk

As at March 31, 2023 and 2022, 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	Increased by 10%		Decreased by 10%	
	(\$)	(%)	(\$)	(%)
March 31, 2023	24,769	10.0	(24,769)	(10.0)
March 31, 2022	18,585	9.9	(18,585)	(9.9)

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NOTES TO FINANCIAL STATEMENTS

10. Fund Specific Information (in '000, except for (a)) (cont'd)

iv. Credit Risk

As at March 31, 2023 and 2022, the Fund did not have a significant exposure to credit risk related to fixed income investments.

(d) Loss Carryforwards

Non-Capital Losses carryforward (\$)	Net Capital Losses carryforward (\$)
–	951

(e) Fair Value Classification

The table below summarizes the fair value of the Fund's financial instruments using the fair value hierarchy described in note 3.

	March 31, 2023				March 31, 2022			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Fixed income	–	–	–	–	–	–	–	–
Exchange Traded Funds	1,249	–	–	1,249	2,599	–	–	2,599
Equities	246,440	–	–	246,440	183,250	–	–	183,250
Cash equivalents	–	–	–	–	–	–	–	–
Derivative assets	–	–	–	–	–	941	–	941
Derivative liabilities	–	–	–	–	–	–	–	–
Total	247,689	–	–	247,689	185,849	941	–	186,790

There were no significant transfers between Level 1 and Level 2.

(f) Commissions

	(\$)
March 31, 2023	30
March 31, 2022	3

(g) Securities Lending

	March 31, 2023 (\$)	March 31, 2022 (\$)
Value of securities loaned	961	1,363
Value of collateral received	1,018	1,432

	March 31, 2023		March 31, 2022	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	5	100.0	5	100.0
Tax withheld	–	–	–	–
	5	100.0	5	100.0
Payments to Securities Lending Agent	(1)	(20.0)	(1)	(20)
Securities lending income	4	80.0	4	80.0

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10. Fund Specific Information *(in '000, except for (a)) (cont'd)*

(h) Offsetting of Financial Assets and Liabilities

The tables below present financial assets and financial liabilities that are subject to master netting arrangements or other similar agreements and the net impact on the Fund's Statements of Financial Position if all set-off rights were exercised as part of future events such as bankruptcy or termination of contracts. No amounts were offset in the financial statements.

	March 31, 2023			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	–	–	–	–
Unrealized losses on derivative contracts	–	–	–	–
Total	–	–	–	–

	March 31, 2022			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	941	–	–	941
Unrealized losses on derivative contracts	–	–	–	–
Total	941	–	–	941