

**COUNSEL | PORTFOLIO SERVICES**

*IPC Private Wealth  
Visio North American Equity High 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.counselservices.com](http://www.counselservices.com) or by visiting [www.sedar.com](http://www.sedar.com).

**STATEMENT OF FINANCIAL POSITION**

at September 30, 2021 (unaudited)  
(in \$ 000 except per security amounts)

	Sep. 30 2021
<b>Assets</b>	
<b>Current assets:</b>	
Non-derivative investments	588
Cash and cash equivalents	1
Accrued interest receivable	–
Dividends receivable	2
Accounts receivable for investments sold	–
Accounts receivable for securities issued	–
Accounts receivable from the Manager	–
Margin on derivative contracts	–
Derivative assets	–
Other assets	–
	591
<b>Non-current assets:</b>	
Taxes recoverable	–
Other assets	–
	–
<b>Total assets</b>	591
<b>Liabilities</b>	
<b>Current liabilities:</b>	
Bank indebtedness	–
Accounts payable for investments purchased	–
Accounts payable for securities redeemed	–
Distributions payable	–
Accrued expenses and miscellaneous payables	–
Dividends payable on investments sold short	–
Derivative liabilities	–
Taxes payable	–
Other liabilities	–
	–
<b>Total liabilities</b>	–
<b>Net assets attributable to securityholders</b>	591

**STATEMENT OF COMPREHENSIVE INCOME**

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

	2021
<b>Income:</b>	
Dividends	3
Interest income	–
Net realized gain (loss)	1
Net unrealized gain (loss)	(12)
Income (loss) from derivatives	–
Income (loss) from short selling	–
Securities lending income	–
Other	–
<b>Total income</b>	(8)
<b>Expenses:</b>	
Management fees	–
Management fee rebates	–
Fixed administration fees	–
Commissions and other portfolio transaction costs	–
Independent Review Committee costs	–
Bank Charges	–
<b>Expenses before amounts absorbed by Manager</b>	–
Expenses absorbed by Manager	–
<b>Net expenses</b>	–
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	(8)
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>	(8)

	Net assets attributable to securityholders	
	per security	per series
	Sep. 30 2021	Sep. 30 2021
Series 0	10.06	591
		591

	Increase (decrease) in net assets attributable to securityholders from operations	
	per security	per series
	2021	2021
Series 0	(0.27)	(8)
		(8)

**STATEMENT OF CHANGES IN FINANCIAL POSITION**

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

	<b>SERIES O</b>
	<b>2021</b>
<b>Net assets attributable to securityholders, beginning of period</b>	–
Increase (decrease) in net assets attributable to securityholders resulting from:	
<b>Operations</b>	(8)
<b>Distributions:</b>	
Income	(1)
Capital gains	–
Return of capital	–
Management fee rebates	–
<b>Total distributions</b>	(1)
<b>Security transactions:</b>	
Proceeds from sale of securities	600
Proceeds from securities issued on merger	–
Reinvested from distributions	1
Payment on redemption of securities	(1)
<b>Total security transactions</b>	600
<b>Increase (decrease) in assets attributable to securityholders</b>	591
<b>Net assets attributable to securityholders, end of period</b>	591
<b>Increase (decrease) in securities (in thousands):</b>	
<b>Securities outstanding, beginning of period</b>	–
Add (deduct):	
Securities sold	59
Securities issued on merger	–
Reinvested from distributions	–
Securities redeemed	–
<b>Securities outstanding, end of period</b>	59

**STATEMENT OF CASH FLOWS**

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

	2021
<b>Cash flows from operating activities</b>	
Increase (decrease) in net assets attributable to securityholders from operations	(8)
<b>Less non-cash impact of:</b>	
Net realized loss (gain) on investments	(1)
Change in net unrealized loss (gain) on investments	12
Distributions received from Underlying Funds	–
<b>Adjustments for:</b>	
Proceeds from sale and maturity of investments	190
Purchases of investments	(789)
(Increase) decrease in accounts receivable and other assets	(2)
Increase (decrease) in accounts payable and other liabilities	–
<b>Net cash provided by (used in) operating activities</b>	<b>(598)</b>
<b>Cash flows from financing activities:</b>	
Proceeds from securities issued	600
Proceeds from securities issued on merger	–
Payments on redemption of securities	(1)
Distributions paid net of reinvestments	–
<b>Net cash provided by (used in) financing activities</b>	<b>599</b>
<b>Increase (decrease) in cash</b>	<b>1</b>
Cash (Bank indebtedness) at beginning of period	–
Effect of exchange rate fluctuations on cash	–
<b>Cash (Bank indebtedness), end of period</b>	<b>1</b>
Cash	1
Cash equivalents	–
Bank indebtedness	–
	1
<b>Supplementary disclosures on cash flow from operating activities:</b>	
Dividends received net of withholding taxes	1
Interest received net of withholding taxes	–
Interest paid	–
Income taxes paid (recovered)	–

**SCHEDULE OF INVESTMENTS**

as at September 30, 2021 (unaudited)

	Country	Sector	No. of Units/ Shares	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES</b>					
Alaris Equity Partners Income Trust	Canada	Financials	975	17	17
Alimentation Couche-Tard Inc. Class B Sub. voting	Canada	Consumer Staples	596	29	29
BCE Inc.	Canada	Communication Services	253	16	16
Canadian Natural Resources Ltd.	Canada	Energy	635	28	30
Empire Co. Ltd. Class A non-voting	Canada	Consumer Staples	385	15	15
Greif Inc.	United States	Materials	139	11	11
Haverty Furniture Cos. Inc.	United States	Consumer Discretionary	580	28	25
International Business Machines Corp.	United States	Information Technology	172	30	30
John Wiley & Sons Inc. Class A	United States	Communication Services	125	9	8
Johnson & Johnson	United States	Health Care	148	31	30
Magna International Inc.	Canada	Consumer Discretionary	281	30	27
Manulife Financial Corp.	Canada	Financials	365	9	9
Medifast Inc.	United States	Consumer Staples	86	27	21
Microsoft Corp.	United States	Information Technology	67	24	24
Moelis & Co.	United States	Financials	134	11	11
Nutrien Ltd.	Canada	Materials	366	28	30
OneMain Holdings Inc.	United States	Financials	403	29	28
Open Text Corp.	Canada	Information Technology	455	30	28
Oracle Corp.	United States	Information Technology	301	32	33
Packaging Corp. of America	United States	Materials	174	32	30
Pfizer Inc.	United States	Health Care	611	34	33
Quebecor Inc. Class B Sub. voting	Canada	Communication Services	899	29	28
Reliance Steel & Aluminum Co.	United States	Materials	53	10	10
Tourmaline Oil Corp.	Canada	Energy	610	24	27
Westlake Chemical Corp.	United States	Materials	253	28	29
Westshore Terminals Investment Corp.	Canada	Industrials	364	9	9
				600	588
<b>COMMISSIONS AND OTHER PORTFOLIO TRANSACTION COSTS</b>				-	-
<b>TOTAL INVESTMENTS</b>				600	588
<b>Net Assets</b>					
Total investments					588
Cash and cash equivalents					1
Other net assets (liabilities)					2
					591

**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)

	<b>% of net assets</b>
<b>BY ASSET TYPE</b>	
Equities	99.5
Cash and cash equivalents	0.2
Other	0.3
<b>Total</b>	<b>100.0</b>
<b>BY REGION</b>	
United States	54.8
Canada	45.0
Cash and cash equivalents	0.2
	<b>100.0</b>
<b>BY SECTOR</b>	
Information Technology	19.5
Materials	18.6
Financials	11.0
Consumer Staples	11.0
Health Care	10.8
Energy	9.5
Communication Services	8.8
Consumer Discretionary	8.8
Industrials	1.5
Cash and cash equivalents	0.2
Other	0.3
	<b>100.0</b>

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

The information provided in these financial statements and notes thereto is from inception to September 30, 2021. 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 most recent audited annual financial statements for the Counsel Component funds as at 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.

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, 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.

**5. INCOME TAXES**

The Fund qualifies as a unit trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its securityholders as at the end of the taxation year. It is the intention of the Fund to distribute all of its net income and sufficient net realized capital gains so that the Fund will not be subject to income taxes other than foreign withholding taxes, if applicable. The Fund's taxation year end is December 31.

Losses of the Fund cannot be allocated to securityholders and are retained in the Fund for use in future years. Non-capital losses incurred may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Net capital losses may be carried forward indefinitely to reduce future realized capital gains. Refer to Note 9 (d) for a summary of the Fund's loss carryforwards.



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

No management or administration fee is charged to investors in the fund by Counsel as its sole series is designed to facilitate interfund investments by other Counsel funds. 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 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 (%)
Series 0 <sup>1</sup>	June 16, 2021	–	–	–

<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.

**(b) Investment Objectives and Strategies**

The Fund seeks to achieve long-term capital growth by investing primarily in North American listed equity securities. The sub-advisor uses fundamental analysis, quantitative analysis, and proprietary models in the security selection process and aims to identify those companies best able to sustain and raise their dividends and to avoid those most likely to cut their payouts without emphasis on sector allocation.

**(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	324	–	–	324				
Total	324	–	–	324				
As percent of net assets (%)				54.8				
Total sensitivity to currency rate changes					(16)	(2.7)	16	2.7

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

## ii. Interest Rate Risk

As at September 30, 2021, the Fund did not have a significant exposure to interest rate risk related to fixed income investments.

## iii. Other Price Risk

Impact on net assets	Increase by 10%		Decrease by 10%	
	(\$)	(%)	(\$)	(%)
September 30, 2021	59	10.0	(59)	(10.0)

## iv. Credit Risk

As at September 30, 2021, the Fund did not have a significant exposure to credit risk related to fixed income investments.

**(d) Fair Value Classification**

The table below summarizes 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	–	–	–	–
Equities	588	–	–	588
Cash equivalents	–	–	–	–
Derivative assets	–	–	–	–
Derivative liabilities	–	–	–	–
Total	588	–	–	588

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

**(e) Seed capital Investment**

As of September 30, 2021, Counsel maintained an initial seed capital investment of 25.4% of the Fund's NAV.

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