

COUNSEL | PORTFOLIO SERVICES

Counsel Defensive Global Equity

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the year ended March 31, 2021

Fund Manager

Counsel Portfolio Services Inc.

Sub-Advisor

Irish Life Investment Managers Limited

This Annual Management Report of Fund Performance contains financial highlights but does not contain either the annual or interim financial statements of the investment fund. You may obtain a copy of the financial statements, at no cost, by calling toll-free at 1-877-216-4979, by writing to us at Counsel Portfolio Services Inc, 5015 Spectrum Way, Suite 300, Mississauga, Ontario, L4W 0E4, by visiting our website at www.counsel-services.com or by visiting the SEDAR website at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure. For more information, please refer to the Fund's Simplified Prospectus and Annual Information Form, which may also be obtained, at no cost, using any of the methods outlined above.

For the Fund's current net asset values per security and for more recent information on general market events, please visit our website listed above.

CAUTION ON FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements which reflect our current expectations or forecasts of future events. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as: "expects", "anticipates", "intends", "plans", "believes", "estimates", "preliminary", "typical" and other similar expressions. In addition, these statements may relate to future corporate actions, future financial performance of a fund or a security and their future investment strategies and prospects. Forward-looking statements are inherently subject to, among other things, risks, uncertainties and assumptions which could cause actual events, results, performance or prospects to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, the volatility of global equity and capital markets, business competition, technological change, changes in securities legislation, changes in government regulations, changes in tax law, unexpected judicial or regulatory proceedings, catastrophic events, outbreaks of disease or pandemics (such as COVID-19), and the ability of Counsel Portfolio Services Inc. to attract or retain key employees. The foregoing list of important risks, uncertainties and assumptions is not exhaustive. Please consider these and other factors carefully and do not place undue reliance on forward-looking statements.

The forward-looking information contained in this report is current only as of the date of this report. There should not be an expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.

Management Discussion of Fund Performance

June 8, 2021

This Management Discussion of Fund Performance presents the views of Counsel Portfolio Services Inc. (“Counsel”) on the significant factors and developments during the year ended March 31, 2021 that have affected the Fund’s performance and outlook. For information on the Fund’s longer-term performance, please refer to the *Past Performance* section of the report.

In addition, net asset value (NAV) refers to the value of the Fund or a series, as calculated for transaction purposes, on which the discussion of Fund performance is based.

Investment Objective and Strategies

The Fund seeks to achieve long-term capital growth while maintaining a commitment to protection of its capital through strategies that position the Fund defensively during times of market stress. The Fund invests primarily in global equity securities either directly or indirectly through other investment funds, and/or through the use of derivatives such as futures and forward contracts.

Risk

The risks of investing in the Fund generally remain as discussed in the Fund’s initial Simplified Prospectus. The Fund is suitable for investors who: want exposure to global equity securities; are investing for the long term; can handle the volatility of stock markets; and have a low to medium tolerance for risk. The Fund is only available on a prospectus-exempt basis and is not available to registered investors.

Results of Operations

Investment Performance

The performance of the Fund’s Series A securities is discussed below. The performance of all other series offered by the Fund is shown in the *Past Performance* section of this report. Where series returns differ, it is primarily because different levels of fees and expenses were charged to each series, or because securities of a series were not issued and outstanding for the entire reporting period. Please refer to the *Series Information* section of this report for the varying management and administration fees payable by series.

During the year, the Fund’s Series O securities returned 24.09%. This compares with a 36.01% return of the MSCI World Index (the “Index”). All index and series returns are calculated on a total return basis in Canadian dollar terms.

Most global equity markets rebounded to all-time highs following the pandemic-driven collapse in March 2020. News of successful vaccine development helped lift stocks expected to benefit from the lifting of lockdown restrictions. However, waves of COVID-19 infections and hospitalizations in the second half of the period slowed reopening in many regions. In response, governments continued to provide significant stimulus to boost struggling economies. Within the MSCI World Index, Austria, the Netherlands, and the United States were the strongest-performing countries, while New Zealand, Portugal, and the United Kingdom were the weakest. The Consumer Discretionary, Information Technology and Materials sectors were the strongest performers, while Utilities, Consumer Staples and Healthcare were the weakest.

The sub-advisor employs a multi-factor quantitative investment signal, which weighs momentum, valuation, and macroeconomic factors to determine the Fund’s investment level in global equity markets versus cash. The quantitative signal moves on a daily basis which triggers adjustments to the allocation between equities and cash, which can vary between 100% equities or 100% cash.

The Fund’s average equity weight from April to end June was 60%. The Fund returned to a 100% target equity weight at the start of July as the quantitative investment signal turned positive. After the sharp sell-off in March, the subsequent market recovery led to the index recovering much of its losses prior to the Fund becoming fully re-invested resulting in the Fund underperforming the Index. Performance in Q3 and Q4 2020 and Q1 2021 was broadly in line with the Index.

During the year, the U.S. dollar (“USD”), Euro (“EUR”), British Pound (“GBP”) and Japanese Yen (“JPY”) depreciated 10.87%, 5.12%, 0.69%, and 13.39% respectively against the Canadian dollar (“CAD”). As a result, the Fund’s foreign currency exposures detracted from returns.

Net Assets

The Fund’s NAV increased by \$35.6 million, or 17.7%, to \$236.5 million as at March 31, 2021, from \$200.9 million at March 31, 2020. Of this increase, \$52.6 million was attributable to investment performance (after deducting fees and expenses) and partially offset by \$17.0 million of net redemptions.

Fees and Expenses

The Management Expense Ratio (“MER”) for Series O of 0.01%, during the year ended March 31, 2021, was slightly higher than the MER of 0.00% for the year ended March 31, 2020. No expenses (including management or administration fees) are charged to Series O, other than certain specific fund costs (primarily interest). The MER primarily represents the Fund’s proportionate share of expenses in underlying investment funds.

Recent Developments

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

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

With the global economy in the initial stages of a new cycle and with strong economic and earnings growth forecast over the next two years, the sub-advisor believe markets could deliver attractive returns over the next 12 months. While equity markets are expensive in absolute terms, they remain very attractive in relative terms given the low yields available on fixed income. Global growth expectations have accelerated due to U.S. stimulus, accommodative central banks, and the ongoing vaccine rollout.

The sub-advisor notes that potential risks to the positive outlook include a resurgence in COVID-19 cases and a failure to contain the virus, vaccines proving to be ineffective in treating new variants which would threaten the improving growth backdrop, fiscal and monetary supports being reduced, or further significant rises in bond yields which would diminish the relative valuation case for equities. The probability of these occurring is viewed as being low.

The Fund is expected to remain unhedged against foreign currencies subject to Counsel’s discretion based on its assessment of currency market conditions.

Effective February 24, 2021, Martin Taylor retired as a member of the Counsel Funds’ Independent Review Committee.

Related Party Transactions

Management and Administration Services

Top Funds represent nearly all of the Fund's investors. As a result, Counsel pays all costs and expenses (other than certain specified fund costs) required to operate the Fund. No management or administration fees are paid by the Fund.

Other Related Party Transactions

Other investment funds managed by Counsel ("Top Funds") invest in Series O securities offered by the Fund on a prospectus-exempt basis in accordance with the investment objectives of those funds. At March 31, 2021, Top Funds owned nearly 100% of the Fund's NAV. As of March 31, 2021, Counsel had not received notice of any large redemptions. All related party transactions are based on the NAV per security on each transaction day.

Counsel is a subsidiary of IGM Financial Inc. ("IGM"). IGM is a subsidiary of Power Financial Corporation, which in turn is a subsidiary of Power Corporation of Canada. Companies related to Power Corporation of Canada are therefore considered affiliates of Counsel. As at March 31, 2021, the Fund held investments in Power Corporation of Canada, Great-West Lifeco Inc. (a subsidiary thereof), and several overseas investments indirectly affiliated with IGM Financial Inc. through Power Corporation of Canada. As at March 31, 2021, the value of these investments was in aggregate \$0.5 million representing 0.2% of the Fund's net assets. The IRC approved these policies on the basis that these investments would:

(i) is made free from any influence by an entity related to Counsel and without taking into account any considerations relevant to an entity related to Counsel;

(ii) represents the business judgment of the sub-advisor, uninfluenced by considerations other than the best interests of the Fund;

(iii) made as part of a strategy where the value of such an investment is determined based on its relative weighting in an index; and

(iv) achieves a fair and reasonable result for the Fund.

Past Performance

The indicated rates of return are the historical annual compound total returns, including changes in NAV per security and assuming reinvestment of all distributions. They do not take into account sales, redemption, distribution or optional sales charges, management fees directly payable by investors or income taxes payable by any investor that would have reduced returns. Returns for each series primarily differ because fees and expenses vary for each series. Please refer to *Series Information* for further information. The past performance of the Fund is not necessarily an indication of how it will perform in the future.

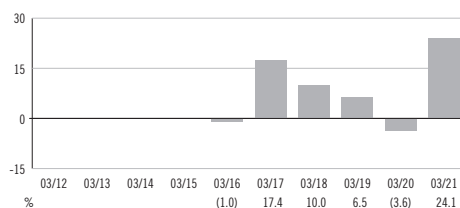
If you hold this Fund outside of a registered plan, income and capital gains distributions paid to you increase your income for tax purposes, whether paid in cash or reinvested in additional securities. The amount of reinvested taxable distributions is added to the adjusted cost base of the securities that you own. This would decrease your capital gain or increase your capital loss when you later redeem from the Fund, thereby ensuring that you are not taxed on this amount again. Please consult your tax advisor regarding your personal tax situation.

Year-by-Year Returns

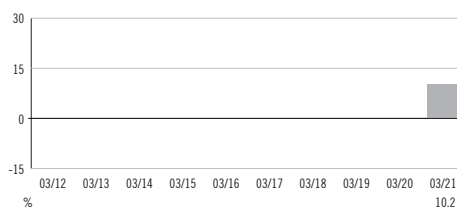
The bar chart shows how much an investment made on the first day of each financial year would have increased or decreased by the end of the respective periods. For the first year of a series, the percentage

shown will be the actual return of the series from its inception date, which can be found under *Series Information*. The chart illustrates how the Fund's performance has changed over time.

SERIES O



SERIES PRIVATE WEALTH



Annual Compound Returns

The Annual Compound Return table shows the annual compound total return for each series of the Fund for the periods shown ended March 31, 2021. The annual compound total return is also compared to the Fund's benchmark(s)¹ calculated on the same compound basis.

(%)	1 yr	3 yrs	5 yrs	10 yrs	Since inception ²
Series O	24.09	8.38	10.46	n/a	9.80
Series Private Wealth	n/a	n/a	n/a	n/a	10.21
MSCI World Total Return Index	36.01	11.86	12.71	n/a	Note 3

¹ The MSCI World Total Return Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets.

² Inception dates vary by series.

³ The returns of the MSCI World Total Return Index since inception for each applicable series are: Series O 11.31 and Series Private Wealth 11.82.

Summary of Investment Portfolio

as at March 31, 2021

The largest holdings of the Fund (up to 25) as at the end of the period and the major asset classes in which the Fund was invested are indicated below.

The investments and percentages may have changed by the time you purchase securities of this Fund.

The top 25 holdings are made available quarterly, 60 days after quarter-end, except for March 31, which is the fiscal year-end for the Fund, when they are available after 90 days. Please see the front page for information about how they can be obtained.

The effective allocation shows the regional, sector and currency exposure of the Fund calculated by including the Fund's proportionate share of its holdings in Underlying Funds and index participation securities. The Simplified Prospectus and other information about each of the Underlying Funds are available on the SEDAR website at www.sedar.com.

Summary of Top 25 Holdings

	% of net asset value
Apple Inc.	4.3
Microsoft Corp.	3.3
Amazon.com Inc.	2.5
Cash and cash equivalents	1.9
Alphabet Inc. Class A	1.3
Alphabet Inc. Class C	1.3
NVIDIA Corp.	1.0
Facebook Inc.	1.0
The Home Depot Inc.	0.8
JPMorgan Chase & Co.	0.8
The Walt Disney Co.	0.8
UnitedHealth Group Inc.	0.8
Tesla Inc.	0.7
Visa Inc. Class A	0.6
Mastercard Inc. Class A	0.6
Netflix Inc.	0.6
The Procter & Gamble Co.	0.6
Adobe Systems Inc.	0.5
Comcast Corp. Class A	0.5
PepsiCo Inc.	0.5
Nestle SA Reg.	0.5
Intel Corp.	0.5
ASML Holding NV	0.5
PayPal Holdings Inc.	0.5
Merck & Co. Inc.	0.5
	26.9

Summary of Composition of the Portfolio

% of net asset value

BY ASSET TYPE	
Equities	99.7
Equity Futures*	-
Cash and cash equivalents	1.9
Other	(1.6)
Total	100.0

EFFECTIVE SECTOR ALLOCATION	
Information Technology	21.4
Financials	15.0
Health Care	12.2
Consumer Discretionary	11.6
Industrials	11.1
Communication Services	9.3
Consumer Staples	6.9
Materials	4.9
Real Estate	3.3
Energy	3.1
Utilities	2.8
Cash and cash equivalents	1.9
Other	(3.5)
	100.0

EFFECTIVE REGIONAL ALLOCATION	
United States	64.8
Europe ex U.K.	16.2
Japan	7.2
United Kingdom	4.2
Pacific ex Japan	3.7
Canada	1.9
Middle East and Africa	0.1
Cash and cash equivalents	1.9
	100.0

EFFECTIVE CURRENCY EXPOSURE	
United States dollars	65.0
Euro	10.9
Japanese yen	7.3
United Kingdom pounds	4.2
Canadian dollars	3.1
Swiss franc	3.0
Australian dollars	2.1
Other	4.3
	100.0

* Equity futures have a notional value of 1.9% of NAV.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for each of the fiscal periods presented below. If during the period a fund or series was established or reinstated, "period" represents the period from inception to the end of that fiscal period.

Series inception dates can be found under *Series Information*.

Net Assets per Security¹

Series O (in \$)	12 mo Mar. 31 2021	12 mo Mar. 31 2020	12 mo Mar. 31 2019	12 mo Mar. 31 2018	12 mo Mar. 31 2017
Net assets, beginning of period	10.93	11.84	11.54	11.40	9.90
Increase (decrease) from operations:					
Total revenue	0.72	0.36	0.24	–	0.24
Total expenses	(0.01)	(0.01)	(0.01)	–	(0.02)
Realized gains (losses) for the period	0.23	(0.26)	0.21	–	0.85
Unrealized gains (losses) for the period	1.65	(0.48)	0.29	0.71	0.65
² Total increase (decrease) from operations	2.59	(0.39)	0.73	0.71	1.72
Distributions:					
From income (excluding Canadian dividends)	(0.52)	(0.45)	(0.30)	(0.36)	(0.20)
From Canadian dividends	(0.01)	(0.01)	(0.01)	(0.04)	–
From capital gains	(0.05)	(0.08)	(0.12)	(0.58)	–
Return of capital	–	–	–	–	–
³ Total annual distributions	(0.58)	(0.54)	(0.43)	(0.98)	(0.20)
Net assets at period end	12.91	10.93	11.84	11.54	11.40

Series Private Wealth (in \$)	12 mo Mar. 31 2021	12 mo Mar. 31 2020	12 mo Mar. 31 2019	12 mo Mar. 31 2018	12 mo Mar. 31 2017
Net assets, beginning of period	10.00	n/a	n/a	n/a	n/a
Increase (decrease) from operations:					
Total revenue	0.28	n/a	n/a	n/a	n/a
Total expenses	–	n/a	n/a	n/a	n/a
Realized gains (losses) for the period	0.10	n/a	n/a	n/a	n/a
Unrealized gains (losses) for the period	0.63	n/a	n/a	n/a	n/a
² Total increase (decrease) from operations	1.01	n/a	n/a	n/a	n/a
Distributions:					
From income (excluding Canadian dividends)	(0.12)	n/a	n/a	n/a	n/a
From Canadian dividends	–	n/a	n/a	n/a	n/a
From capital gains	(0.05)	n/a	n/a	n/a	n/a
Return of capital	–	n/a	n/a	n/a	n/a
³ Total annual distributions	(0.17)	n/a	n/a	n/a	n/a
Net assets at period end	10.85	n/a	n/a	n/a	n/a

¹ These calculations are prescribed by securities regulations and are not intended to be a reconciliation between opening and closing net assets per security. The information presented is derived from the Fund's financial statements prepared in accordance with IFRS. The net assets presented here in this table and in the financial statements may differ from the NAV; an explanation of these differences can be found in Note 2 of the Fund's Financial Statements.

² NAV and distributions per security figures are based on the actual number of securities outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of securities outstanding over the financial period.

³ Distributions were paid in cash, reinvested in additional securities of the Fund, or both.

Ratios and Supplemental Data

Series O (in \$)	12 mo	12 mo	12 mo	12 mo	12 mo
	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017
¹ Total net asset value (\$000's)	236,472	200,907	134,481	97,840	66,143
¹ Securities Outstanding (000's)	18,320	18,388	11,355	8,477	5,800
² Management expense ratio (%)	0.01	–	–	0.01	0.25
² Management expense ratio before waivers or absorptions (%)	0.01	–	–	0.01	0.25
³ Trading expense ratio (%)	0.06	0.05	0.06	0.04	0.18
⁴ Portfolio turnover rate (%)	71.15	–	35.12	1.75	183.57

Series Private Wealth (in \$)	12 mo	12 mo	12 mo	12 mo	12 mo
	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017
¹ Total net asset value (\$000's)	1	n/a	n/a	n/a	n/a
¹ Securities Outstanding (000's)	–	n/a	n/a	n/a	n/a
² Management expense ratio (%)	0.18	n/a	n/a	n/a	n/a
² Management expense ratio before waivers or absorptions (%)	0.18	n/a	n/a	n/a	n/a
³ Trading expense ratio (%)	0.06	n/a	n/a	n/a	n/a
⁴ Portfolio turnover rate (%)	71.15	n/a	n/a	n/a	n/a

¹ This information is provided as at the end of the fiscal period shown.

² MER and MER before waivers or absorptions ("Gross MER") are based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of average daily NAV during the period. In the period a series is established, the MERs and Gross MERs are annualized from the date of inception to the end of the period. MER and Gross MER may be impacted by decreases and/or increases in management fees and/or administration fees as discussed under Series Information. Where the Fund invests in securities of an Underlying Fund, the MERs and Gross MERs presented for the Fund include the portion of MERs of the Underlying Fund(s) attributable to this investment.

³ The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs incurred as an annualized percentage of the daily average NAV during the period. Where the Fund invests in securities of an Underlying Fund, the TERs presented for the Fund include the portion of TERs of its Underlying Fund(s) attributable to this investment.

⁴ The portfolio turnover rate ("PTR") indicates how actively the portfolio advisor manages the investments. A PTR of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher PTR in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high PTR and the performance of the Fund. Costs incurred to realign the Fund's portfolio after a fund merger, if any, are excluded from the PTR.

Series Information

The Fund may issue an unlimited number of securities for each series. The number of issued and outstanding securities of each series is disclosed in *Financial Highlights*. A 10-year history of the major changes affecting the Fund can be found in the Fund's Annual Information Form, available at www.counsel-services.com.

	Date of Inception	Minimum Investment (\$)	Management Fee (%)	Administration Fee ³ (%)
Series O ¹	January 7, 2016	–	–	–
Series Private Wealth ²	October 19, 2020	–	–	0.15

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

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

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

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