

IPC MULTI-FACTOR INTERNATIONAL EQUITY

Annual Management Report of Fund Performance

For the Year Ended March 31, 2023

Fund Manager
Counsel Portfolio Services Inc.

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.ipcessentials.ca 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, Annual Information Form and Fund Facts, which may also be obtained, at no cost, using any of the methods outlined above.

For the Fund's current net asset value per security for series available via prospectus and for more recent information on general market events, please visit our website.

A NOTE 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.

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Management Discussion of Fund Performance

June 5, 2023

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, 2023 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 by primarily investing, either directly or indirectly, in a portfolio of international equities by seeking to track a factor-based index. Currently, the Fund tracks the SciBeta Developed ex USA ex Canada CPS Core-ESG High-Factor-Intensity Diversified Multi-Beta Multi-Strategy 6-Factor 4-Strategy EW Index which seeks to enhance returns, reduce volatility and improve diversification when compared to a market capitalization weighted index.

Risk

The risks of investing in the Fund remain as discussed in the Fund's Simplified Prospectus. The Fund is suitable for investors who: are looking for an international equity fund to hold as part of their portfolio; want a medium to long-term investment; can handle the volatility of stock markets; and have medium tolerance for risk. The Fund is only available on a prospectus-exempt basis.

Results of Operations

Investment Performance

The performance of the Fund's Series Private Wealth 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 Private Wealth securities returned 4.62%. This compares with a 6.86% return of the broad-based MSCI EAFE Index (the "Index"). All index and series returns are calculated on a total return basis in Canadian dollar terms. Investors cannot invest in an index without incurring fees, expenses, and commissions, none of which are reflected in the index returns.

European equities generated positive returns over the period, and currency movements generally increased returns in Canadian dollar terms. Energy prices, while remaining relatively high, fell as concerns about the possibility of a recession grew. In Europe, inflation declined from peak levels but remained elevated, while bond yields rose significantly. Despite some volatility, Japanese stocks ended the period largely unchanged. In China, the lifting of pandemic-related lockdowns led to swift economic reopening. Within the MSCI EAFE (Net) Index, Denmark, Ireland and Spain were the strongest-performing markets, while Norway, Israel and Australia were the weakest. The Energy, Consumer Discretionary and Consumer Staples sectors were the strongest performers, while Real Estate, Communication Services and Materials were the weakest.

The Fund outperformed the Index primarily due to its security selection within France and the United Kingdom, as well as in the Real Estate sector.

During the year, the Euro ("EUR") and British Pound ("GBP") appreciated 6.10% and 1.88% respectively against the Canadian dollar ("CAD") contributing to the Fund's performance as it was generally unhedged against those currencies. The

Japanese Yen ("JPY") depreciated 0.78% against the CAD detracting from the Fund's performance. As of year-end, the Fund maintained a target hedge of 12.5% against the GBP established on March 28, 2023 but was otherwise unhedged as of March 31, 2023.

Net Assets

The Fund's NAV declined by \$40.0 million, or 18.5%, to \$175.9 million as at March 31, 2023, from \$215.9 million at March 31, 2022. Of this decrease, \$47.3 million was attributable to net redemptions and slightly offset by a \$7.3 million increase due to investment performance (after deducting fees and expenses).

Fees and Expenses

The annualized management expense ratio ("MER") for each series during the year ended March 31, 2023, was generally similar to the MER for the year ended March 31, 2022. Total expenses paid vary from period to period mainly as a result of changes in average assets in each series. Please note that no management fees are charged to the Fund; see the *Series Information* section of this report for further details. The MERs for all series (before and after waivers or absorptions, if any) are presented in the *Financial Highlights* section of this report.

Recent Developments

Late in the period, global economic growth picked up, supported by a warm winter in Europe and the end of China's "zero-Covid" policy. Purchasing Manager Indexes ("PMIs") suggest that real activity in advanced economies continues to shrug off the effects of higher interest rates. According to the flash PMIs, GDP and employment growth both got off to a strong start in Q2 2023, even amid the banking sector turmoil. Mitigating this tailwind is the fact that inflationary pressures are no longer easing, meaning that central banks may need to raise interest rates a bit further in order to deflate wage pressures and bring sticky core inflation back to target. However, Counsel's portfolio management team believes that the majority of central banks globally have now reached or are approaching the end of their cycle of rate increases. The team expects that a systemic banking crisis will be avoided, but that a further tightening in credit conditions will nonetheless add to pressures on the global economy that we already expected to slip into recession later this year. With that in mind, we expect equities to struggle from here. Supporting this view is a group of financial conditions indices that the team tracks which show that financial conditions in advanced economies are about the tightest that they have been since the Global Financial Crisis in 2008-09 and so are likely to act as a headwind to economic activity. Despite market expectations, the team does not expect interest rate cuts in the near term.

On April 3, 2023, The Canada Life Assurance Company announced an agreement to acquire Investment Planning Counsel Inc. (the parent company of Counsel). The transaction is expected to be completed within 2023. Counsel will continue operate as manager of the Counsel Funds and the agreement is not expected to impact the Fund's operations.

In late April 2023, Counsel increased the target GBP hedge from 12.5% to 25% and introduced a 12.5% hedge against the EUR. Currency hedging is dynamic and may vary between 0-100% at our discretion based on our assessment of currency market conditions.

Effective March 31, 2023, KPMG LLP was appointed as the auditor of the Fund.

Related Party Transactions

Management and Administration Services

For each applicable series, the Fund paid management fees and administration fees to Counsel at the annual rates specified under *Series Information* in this report and as more fully described in the Simplified Prospectus. In return for the administration fees, Counsel pays all costs and expenses (other than certain specified fund costs) required to operate the Fund. See also *Management Fees*.

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Portfolio Transaction Services

Mackenzie Financial Corporation, an affiliate of Counsel, provides portfolio transaction services to the Fund. The Fund pays no brokerage fees to Mackenzie for these services.

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. Series Private Wealth securities are issued on a prospectus-exempt basis to investors in discretionary managed account programs offered by IPC Securities Corporation, an affiliate of Counsel. At March 31, 2023, Top Funds owned 79.9% of the Fund's NAV and Series Private Wealth investors owned 20.1% of the Fund's NAV. As of March 31, 2023, 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, 2023, the Fund held investments in several overseas investments indirectly affiliated with IGM Financial Inc. through Power Corporation of Canada. The value of these investments was in aggregate \$0.7 million representing 0.4% of the Fund's net assets. The IRC approved these policies on the basis that these investments:

- (i) are 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) represent the business judgment of the sub-advisor, uninfluenced by considerations other than the best interests of the Fund;
- (iii) are 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) achieve a fair and reasonable result for the Fund.

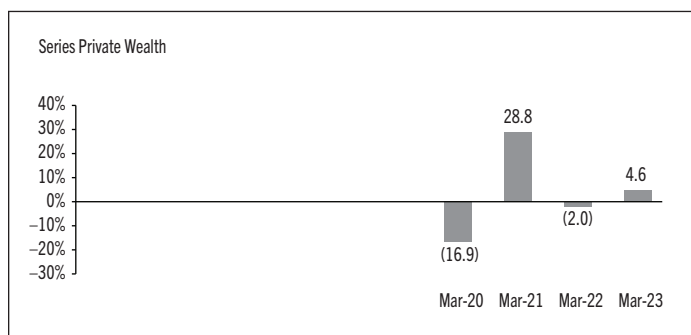
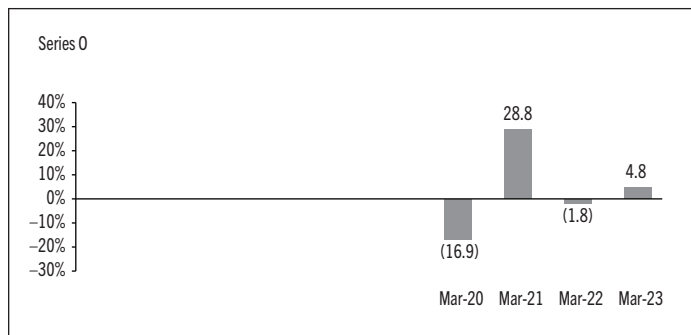
Past Performance

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 charts show 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 charts illustrate how the Fund's performance has changed over time.



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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, 2023. The annual compound total return is also compared to the Fund's benchmark(s)⁽¹⁾ calculated on the same compound basis.

(%)	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Series O	4.80	9.85	n/a	n/a	2.87
Series Private Wealth	4.62	9.74	n/a	n/a	2.79
MSCI EAFE Index	6.86	11.10	n/a	n/a	5.23

(1) MSCI EAFE® Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index consisting of a wide range of developed market equity indices (excluding U.S. and Canada).

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Summary of Investment Portfolio at March 31, 2023

ASSET TYPE	% OF NAV
Equities	98.5
Exchange-traded funds	0.7
Cash and cash equivalents	0.4
Other	0.4

EFFECTIVE SECTOR ALLOCATION	% OF NAV
Industrials	15.6
Financials	14.0
Consumer staples	13.0
Materials	10.1
Health care	9.2
Consumer discretionary	9.0
Information technology	8.9
Real estate	7.4
Communication services	4.2
Energy	4.2
Utilities	3.6
Cash and cash equivalents	0.4
Other	0.4

EFFECTIVE COUNTRY ALLOCATION	% OF NAV
Japan	23.5
United Kingdom	13.2
France	8.7
Switzerland	7.2
Germany	6.9
Netherlands	6.1
Australia	5.6
Hong Kong	3.2
Spain	2.9
Singapore	2.6
Finland	2.5
Sweden	2.3
Denmark	1.9
Norway	1.8
Other countries	11.2
Cash and cash equivalents	0.4

The effective allocation shows the country, regional or sector exposure of the Fund calculated by combining its direct and indirect investments through exchange traded funds. The Simplified Prospectus and other information about each of the Underlying Funds are available on the SEDAR website at www.sedar.com.

TOP 25 POSITIONS	% OF NAV
Issuer/Underlying Fund	
Koninklijke Ahold Delhaize NV	1.2
Wolters Kluwer NV	1.0
Total SA	0.8
Nestlé SA	0.7
Rheinmetall AG	0.7
Novo Nordisk AS	0.7
Mackenzie International Equity Index ETF	0.7
Roche Holding AG	0.7
BP PLC	0.6
Sanofi	0.6
Rio Tinto PLC	0.6
Shell PLC	0.6
Hermes International	0.5
The Sage Group PLC	0.5
Carrefour SA	0.5
Dassault Systemes SA	0.5
AstraZeneca PLC	0.5
Nokia OYJ	0.5
National Grid PLC	0.5
Yakult Hansha Co. Ltd.	0.5
United Utilities Group PLC	0.5
Banco Bilbao Vizcaya Argentaria SA	0.5
CK Asset Holdings Ltd.	0.5
Muenchener Rueckversicherungs - Gesellschaft AG	0.5
Lindt & Sprungli AG Reg.	0.5

Top long positions as a percentage of total net asset value	15.4
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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 SECURITY (\$)¹

Series O	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Net assets, beginning of period	9.86	10.40	8.27	10.00	n/a
Increase (decrease) from operations:					
Total revenue	0.34	0.31	0.24	0.08	n/a
Total expenses	(0.01)	(0.01)	(0.01)	(0.01)	n/a
Realized gains (losses) for the period	(0.48)	0.42	(0.28)	0.01	n/a
Unrealized gains (losses) for the period	0.50	(0.94)	2.32	(1.77)	n/a
Total increase (decrease) from operations²	0.35	(0.22)	2.27	(1.69)	n/a
Distributions:					
From income (excluding Canadian dividends)	(0.34)	(0.29)	(0.23)	(0.05)	n/a
From Canadian dividends	—	—	—	—	n/a
From capital gains	—	(0.09)	—	—	n/a
Return of capital	—	—	—	—	n/a
Total annual distributions³	(0.34)	(0.38)	(0.23)	(0.05)	n/a
Net assets at period end	9.96	9.86	10.40	8.27	n/a

Series Private Wealth	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Net assets, beginning of period	9.86	10.41	8.27	10.00	n/a
Increase (decrease) from operations:					
Total revenue	0.34	0.31	0.25	0.09	n/a
Total expenses	(0.03)	(0.03)	(0.03)	(0.02)	n/a
Realized gains (losses) for the period	(0.42)	0.49	(0.19)	—	n/a
Unrealized gains (losses) for the period	0.50	(0.94)	2.34	(1.77)	n/a
Total increase (decrease) from operations²	0.39	(0.17)	2.37	(1.70)	n/a
Distributions:					
From income (excluding Canadian dividends)	(0.32)	(0.27)	(0.21)	(0.04)	n/a
From Canadian dividends	—	—	—	—	n/a
From capital gains	—	(0.09)	—	—	n/a
Return of capital	—	—	—	—	n/a
Total annual distributions³	(0.32)	(0.36)	(0.21)	(0.04)	n/a
Net assets at period end	9.96	9.86	10.41	8.27	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 3 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	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Total net asset value (\$000's) ¹	140,653	177,414	160,044	94,287	n/a
Securities Outstanding (000's) ¹	14,124	17,994	15,385	11,407	n/a
Management expense ratio (%) ²	—	—	—	0.01	n/a
Management expense ratio before waivers or absorptions (%) ²	—	—	—	0.01	n/a
Trading expense ratio (%) ³	0.13	0.11	0.14	0.37	n/a
Portfolio turnover rate (%) ⁴	40.45	43.72	46.56	—	n/a

Series Private Wealth	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Total net asset value (\$000's) ¹	35,282	38,499	35,627	28,526	n/a
Securities Outstanding (000's) ¹	3,541	3,903	3,423	3,450	n/a
Management expense ratio (%) ²	0.17	0.17	0.17	0.19	n/a
Management expense ratio before waivers or absorptions (%) ²	0.17	0.17	0.17	0.19	n/a
Trading expense ratio (%) ³	0.13	0.11	0.14	0.37	n/a
Portfolio turnover rate (%) ⁴	40.45	43.72	46.56	—	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.

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Series Information

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

- (1) There are no management or administration fees for this series since these securities are designed to facilitate fund-of-fund investing where duplication of management fees is prohibited.
- (2) There are no management fees for Series Private Wealth. An investor must enter into an agreement to participate in a discretionary managed program offered by IPC Securities Corporation and agree to pay certain asset-based fees.
- (3) Counsel may, at its discretion, waive or lower the administration fee payable by investors.