

Annual Management Report of Fund Performance

For the Year Ended March 31, 2023

Fund Manager
Counsel Portfolio Services Inc.

Sub-advisor
Putnam Investments Canada ULC

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.counselservices.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, 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.

COUNSEL NORTH AMERICAN HIGH YIELD BOND

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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 a high level of income with the potential for long-term growth by either directly or through securities of other mutual funds, primarily in Canadian and U.S. fixed-income securities, as well as mortgage backed securities, equity and equity-like securities that are expected to produce income.

Risk

The overall level of risk of investing in the Fund remains as discussed in the Fund's initial Simplified Prospectus. The Fund is suitable for investors who: seek North American fixed income investments to hold as part of their portfolio; want a short to medium-term investment; can handle the volatility of bond 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 O 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 4.02%. This compares with a 4.49% return of the mandate-specific index Bank of America Merrill Lynch High Yield Total Return Index and a -2.01% return of the FTSE Canada Bond Universe Total Return. 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.

In response to persistently high inflation, the U.S. Federal Reserve increased the federal funds rate by 450 basis points over the period to end at a target of 4.75%–5.00%. Concerns that higher interest rates could cause a recession were reflected in rising yields for high-yield bonds, with credit spreads (the difference in yield between high-yield and investment grade bonds) near the long-term average.

The Fund outperformed the broad-based FTSE Canada Bond Universe Total Return Index. The broad-based index is comprised of Canadian fixed-income securities and has no exposure to high-yield fixed income, whereas the Fund invests in both Canadian and U.S. high-yield fixed-income securities which outperformed investment grade securities in the period. Given the Fund's composition, the mandate-specific index provides a more meaningful comparison. The Fund underperformed the mandate-specific index primarily due to security selection within the Communication Services and Healthcare sectors.

During the year, the U.S. dollar ("USD") appreciated 8.22% against the Canadian dollar ("CAD") contributing to the Fund's performance as it was generally unhedged.

Net Assets

The Fund's NAV declined by \$18.9 million, or 17.8%, to \$87.0 million as at March 31, 2023, from \$105.9 million at March 31, 2022. Of this decrease, \$21.1 million was attributable to net redemptions and slightly offset by a \$2.2 million increase due to investment performance.

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

The sub-advisor notes that, as we progress through 2023, it has a cautious outlook for the high yield market, with an expectation for elevated volatility. Corporate fundamentals were strong entering 2023 and have been resilient up until now. The sub-advisor does not believe a recession is imminent absent further distress in the financial sector, although a recession could occur by 2024. The sub-advisor believes that valuations are still somewhat attractive for high yield bonds and credit spreads, although elevated, do not indicate a harsh recession. Macroeconomic forces of bank volatility, high inflation, central bank interest rate increases, slowing growth and geopolitical impacts on energy remain considerable headwinds though the sub-advisor believes we are nearing a point where the cycle of hiking interest rates will start to wind down, particularly following the recent bank turmoil.

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.

The Fund remains unhedged against the USD. 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

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. As a result of these investments, the Fund is subject to large transaction risk as discussed in the Counsel Funds' Simplified Prospectus. Counsel manages this risk to reduce the possibility of any adverse effect on the Fund or on its investors, through such processes as requiring advance notice of large redemptions. At March 31, 2023, Top Funds owned nearly 100% of the Fund's NAV. As of March 31, 2023, Counsel had not received any additional notice of large redemptions. All related party transactions are based on the NAV per security on each transaction day.

During the year, the Fund did not rely on an approval, positive recommendation, or standing instruction from the Counsel Funds' Independent Review Committee ("IRC") with respect to any related party transactions.

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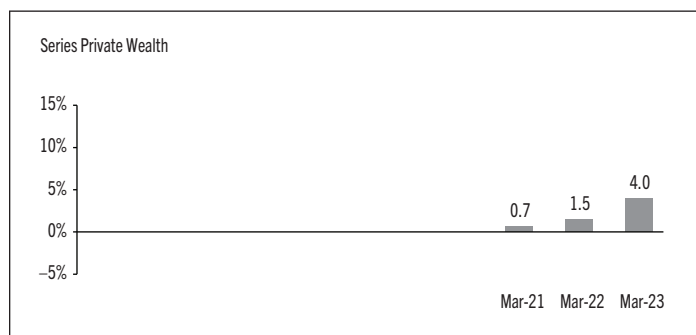
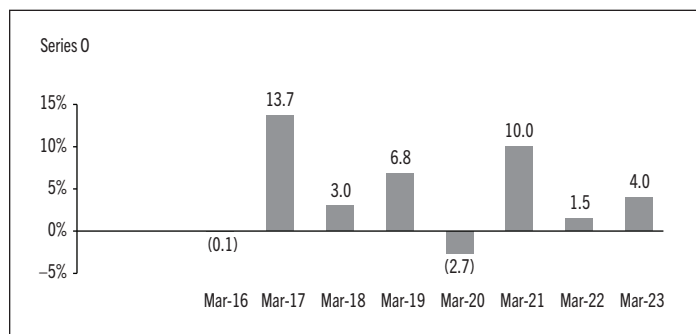
Past Performance

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.



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 ²
Series 0	4.02	5.13	3.84	n/a	4.76
Series Private Wealth	4.01	n/a	n/a	n/a	2.53
ICE Bank of America Merrill Lynch US High Yield Index	(2.01)	(1.67)	0.89	n/a	Note 3
FTSE Canada Universe Bond Index	4.49	4.08	4.06	n/a	Note 4

(1) The ICE Bank of America Merrill Lynch US High Yield Index tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market.

The FTSE Canada Universe Bond Index is a broad measure of the total return of Canadian bonds that mature in more than one year. It includes a broad range of Canadian federal, provincial, municipal and corporate bonds rated BBB or higher.

(2) Inception dates vary by series.

(3) The returns of the FTSE Canada Universe Bond Index since inception for each applicable series are: Series 0 1.35 and Series Private Wealth -4.48.

(4) The returns of the ICE Bank of America Merrill Lynch US High Yield Index since inception for each applicable series are: Series 0 4.90 and Series Private Wealth 1.92.

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Summary of Investment Portfolio at March 31, 2023

EFFECTIVE ASSET TYPE	% OF NAV
Corporate bonds	88.1
Term loans	7.6
Equities	1.1
Cash and cash equivalents	2.8
Other	0.4

EFFECTIVE COUNTRY ALLOCATION	% OF NAV
United States	87.7
Canada	3.6
Israel	1.3
United Kingdom	1.1
Luxembourg	1.0
France	0.8
Netherlands	0.8
Germany	0.4
Zambia	0.3
Ireland	0.1
Peru	0.1
Cash and cash equivalents	2.8

BONDS BY CREDIT RATING*	% OF NAV
A	0.2
BBB	5.5
BB	38.9
B	36.3
Less than CCC	10.1
Unrated	3.7

* Credit ratings and rating categories are based on ratings issued by a designated rating organization.

The effective allocation shows the country, regional or asset type exposure of the Fund calculated by combining its direct investments, exchange traded funds, and derivatives.

TOP 25 POSITIONS	% OF NAV
Issuer	
Cash and cash equivalents	2.8
Occidental Petroleum Corp. 6.45% 09-15-2036	1.2
Altice France 5.50% 01-15-2028	0.8
ZoomInfo Technologies LLC 3.88% 02-01-2029	0.8
Southwestern Energy Co. 5.38% 02-01-2029	0.7
HCA Healthcare Inc. 5.38% 09-01-2026 Callable 2026	0.7
Teva Pharmaceutical Finance Netherlands III BV 5.13% 05-09-2029	0.7
Endeavor Energy Resources LP 5.75% 01-30-2028 Callable 2023	0.6
Merck & Co. Inc. 5.13% 04-30-2031	0.6
Watco Cos LLC 6.50% 06-15-2027	0.6
Imola Merger Corp. 4.75% 05-15-2029	0.6
Ziggo Bond Co. BV 6.00% 01-15-2027 Callable	0.6
Ford Motor Credit Co. LLC 4.00% 11-13-2030	0.6
Hilton Domestic Operating Co. Inc. 4.88% 01-15-2030 Callable 2025	0.6
Boyd Gaming Corp. 4.75% 06-15-2031	0.6
GFL Environmental Inc. 4.75% 06-15-2029	0.6
Sprint Capital Corp. 6.88% 11-15-2028	0.5
Teva Pharmaceutical Finance Netherlands III BV 3.15% 10-01-2026	0.5
Precision Drilling Corp. 7.13% 01-15-2026	0.5
Mozart Debt Merger Sub Inc. 3.88% 04-01-2029	0.5
WESCO International Inc. 7.25% 06-15-2028	0.5
PetSmart Inc. Term Loan B 1st Lien F/R 01-29-2028	0.5
ArcelorMittal SA 7.00% 10-15-2039	0.5
Rockcliff Energy II LLC 5.50% 10-15-2029	0.5
TransDigm Group Inc. 6.25% 03-15-2026 Callable	0.5

Top long positions as a percentage of total net asset value	17.6
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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

	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Series O					
Net assets, beginning of period	9.08	9.43	9.05	9.87	9.81
Increase (decrease) from operations:					
Total revenue	0.54	0.50	0.51	0.57	0.61
Total expenses	—	—	—	—	—
Realized gains (losses) for the period	(0.49)	0.02	(0.14)	0.03	(0.41)
Unrealized gains (losses) for the period	0.16	(0.36)	0.52	(0.86)	0.44
Total increase (decrease) from operations ²	0.21	0.16	0.89	(0.26)	0.64
Distributions:					
From income (excluding Canadian dividends)	(0.56)	(0.50)	(0.52)	(0.57)	(0.59)
From Canadian dividends	—	—	—	—	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
Total annual distributions ³	(0.56)	(0.50)	(0.52)	(0.57)	(0.59)
Net assets at period end	8.86	9.08	9.43	9.05	9.87
Series Private Wealth					
Net assets, beginning of period	9.51	9.86	10.00	n/a	n/a
Increase (decrease) from operations:					
Total revenue	0.57	0.53	0.25	n/a	n/a
Total expenses	—	—	—	n/a	n/a
Realized gains (losses) for the period	(0.37)	(0.02)	(0.43)	n/a	n/a
Unrealized gains (losses) for the period	0.17	(0.37)	0.25	n/a	n/a
Total increase (decrease) from operations ²	0.37	0.14	0.07	n/a	n/a
Distributions:					
From income (excluding Canadian dividends)	(0.57)	(0.51)	(0.21)	n/a	n/a
From Canadian dividends	—	—	—	n/a	n/a
From capital gains	—	—	—	n/a	n/a
Return of capital	—	—	—	n/a	n/a
Total annual distributions ³	(0.57)	(0.51)	(0.21)	n/a	n/a
Net assets at period end	9.30	9.51	9.86	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 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

	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Series O					
Total net asset value (\$000's) ¹	87,003	105,903	107,150	87,402	81,315
Securities Outstanding (000's) ¹	9,821	11,668	11,367	9,654	8,242
Management expense ratio (%) ²	—	—	—	—	—
Management expense ratio before waivers or absorptions (%) ²	—	—	—	—	—
Trading expense ratio (%) ³	—	—	—	0.01	0.01
Portfolio turnover rate (%) ⁴	42.50	43.30	54.16	—	30.36
Series Private Wealth					
Total net asset value (\$000's) ¹	1	1	1	n/a	n/a
Securities Outstanding (000's) ¹	—	—	—	n/a	n/a
Management expense ratio (%) ²	0.17	0.17	0.17	n/a	n/a
Management expense ratio before waivers or absorptions (%) ²	0.17	0.17	0.17	n/a	n/a
Trading expense ratio (%) ³	—	—	—	n/a	n/a
Portfolio turnover rate (%) ⁴	42.50	43.30	54.16	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.

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Series Information

Series	Date of Inception	Minimum Investment (\$)	Management Fee (%)	Administration Fee ³ (%)
Series O ¹	October 29, 2015	—	—	—
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 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.