

**COUNSEL | PORTFOLIO SERVICES**

# *Counsel Canadian Core Fixed Income*

INTERIM UNAUDITED FINANCIAL STATEMENTS

For the period ended September 30, 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.counsel-services.com](http://www.counsel-services.com) or by visiting [www.sedar.com](http://www.sedar.com).

Counsel Portfolio Services Inc., the Manager of the Fund, appoints independent auditors to audit the Fund's Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Interim Financial Statements, this must be disclosed in an accompanying notice. The Fund's independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.

**STATEMENTS OF FINANCIAL POSITION**

at September 30, 2021 (unaudited) with comparative figures at March 31, 2021 (audited)  
(in \$ 000 except per security amounts)

	Sep. 30 2021	Mar. 31 2021
<b>Assets</b>		
<b>Current assets:</b>		
Investments at fair value	274,267	274,487
Cash and cash equivalents	30,361	25,352
Accrued interest receivable	1,576	1,574
Dividends receivable	–	–
Accounts receivable for investments sold	414	1,548
Accounts receivable for securities issued	659	531
Accounts receivable from the Manager	–	–
Margin with broker	278	723
Derivative assets	710	1,587
Other assets	–	–
	<u>308,265</u>	<u>305,802</u>
<b>Non-current assets:</b>		
Taxes recoverable	–	–
Other assets	–	–
	–	–
<b>Total assets</b>	<u>308,265</u>	<u>305,802</u>
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Bank indebtedness	–	–
Accounts payable for investments purchased	8,239	13,981
Accounts payable for securities redeemed	323	326
Distributions payable	–	–
Accrued expenses and miscellaneous payables	–	–
Dividends payable on investments sold short	–	–
Derivative liabilities	6	20
Taxes payable	–	–
Other liabilities	–	–
<b>Total liabilities</b>	<u>8,568</u>	<u>14,327</u>
<b>Net assets attributable to securityholders</b>	<u>299,697</u>	<u>291,475</u>

**STATEMENTS OF COMPREHENSIVE INCOME**

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

	2021	2020
<b>Income:</b>		
Dividends	–	–
Interest and other income	3,136	3,689
Net realized gain (loss)	(3,136)	9,484
Net unrealized gain (loss)	2,525	8,043
Income (loss) from derivatives	(1,236)	64
Income (loss) from short selling	–	–
Securities lending income	13	10
Trust income	–	–
<b>Total income</b>	<u>1,302</u>	<u>21,290</u>
<b>Expenses:</b>		
Management fees	–	–
Management fee rebates	–	–
Administration fees	–	–
Commissions and other portfolio transaction costs	–	–
Independent Review Committee costs	–	–
Interest and other charges	–	1
<b>Expenses before amounts absorbed by Manager</b>	<u>–</u>	<u>1</u>
Expenses absorbed by Manager	–	–
<b>Net expenses</b>	<u>–</u>	<u>1</u>
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<u>1,302</u>	<u>21,289</u>
Foreign withholding tax expense (recovery)	–	–
Foreign income tax expense (recovery)	–	–
Income tax expense (recovery)	–	–
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<u>1,302</u>	<u>21,289</u>

	Net assets attributable to securityholders			
	per security		per series	
	Sep. 30 2021	Mar. 31 2021	Sep. 30 2021	Mar. 31 2021
Series 0	9.99	10.01	299,696	291,474
Series Private Wealth	9.29	9.31	1	1
			<u>299,697</u>	<u>291,475</u>

	Increase (decrease) in net assets attributable to securityholders from operations			
	per security		per series	
	2021	2020	2021	2020
Series 0	0.04	0.76	1,302	21,289
Series Private Wealth	0.04	n/a	–	n/a
			<u>1,302</u>	<u>21,289</u>

**STATEMENTS OF CHANGES IN FINANCIAL POSITION**

for the periods ended September 30 (unaudited)  
(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>	291,475	288,148	291,474	288,148	1	–
Increase (decrease) in net assets attributable to securityholders resulting from:						
<b>Operations</b>	1,302	21,289	1,302	21,289	–	–
<b>Distributions:</b>						
Income	(1,982)	(3,082)	(1,982)	(3,082)	–	–
Capital gains	–	(6,787)	–	(6,787)	–	–
Return of capital	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–
<b>Total distributions</b>	(1,982)	(9,869)	(1,982)	(9,869)	–	–
<b>Security transactions:</b>						
Proceeds from sale of securities	33,395	37,581	33,395	37,581	–	–
Proceeds from securities issued on merger	–	–	–	–	–	–
Reinvested from distributions	1,982	9,869	1,982	9,869	–	–
Payment on redemption of securities	(26,475)	(33,681)	(26,475)	(33,681)	–	–
<b>Total security transactions</b>	8,902	13,769	8,902	13,769	–	–
<b>Increase (decrease) in assets attributable to securityholders</b>	8,222	25,189	8,222	25,189	–	–
<b>Net assets attributable to securityholders, end of period</b>	299,697	313,337	299,696	313,337	1	–
<b>Increase (decrease) in securities (in thousands):</b>						
<b>Securities outstanding, beginning of period</b>			29,119	27,760	–	–
Add (deduct):						
Securities sold			3,325	3,473	–	–
Securities issued on merger			–	–	–	–
Reinvested from distributions			198	908	–	–
Securities redeemed			(2,637)	(3,102)	–	–
<b>Securities outstanding, end of period</b>			30,005	29,039	–	–

**STATEMENTS OF CASH FLOWS**

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

	2021	2020
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to securityholders from operations	1,302	21,289
<b>Less non-cash impact of:</b>		
Net realized loss (gain) on investments	3,136	(9,484)
Change in net unrealized loss (gain) on investments	(2,525)	(8,043)
Distributions received from Underlying Funds	–	–
<b>Adjustments for:</b>		
Proceeds from sale and maturity of investments	92,234	188,761
Purchases of investments	(96,372)	(197,161)
(Increase) decrease in accounts receivable and other assets	443	388
Increase (decrease) in accounts receivable and other liabilities	–	–
<b>Net cash provided by (used in) operating activities</b>	<b>(1,782)</b>	<b>(4,250)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from securities issued	33,267	37,731
Proceeds from securities issued on merger	–	–
Payments on redemption of securities	(26,478)	(33,122)
Distributions paid net of reinvestments	–	–
<b>Net cash provided by (used in) financing activities</b>	<b>6,789</b>	<b>4,609</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>5,007</b>	<b>359</b>
Cash and cash equivalents at beginning of period	25,352	1,158
Effect of exchange rate fluctuations on cash and cash equivalents	2	(8)
<b>Cash and cash equivalents, end of period</b>	<b>30,361</b>	<b>1,509</b>
Cash	1,332	513
Cash equivalents	29,029	996
Bank indebtedness	–	–
	<b>30,361</b>	<b>1,509</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received net of withholding taxes	–	–
Interest received net of withholding taxes	3,134	3,682
Interest paid	–	1
Income taxes paid (recovered)	–	–

## SCHEDULE OF INVESTMENTS

as at September 30, 2021 (unaudited)

	Country	Sector	Currency*	Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS</b>						
407 International Inc. 1.80% 05-22-2025 Callable 2025	Canada	Corporate		220,000	220	223
407 International Inc. 3.14% 03-06-2030 Callable 2029	Canada	Corporate		140,000	141	150
407 International Inc. 2.59% 05-25-2032 Callable 2032	Canada	Corporate		200,000	200	202
407 International Inc. 3.43% 06-01-2033 MTN	Canada	Corporate		950,000	972	1,022
407 International Inc. 4.19% 04-25-2042 Callable	Canada	Corporate		60,000	75	68
407 International Inc. 3.60% 05-21-2047 Callable	Canada	Corporate		1,020,000	1,034	1,064
407 International Inc. 3.72% 05-11-2048 Callable 2047	Canada	Corporate		530,000	530	562
407 International Inc. 3.67% 03-08-2049 Callable 2048	Canada	Corporate		60,000	60	63
407 International Inc. 2.84% 03-07-2050	Canada	Corporate		75,000	75	68
AIMCo Realty Investors LP 3.04% 06-01-2028 Callable 2028	Canada	Corporate		50,000	50	53
AIMCo Realty Investors LP 2.71% 06-01-2029 Callable 2029	Canada	Corporate		590,000	598	610
Algonquin Power & Utilities Corp. 4.65% 02-15-2022	Canada	Corporate		1,190,000	1,258	1,207
Algonquin Power & Utilities Corp. 4.09% 02-17-2027 Callable	Canada	Corporate		460,000	470	506
Algonquin Power & Utilities Corp. 2.85% 07-15-2031	Canada	Corporate		460,000	462	465
Allied Properties Real Estate Investment Trust 1.73% 02-12-2026	Canada	Corporate		87,000	87	86
AltaGas Ltd. 2.17% 03-16-2027	Canada	Corporate		149,000	149	148
AltaLink LP 2.98% 11-28-2022	Canada	Corporate		1,120,000	1,168	1,150
AltaLink LP 1.51% 09-11-2030	Canada	Corporate		190,000	190	179
AltaLink LP 3.72% 12-03-2046 Callable MTN	Canada	Corporate		837,000	867	905
ARC Resources Ltd. 2.35% 03-10-2026	Canada	Corporate		266,000	266	268
ARC Resources Ltd. 3.47% 03-10-2031	Canada	Corporate		270,000	270	276
Bank of Montreal 2.37% 02-03-2025 Callable 2025	Canada	Corporate		480,000	480	495
Bank of Montreal 1.76% 03-10-2026	Canada	Corporate		1,459,000	1,462	1,465
Bank of Montreal 1.55% 05-28-2026	Canada	Corporate		788,000	788	783
Bank of Montreal 3.19% 03-01-2028	Canada	Corporate		210,000	208	228
Bank of Montreal F/R 07-22-2031	Canada	Corporate		1,314,000	1,309	1,307
Bank of Montreal F/R 11-26-2080	Canada	Corporate		319,000	319	336
The Bank of Nova Scotia 2.49% 09-23-2024	Canada	Corporate		684,000	690	708
The Bank of Nova Scotia 2.16% 02-03-2025	Canada	Corporate		728,000	762	746
The Bank of Nova Scotia F/R 08-04-2026	Canada	Corporate		478,000	478	478
The Bank of Nova Scotia 1.40% 11-01-2027	Canada	Corporate		2,097,000	2,052	2,031
The Bank of Nova Scotia F/R 07-27-2081	Canada	Corporate		476,000	476	475
BCE Inc. 2.20% 05-29-2028	Canada	Corporate		260,000	260	259
BCE Inc. 3.50% 09-30-2050 Callable 2050	Canada	Corporate		186,000	184	171
BCE Inc. 4.05% 03-17-2051	Canada	Corporate		304,000	304	307
bclMC Realty Corp. 1.06% 03-12-2024	Canada	Corporate		140,000	140	140
bclMC Realty Corp. 1.68% 03-03-2025 Callable 2025	Canada	Corporate		180,000	180	182
bclMC Realty Corp. 1.07% 02-04-2026	Canada	Corporate		218,000	218	213
bclMC Realty Corp. 3.00% 03-31-2027 Callable 2026	Canada	Corporate		230,000	233	244
bclMC Realty Corp. 1.75% 07-24-2030 Callable 2030	Canada	Corporate		200,000	200	192
Bell Canada Inc. 3.35% 03-12-2025 Callable 2025	Canada	Corporate		1,220,000	1,296	1,289
Bell Canada Inc. 1.65% 08-16-2027 Callable 2027	Canada	Corporate		350,000	350	341
Bell Canada Inc. 2.90% 09-10-2029 Callable 2029	Canada	Corporate		630,000	628	648
Bell Canada Inc. 2.50% 05-14-2030	Canada	Corporate		1,260,000	1,276	1,248
Bell Canada Inc. 4.45% 02-27-2047 Callable 2046	Canada	Corporate		640,000	692	686
BMW Canada Auto Trust 0.33% 07-20-2023	Canada	Mortgage Backed		81,006	81	81
Brookfield Infrastructure Finance ULC 4.20% 09-11-2028 Callable 2028	Canada	Corporate		770,000	767	848
Brookfield Infrastructure Finance ULC 3.41% 10-09-2029 Callable 2029	Canada	Corporate		720,000	708	755
Brookfield Infrastructure Finance ULC 2.86% 09-01-2032 Callable 2032	Canada	Corporate		310,000	310	303
Brookfield Renewable Energy Partners ULC 3.63% 01-15-2027 Callable 2026	Canada	Corporate		1,209,000	1,258	1,302
Brookfield Renewable Partners ULC 4.25% 01-15-2029 Callable 2028	Canada	Corporate		600,000	608	676
Brookfield Renewable Partners ULC 3.38% 01-15-2030 Callable 2029	Canada	Corporate		1,039,000	1,085	1,110
Brookfield Renewable Partners ULC 4.29% 11-05-2049 Callable 2049	Canada	Corporate		290,000	290	320
Brookfield Renewable Partners ULC 3.33% 08-13-2050 Callable 2050	Canada	Corporate		180,000	180	169
Bruce Power LP 3.00% 06-21-2024 Callable 2024	Canada	Corporate		1,380,000	1,393	1,437
Bruce Power LP 4.00% 06-21-2030 Callable 2030	Canada	Corporate		63,000	70	69
Canada Housing Trust No. 1 F/R 03-15-2024	Canada	Federal Government		10,720,000	10,760	10,770
Canada Housing Trust No. 1 1.95% 12-15-2025	Canada	Federal Government		2,310,000	2,461	2,384
Canada Housing Trust No. 1 F/R 03-15-2026	Canada	Federal Government		6,610,000	6,624	6,627
Canada Housing Trust No. 1 1.75% 06-15-2030	Canada	Federal Government		2,490,000	2,569	2,491
Canada Housing Trust No. 1 1.10% 03-15-2031	Canada	Federal Government		5,580,000	5,570	5,232
Canada Mortgage & Housing Corp. F/R 09-15-2026	Canada	Federal Government		5,200,000	5,200	5,207
Canadian Imperial Bank of Commerce F/R 06-10-2024	Canada	Corporate		641,000	641	642
Canadian Imperial Bank of Commerce F/R 03-04-2025	Canada	Corporate		628,000	628	629
Canadian Imperial Bank of Commerce 2.00% 04-17-2025	Canada	Corporate		2,010,000	2,018	2,046
Canadian Imperial Bank of Commerce 3.30% 05-26-2025	Canada	Corporate		240,000	240	257
Canadian Imperial Bank of Commerce 1.10% 01-19-2026	Canada	Corporate		30,000	30	29
Canadian Imperial Bank of Commerce F/R 07-15-2026	Canada	Corporate		395,000	395	395
Canadian Imperial Bank of Commerce F/R 04-21-2031	Canada	Corporate		749,000	749	747
Canadian Imperial Bank of Commerce 4.38% 10-28-2080	Canada	Corporate		70,000	70	73
Canadian Imperial Bank of Commerce F/R 01-28-2082	Canada	Corporate		727,000	727	730
Canadian National Railway Co. 3.00% 02-08-2029 Callable 2028	Canada	Corporate		1,990,000	2,135	2,101

**SCHEDULE OF INVESTMENTS (continued)**

as at September 30, 2021 (unaudited)

	Country	Sector	Currency*	Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (continued)</b>						
Canadian Natural Resources Ltd. 3.55% 06-03-2024	Canada	Corporate		540,000	545	568
Canadian Natural Resources Ltd. 2.50% 01-17-2028	Canada	Corporate		270,000	270	273
Canadian Pacific Railway Ltd. 3.15% 03-13-2029 Callable 2028	Canada	Corporate		310,000	309	329
Canadian Western Bank 1.57% 09-14-2023	Canada	Corporate		290,000	290	292
Canadian Western Bank F/R 01-22-2024	Canada	Corporate		925,000	926	926
Canadian Western Bank 1.93% 04-16-2026	Canada	Corporate		282,000	282	282
Canadian Western Bank 1.82% 12-16-2027	Canada	Corporate		330,000	330	322
Capital Power Corp. 4.28% 09-18-2024 Callable 2024	Canada	Corporate		908,000	921	975
Capital Power Corp. 4.99% 01-23-2026 Callable 2025	Canada	Corporate		400,000	400	446
Capital Power Corp. 4.42% 02-08-2030 Callable 2029	Canada	Corporate		260,000	261	289
Capital Power Corp. 3.15% 10-01-2032	Canada	Corporate		360,000	362	353
CCL Industries Inc. 3.86% 04-13-2028 Callable 2028	Canada	Corporate		330,000	330	357
CGI Inc. 2.10% 09-18-2028	Canada	Corporate		135,000	135	133
Chartwell Retirement Residences 3.79% 12-11-2023 Callable 2023	Canada	Corporate		100,000	100	104
Chartwell Retirement Residences 4.21% 04-28-2025 Callable 2025	Canada	Corporate		160,000	160	170
Choice Properties Real Estate Investment Trust 3.55% 01-10-2025 Callable 2024	Canada	Corporate		210,000	214	222
Choice Properties Real Estate Investment Trust 4.06% 11-24-2025 Callable	Canada	Corporate		1,110,000	1,144	1,202
Choice Properties Real Estate Investment Trust 4.18% 03-08-2028 Callable 2027	Canada	Corporate		480,000	480	530
Choice Properties Real Estate Investment Trust 3.53% 06-11-2029 Callable 2029	Canada	Corporate		470,000	470	499
Choice Properties Real Estate Investment Trust 2.98% 03-04-2030 Callable 2029	Canada	Corporate		280,000	280	284
City of Toronto 2.60% 09-24-2039	Canada	Municipal Governments		660,000	655	648
Cogeco Communications Inc. 2.99% 09-22-2031	Canada	Corporate		162,000	162	161
Cordelio Amalco GP I 4.09% 06-30-2034	Canada	Corporate		248,565	249	272
Cordelio Amalco GP I 4.09% 09-30-2034	Canada	Corporate		248,849	249	271
CPPIB Capital Inc. 1.95% 09-30-2029	Canada	Federal Government		2,550,000	2,622	2,581
Crombie Real Estate Investment Trust 3.92% 06-21-2027 Callable 2027	Canada	Corporate		690,000	705	742
Crombie Real Estate Investment Trust 2.69% 03-31-2028 Callable 2028	Canada	Corporate		190,000	191	191
Crombie Real Estate Investment Trust 3.21% 10-09-2030 Callable 2030	Canada	Corporate		200,000	201	202
Crombie Real Estate Investment Trust 3.13% 08-12-2031	Canada	Corporate		99,000	99	98
CU Inc. 4.72% 09-09-2043 Callable 2043	Canada	Corporate		280,000	366	340
Dollarama Inc. 1.51% 09-20-2027 Callable 2027	Canada	Corporate		120,000	120	116
Dream Industrial REIT 1.66% 12-22-2025	Canada	Corporate		261,000	261	259
Dream Industrial REIT 2.06% 06-17-2027	Canada	Corporate		168,000	168	167
Eagle Credit Card Trust 1.55% 06-17-2026	Canada	Corporate		220,000	220	219
Emera Inc. 2.90% 06-16-2023	Canada	Corporate		340,000	339	350
The Empire Life Insurance Co. 3.63% 04-17-2081	Canada	Corporate		118,000	118	119
Enbridge Gas Inc. 2.50% 08-05-2026 Callable 2026	Canada	Corporate		140,000	142	145
Enbridge Gas Inc. 2.37% 08-09-2029 Callable 2029	Canada	Corporate		170,000	170	173
Enbridge Gas Inc. 2.90% 04-01-2030 Callable 2030	Canada	Corporate		120,000	120	126
Enbridge Gas Inc. 3.01% 08-09-2049 Callable 2049	Canada	Corporate		160,000	160	151
Enbridge Gas Inc. 3.65% 04-01-2050 Callable 2049	Canada	Corporate		160,000	169	169
Enbridge Inc. 2.44% 06-02-2025	Canada	Corporate		190,000	190	195
Enbridge Inc. 2.99% 10-03-2029	Canada	Corporate		1,010,000	1,009	1,039
Enbridge Inc. 3.10% 09-21-2033	Canada	Corporate		332,000	331	329
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate		1,610,000	1,597	1,717
Enbridge Inc. F/R 04-12-2078 Callable 2028	Canada	Corporate		1,710,000	1,739	1,958
Energir Inc. 2.10% 04-16-2027 Callable 2027	Canada	Corporate		1,170,000	1,191	1,188
EPCOR Utilities Inc. 3.55% 11-27-2047 Callable 2047	Canada	Corporate		350,000	334	365
EPCOR Utilities Inc. 3.11% 07-08-2049 Callable 2049	Canada	Corporate		440,000	440	424
EPCOR Utilities Inc. 2.90% 05-19-2050 Callable 2049	Canada	Corporate		150,000	150	139
Fairfax Financial Holdings Ltd. 4.25% 12-06-2027 Callable 2027	Canada	Corporate		750,000	741	813
Fairfax Financial Holdings Ltd. 4.23% 06-14-2029 Callable 2029	Canada	Corporate		60,000	60	65
Fairfax Financial Holdings Ltd. 3.95% 03-03-2031	Canada	Corporate		522,000	524	544
Federation des Caisses Desjardins du Quebec 2.42% 10-04-2024	Canada	Corporate		190,000	190	196
Federation des Caisses Desjardins du Quebec 1.59% 09-10-2026	Canada	Corporate		203,000	203	201
Federation des Caisses Desjardins du Quebec F/R 05-26-2030 Callable 2025	Canada	Corporate		1,140,000	1,178	1,181
Fortified Trust 2.34% 01-23-2023	Canada	Corporate		2,080,000	2,080	2,124
Gibson Energy Inc. 3.60% 09-17-2029 Callable 2029	Canada	Corporate		1,540,000	1,504	1,632
Government of Canada 1.50% 09-01-2024	Canada	Federal Government		5,150,000	5,148	5,262
Government of Canada 1.25% 03-01-2025	Canada	Federal Government		2,600,000	2,670	2,635
Government of Canada 1.25% 06-01-2030	Canada	Federal Government		12,889,000	13,505	12,728
Government of Canada 0.50% 12-01-2030	Canada	Federal Government		1,372,000	1,281	1,259
Government of Canada 1.50% 06-01-2031	Canada	Federal Government		420,000	421	420
Government of Canada 1.25% 12-01-2047 Real Return	Canada	Federal Government		1,136,000	1,530	1,628
Government of Canada 2.00% 12-01-2051	Canada	Federal Government		3,294,000	3,637	3,301
Government of Canada 1.75% 12-01-2053	Canada	Federal Government		1,669,000	1,642	1,557
Granite Real Estate Investment Trust 2.19% 08-30-2028	Canada	Corporate		230,000	230	229
Greater Toronto Airports Authority 2.73% 04-03-2029 Callable 2029	Canada	Corporate		260,000	266	271
H&R Real Estate Investment Trust 3.42% 01-23-2023 Callable 2022	Canada	Corporate		240,000	242	247
H&R Real Estate Investment Trust 3.37% 01-30-2024 Callable 2023	Canada	Corporate		1,150,000	1,138	1,191
H&R Real Estate Investment Trust 4.07% 06-16-2025 Callable 2025	Canada	Corporate		561,000	578	599
H&R Real Estate Investment Trust 2.91% 06-02-2026	Canada	Corporate		110,000	110	112

## SCHEDULE OF INVESTMENTS (continued)

as at September 30, 2021 (unaudited)

	Country	Sector	Currency*	Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (continued)</b>						
H&R Real Estate Investment Trust 2.63% 02-19-2027	Canada	Corporate		330,000	331	331
Honda Canada Finance Inc. F/R 02-26-2024	Canada	Corporate		340,000	340	340
Honda Canada Finance Inc. 1.34% 03-17-2026	Canada	Corporate		240,000	240	236
Honda Canada Finance Inc. 1.65% 02-25-2028	Canada	Corporate		350,000	350	341
Hydro One Inc. 2.97% 06-26-2025 Callable 2025	Canada	Corporate		450,000	475	475
Hydro One Inc. 1.69% 01-16-2031 Callable 2030	Canada	Corporate		149,000	149	141
Hydro One Inc. 2.23% 09-17-2031	Canada	Corporate		374,000	374	367
Hydro One Ltd. 1.41% 10-15-2027 Callable 2027	Canada	Corporate		260,000	260	252
Hyundai Capital Canada Inc. 2.01% 05-12-2026	South Korea	Corporate		163,000	163	163
The Independent Order Of Foresters F/R 10-15-2035 Callable 2030	Canada	Corporate		210,000	210	212
Intact Financial Corp. 2.18% 05-18-2028	Canada	Corporate		169,000	169	170
Intact Financial Corp. F/R 03-31-2081	Canada	Corporate		65,000	65	67
Inter Pipeline Ltd. 2.73% 04-18-2024 Callable 2024	Canada	Corporate		200,000	202	206
Inter Pipeline Ltd. 3.17% 03-24-2025 Callable 2024 MTN	Canada	Corporate		163,000	161	170
Inter Pipeline Ltd. 3.48% 12-16-2026 Callable 2026	Canada	Corporate		1,694,000	1,695	1,782
Ivanhoe Cambridge II Inc. 2.91% 06-27-2023 Callable 2023	Canada	Corporate		230,000	230	238
Ivanhoe Cambridge II Inc. 2.30% 12-12-2024 Callable 2024	Canada	Corporate		190,000	190	196
John Deere Financial Inc. 1.63% 04-09-2026	United States	Corporate		77,000	77	77
Keyera Corp. 3.96% 05-29-2030	Canada	Corporate		690,000	733	736
Laurentian Bank of Canada 1.15% 06-03-2024	Canada	Corporate		236,000	236	235
Laurentian Bank of Canada 0.88% 03-01-2026	United States	Mortgage Backed		736,884	730	729
Laurentian Bank of Canada 1.60% 05-06-2026	Canada	Corporate		67,000	67	67
Liberty Utilities (Canada) LP 3.32% 02-14-2050 Callable 2049	Canada	Corporate		150,000	150	144
Loblaw Companies Ltd. 2.28% 05-07-2030 Callable 2030	Canada	Corporate		860,000	859	847
Lower Mattagami Energy LP 3.42% 06-20-2024	Canada	Corporate		1,730,000	1,872	1,836
Lower Mattagami Energy LP 2.43% 05-14-2031	Canada	Corporate		215,000	215	218
Manulife Bank of Canada 2.38% 11-19-2024	Canada	Corporate		245,000	249	253
Manulife Bank of Canada 1.50% 06-25-2025	Canada	Corporate		720,000	720	722
Manulife Bank of Canada 1.54% 09-14-2026	Canada	Corporate		313,000	313	310
Manulife Financial Corp. F/R 05-09-2028 Callable 2023	Canada	Corporate		250,000	250	259
Manulife Financial Corp. F/R 08-20-2029 Callable 2024	Canada	Corporate		770,000	762	804
Manulife Financial Corp. F/R 05-12-2030 Callable 2025	Canada	Corporate		710,000	706	724
Manulife Financial Corp. 3.38% 06-19-2081	Canada	Corporate		590,000	590	587
Merrill Lynch 0.99% 03-01-2026	Canada	Mortgage Backed		734,511	732	729
National Bank of Canada 2.55% 07-12-2024	Canada	Corporate		3,140,000	3,168	3,252
National Bank of Canada 2.58% 02-03-2025	Canada	Corporate		1,240,000	1,248	1,288
National Bank of Canada 1.53% 06-15-2026	Canada	Corporate		193,000	193	192
National Bank of Canada F/R 08-18-2026 Callable 2025	Canada	Corporate		270,000	270	270
NAV Canada 2.06% 05-29-2030	Canada	Corporate		180,000	180	179
North West Redwater Partnership 2.80% 06-01-2027 Callable 2027	Canada	Corporate		1,311,000	1,293	1,361
North West Redwater Partnership 2.80% 06-01-2031	Canada	Corporate		730,000	730	732
North West Redwater Partnership Co. Ltd. 3.70% 02-23-2043 Callable 2042	Canada	Corporate		540,000	533	540
Nouvelle Autoroute 30 Financement Inc. 4.11% 03-31-2042	Canada	Corporate		329,698	330	360
Nova Scotia Power Inc. 3.57% 04-05-2049 Callable 2048	Canada	Corporate		220,000	220	225
OMERS Finance Trust 1.55% 04-21-2027	Canada	Corporate		2,980,000	2,999	2,973
OMERS Finance Trust 2.60% 05-14-2029	Canada	Corporate		500,000	500	524
OMERS Realty Corp. 3.24% 10-04-2027 Callable 2027	Canada	Corporate		1,600,000	1,605	1,718
OMERS Realty Corp. 3.63% 06-05-2030 Callable 2030	Canada	Corporate		570,000	570	629
Ontario Power Generation Inc. 2.89% 04-08-2025 Callable 2025	Canada	Corporate		720,000	743	757
Ontario Power Generation Inc. 3.32% 10-04-2027 Callable 2027	Canada	Corporate		510,000	517	549
Ontario Power Generation Inc. 2.98% 09-13-2029	Canada	Corporate		351,000	370	369
Ontario Power Generation Inc. 3.22% 04-08-2030 Callable 2030	Canada	Corporate		180,000	180	192
Ontario Power Generation Inc. 3.84% 06-22-2048 Callable 2047	Canada	Corporate		490,000	520	523
Ontario Power Generation Inc. 4.25% 01-18-2049 Callable 2048	Canada	Corporate		145,000	170	165
Ontario Teachers' Finance Trust 1.10% 10-19-2027	Canada	Provincial Governments		200,000	199	194
OPB Finance Trust 2.98% 01-25-2027	Canada	Provincial Governments		2,420,000	2,548	2,580
Pembina Pipeline Corp. 3.54% 02-03-2025 Callable MTN	Canada	Corporate		800,000	820	846
Pembina Pipeline Corp. 4.02% 03-27-2028 Callable 2027	Canada	Corporate		880,000	925	958
Pembina Pipeline Corp. 3.62% 04-03-2029 Callable 2029	Canada	Corporate		430,000	436	457
Pembina Pipeline Corp. 3.31% 02-01-2030 Callable 2029	Canada	Corporate		80,000	87	83
Pembina Pipeline Corp. 4.81% 03-25-2044 MTN	Canada	Corporate		81,000	89	86
Pembina Pipeline Corp. 4.74% 01-21-2047 Callable 2046 MTN	Canada	Corporate		81,000	89	85
Pembina Pipeline Corp. 4.75% 03-26-2048 Callable 2047	Canada	Corporate		100,000	110	105
Pembina Pipeline Corp. 4.54% 04-03-2049 Callable 2048	Canada	Corporate		300,000	305	307
Pembina Pipeline Corp. 4.67% 05-28-2050	Canada	Corporate		30,000	31	31
Prime Securities Mortgage Trust 1.97% 02-15-2023	Canada	Corporate		280,000	280	284
Province of Alberta 3.05% 12-01-2048	Canada	Provincial Governments		1,100,000	1,137	1,142
Province of Alberta 3.10% 06-01-2050	Canada	Provincial Governments		1,430,000	1,504	1,500
Province of Alberta 2.95% 06-01-2052	Canada	Provincial Governments		860,000	866	874
Province of British Columbia 1.55% 06-18-2031	Canada	Provincial Governments		5,680,000	5,383	5,442
Province of British Columbia 2.80% 06-18-2048	Canada	Provincial Governments		1,060,000	1,074	1,083
Province of British Columbia 2.95% 06-18-2050	Canada	Provincial Governments		4,900,000	5,422	5,151

**SCHEDULE OF INVESTMENTS (continued)**

as at September 30, 2021 (unaudited)

	Country	Sector	Currency*	Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (continued)</b>						
Province of British Columbia 2.75% 06-18-2052	Canada	Provincial Governments		1,030,000	1,015	1,039
Province of Manitoba 3.20% 03-05-2050	Canada	Provincial Governments		1,265,000	1,360	1,358
Province of Manitoba 2.05% 09-05-2052	Canada	Provincial Governments		1,615,000	1,340	1,356
Province of Ontario 2.65% 02-05-2025	Canada	Provincial Governments		60,000	61	63
Province of Ontario 1.55% 11-01-2029	Canada	Provincial Governments		1,813,000	1,809	1,772
Province of Ontario 1.15% 06-02-2031	Canada	Provincial Governments		7,587,000	7,562	7,624
Province of Ontario 3.45% 06-02-2045	Canada	Provincial Governments		1,900,000	2,168	2,137
Province of Ontario 2.65% 12-02-2050	Canada	Provincial Governments		1,510,000	1,525	1,475
Province of Ontario 1.90% 12-02-2051	Canada	Provincial Governments		6,453,000	5,549	5,307
Province of Quebec 1.50% 09-01-2031	Canada	Provincial Governments		8,100,000	7,605	7,683
Province of Quebec 3.50% 12-01-2048	Canada	Provincial Governments		1,080,000	1,249	1,241
Province of Quebec 3.10% 12-01-2051	Canada	Provincial Governments		8,356,000	9,340	8,982
Province of Saskatchewan 3.30% 06-02-2048	Canada	Provincial Governments		280,000	293	306
Province of Saskatchewan 3.10% 06-02-2050	Canada	Provincial Governments		320,000	339	338
Province of Saskatchewan 2.80% 12-02-2052	Canada	Provincial Governments		2,589,000	2,587	2,576
PSP Capital Inc. 0.90% 06-15-2026	Canada	Federal Government		1,260,000	1,259	1,237
PSP Capital Inc. 2.05% 01-15-2030	Canada	Federal Government		1,412,000	1,458	1,433
Reliance LP 2.68% 12-01-2027	Canada	Corporate		190,000	190	192
Reliance LP 2.67% 08-01-2028	Canada	Corporate		230,000	230	231
Rogers Communications Inc. 3.25% 05-01-2029 Callable 2029	Canada	Corporate		467,000	471	484
Royal Bank of Canada 1.59% 05-04-2026	Canada	Corporate		507,000	507	504
Royal Bank of Canada 2.33% 01-28-2027	Canada	Corporate		640,000	640	656
Royal Bank of Canada 1.83% 07-31-2028	Canada	Corporate		502,000	502	494
Royal Bank of Canada F/R 12-23-2029 Callable 2024	Canada	Corporate		270,000	271	281
Royal Bank of Canada F/R 06-30-2030 Callable 2025	Canada	Corporate		560,000	566	567
Royal Bank of Canada F/R 01-28-2033	Canada	Corporate		592,000	588	572
Royal Bank of Canada F/R 11-24-2080 Callable 2025	Canada	Corporate		2,000	2	2
Royal Bank of Canada F/R 02-24-2081	Canada	Corporate		674,000	674	700
Royal Bank of Canada F/R 11-24-2081	Canada	Corporate		500,000	497	498
Sagen MI Canada Inc. 3.26% 03-05-2031	Canada	Corporate		208,000	208	210
Sagen MI Canada Inc. F/R 03-24-2081	Canada	Corporate		147,000	147	150
Saputo Inc. 2.88% 11-19-2024 Callable 2024	Canada	Corporate		160,000	160	167
Saputo Inc. 1.42% 06-19-2026	Canada	Corporate		350,000	350	342
Saputo Inc. 2.24% 06-16-2027 Callable 2027	Canada	Corporate		218,000	218	219
Saputo Inc. 2.30% 06-22-2028	Canada	Corporate		115,000	115	115
Scotia Capital Inc. 1.74% 01-01-2025	Canada	Mortgage Backed		201,481	200	205
Scotia Capital Inc. 1.25% 03-01-2025	Canada	Mortgage Backed		416,063	421	419
Scotia Capital Inc. 0.55% 01-01-2026	Canada	Mortgage Backed		369,283	368	362
Sea to Sky Highway Investment LP 2.63% 08-31-2030	Canada	Corporate		306,738	309	314
Shaw Communications Inc. 3.80% 03-01-2027 Callable	Canada	Corporate		130,000	140	139
Shaw Communications Inc. 4.40% 11-02-2028 Callable 2028	Canada	Corporate		1,060,000	1,105	1,177
Shaw Communications Inc. 2.90% 12-09-2030 Callable 2030	Canada	Corporate		1,120,000	1,128	1,113
Shaw Communications Inc. 6.75% 11-09-2039	Canada	Corporate		140,000	195	183
Sienna Senior Living Inc. 3.11% 11-04-2024	Canada	Corporate		120,000	120	124
Sienna Senior Living Inc. 3.45% 02-27-2026 Callable 2026	Canada	Corporate		140,000	140	147
Sienna Senior Living Inc. 2.82% 03-31-2027	Canada	Corporate		77,000	77	78
SmartCentres Real Estate Investment Trust 1.74% 12-16-2025	Canada	Corporate		210,000	210	208
SmartCentres Real Estate Investment Trust 3.19% 06-11-2027 Callable 2027	Canada	Corporate		160,000	160	167
SmartCentres Real Estate Investment Trust 3.53% 12-20-2029 Callable 2029	Canada	Corporate		514,000	523	538
South Coast British Columbia Transport Authority 1.60% 07-03-2030	Canada	Provincial Governments		370,000	370	357
Summit Industrial Income Real Estate Investment Trust 1.82% 04-01-2026	Canada	Corporate		170,000	170	169
Summit Industrial Income Real Estate Investment Trust 2.25% 01-12-2027	Canada	Corporate		203,000	203	204
Summit Industrial Income Real Estate Investment Trust 2.44% 07-14-2028	Canada	Corporate		114,000	114	114
Sun Life Financial Inc. F/R 09-19-2028 Callable 2023	Canada	Corporate		1,720,000	1,721	1,783
Sun Life Financial Inc. F/R 08-13-2029 Callable 2024	Canada	Corporate		850,000	850	873
Sun Life Financial Inc. F/R 05-10-2032 Callable 2027	Canada	Corporate		1,390,000	1,395	1,427
Sun Life Financial Inc. F/R 10-01-2035	Canada	Corporate		360,000	360	346
Sun Life Financial Inc. F/R 06-30-2081	Canada	Corporate		265,000	265	266
Suncor Energy Inc. 3.10% 05-24-2029 Callable 2029	Canada	Corporate		360,000	360	374
Suncor Energy Inc. 3.95% 03-04-2051	Canada	Corporate		572,000	560	558
TELUS Corp. 2.35% 01-27-2028 Callable 2027	Canada	Corporate		250,000	249	251
TELUS Corp. 3.30% 05-02-2029 Callable 2029	Canada	Corporate		470,000	473	496
TELUS Corp. 3.15% 02-19-2030 Callable 2029	Canada	Corporate		840,000	854	873
TELUS Corp. 2.05% 10-07-2030	Canada	Corporate		380,000	373	359
TELUS Corp. 2.85% 11-13-2031	Canada	Corporate		897,000	896	897
TELUS Corp. 4.85% 04-05-2044 Series SP	Canada	Corporate		340,000	412	377
TELUS Corp. 3.95% 02-16-2050	Canada	Corporate		311,000	335	303
TELUS Corp. 4.10% 04-05-2051	Canada	Corporate		269,000	268	270
Thomson Reuters Corp. 2.24% 05-14-2025 Callable 2025	Canada	Corporate		1,580,000	1,586	1,614
TMX Group Ltd. 2.30% 12-11-2024 Callable 2024	Canada	Corporate		1,630,000	1,677	1,709
TMX Group Ltd. 3.78% 06-05-2028 Callable 2028	Canada	Corporate		450,000	455	497
TMX Group Ltd. 2.02% 02-12-2031	Canada	Corporate		140,000	140	135



**SCHEDULE OF INVESTMENTS (continued)**

as at September 30, 2021 (unaudited)

	Country	Sector	Currency*	Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (continued)</b>						
The Toronto-Dominion Bank 2.85% 03-08-2024	Canada	Corporate		1,070,000	1,089	1,115
The Toronto-Dominion Bank 1.94% 03-13-2025	Canada	Corporate		540,000	540	549
The Toronto-Dominion Bank 1.13% 12-09-2025	Canada	Corporate		990,000	990	972
The Toronto-Dominion Bank 1.89% 03-08-2028	Canada	Corporate		1,150,000	1,150	1,142
The Toronto-Dominion Bank 1.90% 09-11-2028	Canada	Corporate		556,000	556	549
The Toronto-Dominion Bank F/R 04-22-2030 Callable 2025	Canada	Corporate		2,787,000	2,917	2,921
The Toronto-Dominion Bank F/R 01-26-2032 Callable 2027	Canada	Corporate		110,000	117	115
The Toronto-Dominion Bank F/R 10-31-2081	Canada	Corporate		289,000	289	288
Tourmaline Oil Corp. 2.08% 01-25-2028	Canada	Corporate		107,000	107	105
Tourmaline Oil Corp. 2.53% 02-12-2029	Canada	Corporate		115,000	115	115
Toyota Credit Canada Inc. 2.11% 02-26-2025	Canada	Corporate		100,000	100	102
Toyota Credit Canada Inc. 1.18% 02-23-2026	Canada	Corporate		240,000	240	235
TransCanada PipeLines Ltd. F/R 06-09-2024	Canada	Corporate		451,000	451	452
TransCanada PipeLines Ltd. 3.30% 07-17-2025 Callable 2025 MTN	Canada	Corporate		38,000	41	40
TransCanada PipeLines Ltd. 3.80% 04-05-2027 Callable 2027	Canada	Corporate		1,150,000	1,210	1,243
TransCanada PipeLines Ltd. 3.00% 09-18-2029 Callable 2029	Canada	Corporate		980,000	988	1,009
TransCanada PipeLines Ltd. 4.18% 07-03-2048 Callable 2048	Canada	Corporate		315,000	347	316
TransCanada PipeLines Ltd. 4.20% 03-04-2081	Canada	Corporate		509,000	509	505
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate		880,000	886	916
Transcontinental Inc. 2.28% 07-13-2026	Canada	Corporate		79,000	79	79
Ventas Canada Finance Ltd. 2.55% 03-15-2023 Callable 2023	United States	Corporate		800,000	792	816
Ventas Inc. 2.80% 04-12-2024 Callable 2024	United States	Corporate		400,000	401	413
Waste Management of Canada Corp. 2.60% 09-23-2026 Callable 2026	Canada	Corporate		1,500,000	1,517	1,558
Welltower Inc. 2.95% 01-15-2027 Callable 2026	United States	Corporate		270,000	260	279
WSP Global Inc. 2.41% 04-19-2028	Canada	Corporate		443,000	446	444
					273,931	274,267
<b>COMMISSIONS AND OTHER PORTFOLIO TRANSACTION COSTS</b>						
<b>TOTAL INVESTMENTS</b>					<u>273,931</u>	<u>274,267</u>
<b>Net Assets:</b>						
Total investments						274,487
Derivative assets (see schedule of derivative instruments)						710
Derivative liabilities (see schedule of derivative instruments)						(6)
Cash and cash equivalents						30,361
Other net assets (liabilities)						(5,635)
						<u>299,917</u>

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

**Schedule of Asset Composition**

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

at September 30, 2021 (unaudited)

	% of net assets
<b>EFFECTIVE ASSET TYPE</b>	
Corporate Bonds	47.6
Provincial Bonds	20.6
Federal Bonds	13.7
Mortgage Backed	0.8
Municipal Bonds	0.2
Foreign Governments	(5.2)
Cash and cash equivalents	10.1
Other	12.2
<b>Total</b>	<b>100.0</b>

at March 31, 2021

	% of net assets
<b>EFFECTIVE ASSET TYPE</b>	
Corporate Bonds	48.9
Provincial Bonds	19.4
Federal Bonds	3.5
Mortgage Backed	1.2
Municipal Bonds	0.2
Cash and cash equivalents	8.7
Other	18.1
<b>Total</b>	<b>100.0</b>

**EFFECTIVE REGIONAL ALLOCATION**

Canada	94.3
United States	(4.4)
Cash and cash equivalents	10.1
<b>Total</b>	<b>100.0</b>

**EFFECTIVE REGIONAL ALLOCATION**

Canada	96.5
United States	(5.2)
Cash and cash equivalents	8.7
<b>Total</b>	<b>100.0</b>

**Schedule of Derivative Instruments**

as at September 30, 2021 (unaudited)

**Schedule of Forward Currency Contracts**

Counterparty credit rating	Settlement date	Currency to be received (000)	Contract cost (CAD\$ 000)	Currency to be delivered (000)	Current fair value (CAD\$ 000)	Unrealized gains (CAD\$ 000)	Unrealized losses (CAD\$ 000)
AA	10-22-2021	1,400 CAD	1,400	1,110 USD	1,406	–	(6)
AA	11-19-2021	1,110 USD	1,394	1,394 CAD	1,406	12	–
						12	(6)

**Schedule of Future Contracts**

Type of contract	No. of contracts	Expiration date	Average rate of contracts	Notional value (\$ 000)	Unrealized gains (\$ 000)	Unrealized losses (\$ 000)
MSE Canadian 10 Year Bond Future	(180)	December 2021	146.22 CAD	(25,767)	605	–
CBOT U.S. 5 Year Treasury Note	(100)	December 2021	123.48 USD	(15,538)	93	–
				(41,305)	698	–

**TOTAL DERIVATIVE ASSETS**

710

**TOTAL DERIVATIVE LIABILITIES**

(6)

\* Notional value represents the exposure to the underlying instruments

**Note:**

The following abbreviations have been used:

CAD – Canadian dollars

USD – United States dollars

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

The information provided in these financial statements and notes thereto is for the six-month period ended or as at September 30, 2021 and 2020, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2021, 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 unaudited interim financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including international Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). These financial statements were prepared using the same accounting policies, critical accounting judgements and estimates as applied in the Fund's most recent audited annual financial statements for the year ended March 31, 2021. A summary of the Fund's significant accounting policies under IFRS is presented in Note 3.

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

These financial statements were authorized for issue by Counsel's Board of Directors on November 11, 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 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.

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 INTERIM UNAUDITED 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 September 30, 2021 and March 31, 2021, 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) 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.

Ongoing uncertainty regarding the duration and long-term impact of the COVID-19 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.

**NOTES TO INTERIM UNAUDITED FINANCIAL STATEMENTS****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.

**6. MANAGEMENT FEES AND OPERATING EXPENSES**

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

Series Private Wealth, if issued, 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, 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 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 September 30, 2021 and 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 0 securities offered by the Fund on a prospectus-exempt basis in accordance with the investment objectives of those funds.

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

For the amounts held by and the changes thereto during the period pertaining to Series 0, 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 INTERIM UNAUDITED 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>	October 19, 2020	–	–	0.15

<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 a discretionary managed program offered by IPC Securities Corporation 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 achieve a steady flow of income by investing, either directly or indirectly through other investment funds, primarily in a diversified portfolio of Canadian government and corporate fixed-income securities. Preservation of capital is an important factor in the selection of investments. The Fund may invest up to 30% of its assets in foreign securities.

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	September 30, 2021				Impact on net assets			
	Investments	Cash and cash equivalents	Derivative instruments	Net exposure	Strengthened by 5%		Weakened by 5%	
					(\$)	(%)	(\$)	(%)
United States dollars	–	–	115	115				
Total	–	–	115	115				
As percent of net assets (%)				–				
Total sensitivity to currency rate changes					(6)	–	(6)	–

Currency	March 31, 2021				Impact on net assets			
	Investments	Cash and cash equivalents	Derivative instruments	Net exposure	Strengthened by 5%		Weakened by 5%	
					(\$)	(%)	(\$)	(%)
United States dollars	–	890	(862)	28				
Total	–	890	(862)	28				
As percent of net assets (%)				–				
Total sensitivity to currency rate changes					(1)	–	1	–

## ii. Interest Rate Risk

September 30, 2021	Bond holdings	Impact on net assets			
		Increase by 1%		Decrease by 1%	
		(\$)	(%)	(\$)	(%)
Less than 1 year	1,207				
1-5 years	85,127				
5-10 years	118,675				
Greater than 10 years	69,258				
Total	274,267	(23,467)	(7.8)	23,467	7.8
Interest sensitivity arising from other financial instruments		3,162	1.0	(3,162)	(1.0)
Total sensitivity to interest rate		(20,305)	(6.8)	20,305	6.8

March 31, 2021	Bond holdings	Impact on net assets			
		Increase by 1%		Decrease by 1%	
		(\$)	(%)	(\$)	(%)
Less than 1 year	1,662				
1-5 years	82,575				
5-10 years	122,944				
Greater than 10 years	67,306				
Total	274,487	(23,714)	(8.1)	23,714	8.1
Interest sensitivity arising from other financial instruments		6,542	2.2	(6,542)	(2.2)
Total sensitivity to interest rate		(17,172)	(5.9)	17,172	5.9

**NOTES TO INTERIM UNAUDITED FINANCIAL STATEMENTS**

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

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

## iii. Other Price Risk

As at September 30, 2021 and March 31, 2021, the Fund did not have a significant exposure to other price risk.

## iv. Credit Risk

Bond Rating	September 30, 2021	March 31, 2021
	% of Net Assets	% of Net Assets
AAA	23.1	30.7
AA	13.5	7.8
A	20.6	22.0
BBB	24.1	23.1
Less than BBB	0.3	0.1
Unrated	9.9	10.5
Total	91.5	94.2

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

As at September 30, 2021, the maximum exposure to any one debt issuer was 21.4% of the net assets (March 31, 2021 – 24.5%).

**(d) Loss Carryforwards**

Non-Capital Losses carryforward	Net Capital Losses carryforward
\$Nil	\$Nil

**(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 September 30, 2021	Level 1	Level 2	Level 3	Total
Fixed income	–	274,267	–	274,267
Mutual Funds	–	–	–	–
Equities	–	–	–	–
Cash equivalents	–	29,029	–	29,029
Derivative assets	698	12	–	710
Derivative liabilities	–	(6)	–	(6)
Total	698	303,302	–	304,000

  

as at March 31, 2021	Level 1	Level 2	Level 3	Total
Fixed income	–	274,487	–	274,487
Mutual Funds	–	–	–	–
Equities	–	–	–	–
Cash equivalents	–	23,984	–	23,984
Derivative assets	1,563	24	–	1,587
Derivative liabilities	–	(20)	–	(20)
Total	1,563	298,475	–	300,038

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

**(f) Securities Lending**

as at	Value of securities loaned	Value of collateral received
September 30, 2021	28,536	29,952
March 31, 2021	31,255	32,828

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the Fund for the periods ended September 30, 2021 and 2020 is presented below:

	Amount (\$)		Percentage of Total Amount (%)	
	2021	2020	2021	2020
Gross Securities Lending Income	16	12	100.0	100.0
Securities Lending Agent fees	(3)	(2)	(18.8)	(16.7)
Securities Lending Income to the Fund before Withholdings Taxes	13	10	81.3	83.3
Withholding Taxes	–	–	–	–
Securities Lending Income	13	10	81.3	83.3

**NOTES TO INTERIM UNAUDITED FINANCIAL STATEMENTS**

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

**9. FUND SPECIFIC INFORMATION (continued)****(g) Offsetting of financial assets and financial liabilities**

The tables below present the recognized 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.

	September 30, 2021			
	Gross amount of assets/liabilities	Amount available for offset	Margin	Net amount
Unrealized gains on derivative contracts	710	(6)	278	982
Unrealized losses on derivative contracts	(6)	6	–	–
<b>Total</b>	<b>704</b>	<b>–</b>	<b>278</b>	<b>982</b>

	March 31, 2021			
	Gross amount of assets/liabilities	Amount available for offset	Margin	Net amount
Unrealized gains on derivative contracts	1,587	(20)	723	2,290
Unrealized losses on derivative contracts	(20)	20	–	–
<b>Total</b>	<b>1,567</b>	<b>–</b>	<b>723</b>	<b>2,290</b>

**COUNSEL | PORTFOLIO SERVICES**