

**COUNSEL | PORTFOLIO SERVICES**

# *Counsel North American High Yield Bond*

ANNUAL FINANCIAL STATEMENTS

For the year ended March 31, 2018

## COUNSEL | PORTFOLIO SERVICES

# Management's *Responsibility for Financial Reporting*

To the securityholders of:

Counsel All Equity Portfolio	Counsel Conservative Portfolio Class	Counsel Income Portfolio
Counsel All Equity Portfolio Class	Counsel Defensive Global Equity	Counsel International Growth
Counsel Balanced Growth Portfolio	Counsel Fixed Income	Counsel International Value
Counsel Balanced Portfolio	Counsel Global Dividend	Counsel Money Market
Counsel Balanced Portfolio Class	Counsel Global Fixed Income	Counsel Monthly Income Portfolio
Counsel Canadian Core Fixed Income	Counsel Global Low Volatility Equity	Counsel North American High Yield Bond
Counsel Canadian Dividend	Counsel Global Real Estate	Counsel Retirement Accumulation Portfolio
Counsel Canadian Dividend Class	Counsel Global Small Cap	Counsel Retirement Foundation Portfolio
Counsel Canadian Growth	Counsel Global Trend Strategy	Counsel Retirement Income Portfolio
Counsel Canadian Growth Class	Counsel Growth Portfolio	Counsel Retirement Preservation Portfolio
Counsel Canadian Value	Counsel Growth Portfolio Class	Counsel Short Term Bond
Counsel Canadian Value Class	Counsel High Income Portfolio	Counsel U.S. Growth
Counsel Conservative Portfolio	Counsel High Yield Fixed Income	Counsel U.S. Value

(collectively, “the Funds”)

The accompanying financial statements have been prepared by Counsel Portfolio Services Inc. (“Counsel”), as manager of the Funds. The statements have been approved by the Board of Directors of Counsel (the “Board”). Management is responsible for the information and representations contained in these financial statements.

Counsel maintains internal controls over the financial reporting process to ensure that relevant and reliable financial information is provided. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies, which management believes are appropriate for the Funds, are described in note 3 to the financial statements.

The Board is responsible for reviewing and approving the financial statements and overseeing the Manager’s performance of its financial reporting responsibilities. The Board is assisted in discharging this responsibility by an Audit Committee, which reviews the financial statements and recommends them for approval by the Board. The Audit Committee also meets regularly with the Manager, internal auditors and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.

Deloitte LLP are the external auditors of the Funds. They are appointed by the Board. The external auditors have audited the financial statements in accordance with generally accepted auditing standards to enable them to express to securityholders their opinion on the financial statements.



**Chris Reynolds**  
Director



**Frank Gawlina**  
Chief Financial Officer

June 7, 2018

## Independent Auditor's Report

To the Securityholders of

Counsel All Equity Portfolio	Counsel Conservative Portfolio Class	Counsel Income Portfolio
Counsel All Equity Portfolio Class	Counsel Defensive Global Equity	Counsel International Growth
Counsel Balanced Growth Portfolio	Counsel Fixed Income	Counsel International Value
Counsel Balanced Portfolio	Counsel Global Dividend	Counsel Money Market
Counsel Balanced Portfolio Class	Counsel Global Fixed Income	Counsel Monthly Income Portfolio
Counsel Canadian Core Fixed Income	Counsel Global Low Volatility Equity	Counsel North American High Yield Bond
Counsel Canadian Dividend	Counsel Global Real Estate	Counsel Retirement Accumulation Portfolio
Counsel Canadian Dividend Class	Counsel Global Small Cap	Counsel Retirement Foundation Portfolio
Counsel Canadian Growth	Counsel Global Trend Strategy	Counsel Retirement Income Portfolio
Counsel Canadian Growth Class	Counsel Growth Portfolio	Counsel Retirement Preservation Portfolio
Counsel Canadian Value	Counsel Growth Portfolio Class	Counsel Short Term Bond
Counsel Canadian Value Class	Counsel High Income Portfolio	Counsel U.S. Growth
Counsel Conservative Portfolio	Counsel High Yield Fixed Income	Counsel U.S. Value

(collectively "the Funds")

We have audited the accompanying financial statements of the Funds, which comprise the statements of financial position, statements of comprehensive income, statements of changes in financial position and statements of cash flows as at and for the periods indicated in note 1, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Funds' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds, their financial performance and their cash flows as at and for the periods indicated in note 1 in accordance with International Financial Reporting Standards.

/s/ Deloitte LLP

Chartered Professional Accountants  
Licensed Public Accountants  
Toronto, Ontario  
June 7, 2018

**STATEMENTS OF FINANCIAL POSITION**

at March 31, 2018 with comparative figures at March 31, 2017  
(in \$ 000 except per security amounts)

	Mar. 31 2018	Mar. 31 2017
<b>Assets</b>		
<b>Current assets:</b>		
Investments at fair value	77,125	82,178
Cash and cash equivalents	5,687	4,953
Accrued interest receivable	1,296	1,250
Dividends receivable	2	3
Accounts receivable for investments sold	672	612
Accounts receivable for securities issued	39	181
Accounts receivable from the Manager	-	38
Margin with broker	-	-
Derivative assets	589	10
Other assets	-	-
	85,410	89,225
<b>Non-current assets:</b>		
Taxes recoverable	-	-
Other assets	-	-
	-	-
<b>Total assets</b>	85,410	89,225
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Bank indebtedness	-	-
Accounts payable for investments purchased	847	1,864
Accounts payable for securities redeemed	123	15
Distributions payable	-	-
Accrued expenses and miscellaneous payables	-	-
Dividends payable on investments sold short	-	-
Derivative liabilities	1,770	52
Taxes payable	-	-
Other liabilities	-	-
<b>Total liabilities</b>	2,740	1,931
<b>Net assets attributable to securityholders</b>	82,670	87,294

	Net assets attributable to securityholders			
	per security		per series	
	Mar. 31 2018	Mar. 31 2017	Mar. 31 2018	Mar. 31 2017
Series O	9.81	10.46	82,669	87,293
Series R	9.87	10.53	1	1
			82,670	87,294

**STATEMENTS OF COMPREHENSIVE INCOME**

for the periods ended March 31  
(in \$ 000 except per security amounts)

	2018	2017
<b>Income:</b>		
Dividends	44	56
Interest and other income	4,367	4,365
Net realized gain (loss)	2,666	253
Net unrealized gain (loss)	(5,579)	4,691
Income (loss) from derivatives	-	-
Income (loss) from short selling	-	-
Securities lending income	-	-
Trust income	-	-
<b>Total income</b>	1,498	9,365
<b>Expenses:</b>		
Management fees	-	-
Management fee rebates	-	-
Administration fees	-	-
Commissions and other portfolio transaction costs	14	14
Independent Review Committee costs	-	-
Interest and other charges	2	1
<b>Expenses before amounts absorbed by Manager</b>	16	15
Expenses absorbed by Manager	-	-
<b>Net expenses</b>	16	15
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	1,482	9,350
Foreign withholding tax expense (recovery)	8	8
Foreign income tax expense (recovery)	-	-
Income tax expense (recovery)	-	-
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	1,474	9,342

	Increase (decrease) in net assets attributable to securityholders from operations			
	per security		per series	
	2018	2017	2018	2017
Series O	0.30	1.31	1,474	9,342
Series R	0.30	1.33	-	-
			1,474	9,342

**STATEMENTS OF CHANGES IN FINANCIAL POSITION**

for the periods ended March 31 (in \$ 000 except when stated)

	TOTAL		SERIES O		SERIES R	
	2018	2017	2018	2017	2018	2017
<b>Net assets attributable to securityholders, beginning of period</b>	87,294	60,917	87,293	60,916	1	1
Increase (decrease) in net assets attributable to securityholders resulting from:						
<b>Operations</b>	1,474	9,342	1,474	9,342	-	-
<b>Distributions:</b>						
Income	(4,340)	(4,527)	(4,340)	(4,527)	-	-
Capital gains	(2,028)	(588)	(2,028)	(588)	-	-
Return of capital	-	-	-	-	-	-
Management fee rebates	-	-	-	-	-	-
<b>Total distributions</b>	(6,368)	(5,115)	(6,368)	(5,115)	-	-
<b>Security transactions:</b>						
Proceeds from sale of securities	39,474	28,079	39,474	28,079	-	-
Proceeds from securities issued on merger	-	-	-	-	-	-
Reinvested from distributions	6,368	5,115	6,368	5,115	-	-
Payment on redemption of securities	(45,572)	(11,044)	(45,572)	(11,044)	-	-
<b>Total security transactions</b>	270	22,150	270	22,150	-	-
<b>Increase (decrease) in assets attributable to securityholders</b>	(4,624)	26,377	(4,624)	26,377	-	-
<b>Net assets attributable to securityholders, end of period</b>	82,670	87,294	82,669	87,293	1	1
<b>Increase (decrease) in securities (in thousands):</b>						
<b>Securities outstanding, beginning of period</b>			8,345.2	6,194.1	0.1	0.1
Add (deduct):						
Securities sold			3,914.7	2,719.1	-	-
Securities issued on merger			-	-	-	-
Reinvested from distributions			630.7	493.8	-	-
Securities redeemed			(4,459.8)	(1,061.8)	-	-
<b>Securities outstanding, end of period</b>			8,430.8	8,345.2	0.1	0.1

**STATEMENTS OF CASH FLOWS**

for the periods ended March 31 (in \$ 000)

	2018	2017
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to securityholders from operations	1,474	9,342
<b>Less non-cash impact of:</b>		
Net realized loss (gain) on investments	(2,666)	(253)
Change in net unrealized loss (gain) on investments	5,579	(4,691)
Distributions received from Underlying Funds	-	-
<b>Adjustments for:</b>		
Proceeds from sale and maturity of investments	64,067	32,036
Purchases of investments	(61,841)	(52,660)
(Increase) decrease in accounts receivable and other assets	(7)	(273)
Increase (decrease) in accounts payable and other liabilities	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>6,606</b>	<b>(16,499)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from securities issued	39,616	28,145
Proceeds from securities issued on merger	-	-
Payments on redemption of securities	(45,464)	(11,173)
Distributions paid net of reinvestments	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>(5,848)</b>	<b>16,972</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>758</b>	<b>473</b>
Cash and cash equivalents at beginning of period	4,953	4,488
Effect of exchange rate fluctuations on cash and cash equivalents	(24)	(8)
<b>Cash and cash equivalents, end of period</b>	<b>5,687</b>	<b>4,953</b>
Cash	5,687	4,953
Cash equivalents	-	-
Bank indebtedness	-	-
	<b>5,687</b>	<b>4,953</b>

**Supplementary disclosures on cash flow from operating activities:**

Dividends received net of withholding taxes	37	45
Interest received net of withholding taxes	4,321	4,133
Interest paid	2	1
Income taxes paid (recovered)	-	-

## SCHEDULE OF INVESTMENTS

as at March 31, 2018

	Country	Sector	Currency*	No. of Units, Shares, or Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS</b>						
1011778 B.C. Unlimited Liability Company/New Red Finance Inc. 4.63% 01-15-2022 Callable	Canada	Corporate	USD	65,000	89	84
A Schulman Inc. 6.88% 06-01-2023 Callable	United States	Corporate	USD	45,000	61	61
Academy Ltd. Term Loan B 1st Lien F/R 07-01-2022	United States	Bank Loans	USD	61,636	82	64
Advanced Disposal Services Inc. 5.63% 11-15-2024 Callable 2019 144A	United States	Corporate	USD	170,000	225	221
The AES Corp. 4.50% 03-15-2023 Callable 2020	United States	Corporate	USD	45,000	58	59
The AES Corp. 4.88% 05-15-2023 Callable 2018	United States	Corporate	USD	55,000	69	72
The AES Corp. 5.50% 04-15-2025 Callable 2020	United States	Corporate	USD	105,000	126	140
The AES Corp. 5.13% 09-01-2027 Callable 2022	United States	Corporate	USD	270,000	351	355
Air Medical Merger 6.38% 05-15-2023 Callable 2018 144A	United States	Corporate	USD	185,000	224	227
AK Steel Corp. 6.38% 10-15-2025 Callable 2020	United States	Corporate	USD	45,000	57	55
Allegheny Technologies Inc. 5.95% 01-15-2021 Callable 2020	United States	Corporate	USD	40,000	50	53
Allegheny Technologies Inc. F/R 08-15-2023 Callable 2023	United States	Corporate	USD	135,000	182	190
Alliance Data Systems Corp. 5.38% 08-01-2022 Callable 144A	United States	Corporate	USD	80,000	106	103
Allison Transmission Inc. 5.00% 10-01-2024 Callable 144A	United States	Corporate	USD	75,000	103	96
Allison Transmission Inc. 4.75% 10-01-2027 Callable 2022 144A	United States	Corporate	USD	40,000	50	49
Ally Financial Inc. 5.75% 11-20-2025 Callable 2025	United States	Corporate	USD	155,000	216	206
Ally Financial Inc. 8.00% 11-01-2031	United States	Corporate	USD	425,000	683	671
Alpha 3 BV 6.25% 02-01-2025 Callable 2020 144A	United Kingdom	Corporate	USD	200,000	270	261
Alta Mesa Holdings LP 7.88% 12-15-2024 Callable 2019	United States	Corporate	USD	175,000	240	236
Altice SA 7.63% 02-15-2025 Callable 2020 144A	Luxembourg	Corporate	USD	200,000	282	221
AMC Entertainment Holdings Inc. 5.88% 02-15-2022 Callable 2018	United States	Corporate	USD	170,000	223	222
AMC Entertainment Holdings Inc. 5.75% 06-15-2025 Callable 2020	United States	Corporate	USD	110,000	148	140
AMC Entertainment Holdings Inc. 5.88% 11-15-2026 Callable	United States	Corporate	USD	40,000	54	51
AMC Entertainment Holdings Inc. 6.13% 05-15-2027 Callable	United States	Corporate	USD	25,000	35	32
American Builders & Contractors Supply Co. Inc. 5.75% 12-15-2023 Callable 2018 144A	United States	Corporate	USD	110,000	154	146
American International Group Inc. 8.18% 05-15-2058 (F/R @ 05-15-2038) Callable 2038	United States	Corporate	USD	75,000	135	129
American Tire Distributors Inc. 10.25% 03-01-2022 Callable 2018 144A	United States	Corporate	USD	200,000	258	264
American Woodmark Corp. 4.88% 03-15-2026 Callable 2021 144A	United States	Corporate	USD	190,000	237	240
Antero Resources Corp. 5.38% 11-01-2021 Callable	United States	Corporate	USD	45,000	50	59
Antero Resources Corp. 5.13% 12-01-2022 Callable	United States	Corporate	USD	20,000	21	26
Antero Resources Corp. 5.63% 06-01-2023 Callable	United States	Corporate	USD	155,000	200	204
ArcelorMittal SA 6.13% 06-01-2025	Luxembourg	Corporate	USD	25,000	25	35
ArcelorMittal SA 7.00% 10-15-2039	Luxembourg	Corporate	USD	225,000	330	342
Ardagh Packaging Finance PLC 7.25% 05-15-2024 Callable 2019 144A	Ireland	Corporate	USD	400,000	536	549
Ascend Learning LLC 6.88% 08-01-2025 144A	United States	Corporate	USD	140,000	182	186
Ascent Resources-Utica Holdings LLC 10.00% 04-01-2022 Callable 2020 144A	United States	Corporate	USD	65,000	89	91
Ashtead Capital Inc. 4.13% 08-15-2025 Callable 2020 144A	United Kingdom	Corporate	USD	200,000	251	248
Ashtead Capital Inc. 4.38% 08-15-2027 Callable 2022 144A	United Kingdom	Corporate	USD	200,000	252	246
ASP AMC Merger Sub Inc. Term Loan 1st Lien F/R 04-22-2024	United States	Bank Loans	USD	93,841	123	121
ASP AMC Merger Sub Inc. 8.00% 05-15-2025 Callable 2020 144A	United States	Corporate	USD	115,000	149	139
Asurion LLC Term Loan B2 2nd Lien F/R 08-04-2025	United States	Bank Loans	USD	130,000	164	172
ATS Automation Tooling Systems Inc. 6.50% 06-15-2023 Callable 2018 144A	Canada	Corporate	USD	155,000	213	209
Avaya Inc. Term Loan B-Exit 1st Lien F/R 11-09-2024	United States	Bank Loans	USD	214,463	269	279
Bank of America Corp. 6.10% 03-17-2025 Callable Series AA	United States	Corporate	USD	20,000	28	27
Bank of America Corp. 6.50% 12-31-2049 Callable 2024	United States	Corporate	USD	40,000	58	55
Baytex Energy Corp. 5.13% 06-01-2021 Callable 144A	Canada	Corporate	USD	30,000	35	36
Baytex Energy Corp. 6.63% 07-19-2022 Callable 2018 Reg S	Canada	Corporate	USD	95,000	75	93
Beacon Escrow Corp. 4.88% 11-01-2025 Callable 2020 144A	United States	Corporate	USD	250,000	312	306
Beacon Roofing Supply Inc. 6.38% 10-01-2023 Callable	United States	Corporate	USD	135,000	189	183
Berry Global Inc. 4.50% 02-15-2026 Callable 2021 144A	United States	Corporate	USD	140,000	173	171
Big River Steel LLC 7.25% 09-01-2025 Callable 2020 144A	United States	Corporate	USD	180,000	233	243
BioScrip Inc. 8.88% 02-15-2021 Callable 2018	United States	Corporate	USD	45,000	52	55
BlueLine Rental Finance Corp. 9.25% 03-15-2024 Callable 2020 144A	United States	Corporate	USD	220,000	296	305
BMC East LLC 5.50% 10-01-2024 Callable 2019 144A	United States	Corporate	USD	210,000	277	271
Boise Cascade Co. 5.63% 09-01-2024 Callable 2019 144A	United States	Corporate	USD	305,000	402	404
Bombardier Inc. 8.75% 12-01-2021 144A	Canada	Corporate	USD	185,000	253	262
Bombardier Inc. 7.50% 12-01-2024 Callable 2020 144A	Canada	Corporate	USD	100,000	128	134
Boyd Gaming Corp. 6.88% 05-15-2023 Callable 2018	United States	Corporate	USD	150,000	206	204
Boyd Gaming Corp. 6.38% 04-01-2026 Callable 2021	United States	Corporate	USD	70,000	95	94
Boyer USA Inc. 7.25% 05-01-2025 Callable 2021 144A	United States	Corporate	USD	45,000	58	59
Brand Energy & Infrastructure Services Inc. Term Loan 1st Lien F/R 06-21-2024	United States	Bank Loans	USD	213,687	276	278
Brand Energy & Infrastructure Services Inc. 8.50% 07-15-2025 Callable 2020 144A	United States	Corporate	USD	215,000	285	290
Briggs & Stratton Corp. 6.88% 12-15-2020	United States	Corporate	USD	140,000	208	195
Brookfield Residential Properties Inc. 6.50% 12-15-2020 Callable 144A	Canada	Corporate	USD	115,000	153	151
Brookfield Residential Properties Inc. 6.13% 07-01-2022 Callable 144A	Canada	Corporate	USD	40,000	54	53
Builders FirstSource Inc. 5.63% 09-01-2024 Callable 2019 144A	United States	Corporate	USD	240,000	318	311
Building Materials Corp. of America 5.38% 11-15-2024 Callable 2019 144A	United States	Corporate	USD	95,000	133	124
Building Materials Corp. 6.00% 10-15-2025 Callable 2020 144A	United States	Corporate	USD	30,000	42	40
BWAY Holding Co. 5.50% 04-15-2024 Callable 2020 144A	United States	Corporate	USD	155,000	205	201

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

## SCHEDULE OF INVESTMENTS (continued)

as at March 31, 2018

	Country	Sector	Currency*	No. of Units, Shares, or Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (continued)</b>						
BWAY Holding Co. 7.25% 04-15-2025 144A	United States	Corporate	USD	330,000	436	436
Caesars Entertainment Corp. 5.00% 10-01-2024 Conv.	United States	Corporate	USD	30,030	79	66
Calfrac Well Services Ltd. 7.50% 12-01-2020 Callable	Canada	Corporate	USD	70,000	87	89
California Resources Corp. 5.00% 01-15-2020 Callable 2019	United States	Corporate	USD	75,000	82	86
California Resources Corp. Term Loan 1st Lien F/R 11-17-2022	United States	Bank Loans	USD	95,000	119	124
California Resources Corp. 8.00% 12-15-2022 Callable 2018 144A	United States	Corporate	USD	45,000	37	46
Calpine Corp. 5.88% 01-15-2024 Callable 2018 144A	United States	Corporate	USD	15,000	21	20
Calpine Corp. 5.75% 01-15-2025 Callable 2019	United States	Corporate	USD	140,000	171	165
Calpine Corp. 5.25% 06-01-2026 Callable 2021 144A	United States	Corporate	USD	205,000	256	255
CBS Radio Inc. 7.25% 11-01-2024 Callable 2019 144A	United States	Corporate	USD	170,000	225	223
CCO Holdings LLC 5.13% 05-01-2023 Callable 2018 144A	United States	Corporate	USD	15,000	20	19
CCO Holdings LLC 5.88% 04-01-2024 Callable 2019 144A	United States	Corporate	USD	205,000	281	269
CCO Holdings LLC 5.50% 05-01-2026 Callable 2021 144A	United States	Corporate	USD	215,000	282	272
CCO Holdings LLC 5.75% 02-15-2026	United States	Corporate	USD	300,000	396	385
CEC Entertainment 8.00% 02-15-2022 Callable	United States	Corporate	USD	140,000	184	163
Cemex SAB de CV 6.13% 05-05-2025 Callable 2020 144A	Mexico	Corporate	USD	275,000	336	370
Cenovus Energy Inc. 6.75% 11-15-2039 Callable	Canada	Corporate	USD	110,000	161	164
Centene Corp. 4.75% 05-22-2021 Callable	United States	Corporate	USD	65,000	86	85
Centene Corp. 4.75% 01-15-2025 Callable 2020	United States	Corporate	USD	145,000	187	182
Centene Escrow Corp. 6.13% 02-15-2024 Callable 2019	United States	Corporate	USD	120,000	166	161
CenturyLink Inc. 5.63% 04-01-2020	United States	Corporate	USD	5,000	7	7
CenturyLink Inc. 6.75% 12-01-2023	United States	Corporate	USD	60,000	78	75
Cequel Communications Holdings I LLC 5.13% 12-15-2021 Callable 2018 144A	United States	Corporate	USD	110,000	143	142
Cequel Communications Holdings I LLC 5.13% 12-15-2021 Callable 2018 144A	United States	Corporate	USD	125,000	154	162
Cequel Communications Holdings I LLC/Cequel Capital Corp. 7.75% 07-15-2025 Callable 2020	United States	Corporate	USD	200,000	269	273
Ceridian HCM Holding Inc. 11.00% 03-15-2021 Callable 2018 144A	United States	Corporate	USD	345,000	435	460
CF Industries Inc. 4.95% 06-01-2043	United States	Corporate	USD	130,000	144	147
The Chemours Co. 6.63% 05-15-2023 Callable 2018	United States	Corporate	USD	65,000	75	88
The Chemours Co. 7.00% 05-15-2025 Callable 2020	United States	Corporate	USD	70,000	84	98
The Chemours Co. 5.38% 05-15-2027 Callable 2027	United States	Corporate	USD	60,000	81	78
Cheniere Corpus Christi Holdings LLC 5.88% 03-31-2025	United States	Corporate	USD	220,000	299	297
Cheniere Corpus Christi Holdings LLC 5.13% 06-30-2027	United States	Corporate	USD	105,000	141	135
Chesapeake Energy Corp. Term Loan F/R 08-23-2021	United States	Bank Loans	USD	90,000	119	123
Chesapeake Energy Corp. 8.00% 12-15-2022	United States	Corporate	USD	81,000	87	111
Chesapeake Energy Corp. 5.75% 03-15-2023	United States	Corporate	USD	70,000	86	82
Chesapeake Energy Corp. 8.00% 01-15-2025 Callable 2020 144A	United States	Corporate	USD	215,000	278	268
Chesapeake Energy Corp. 8.00% 06-15-2027 Callable 2022 144A	United States	Corporate	USD	45,000	61	56
CHS/Community Health Systems Inc. 6.88% 02-01-2022 Callable 2018	United States	Corporate	USD	210,000	242	157
CHS/Community Health Systems Inc. 6.25% 03-31-2023 Callable	United States	Corporate	USD	210,000	266	249
Cinemark USA Inc. 5.13% 12-15-2022 Callable	United States	Corporate	USD	40,000	55	53
Cinemark USA Inc. 4.88% 06-01-2023 Callable 2018	United States	Corporate	USD	110,000	145	141
CIT Group Inc. 5.00% 08-15-2022 Callable	United States	Corporate	USD	50,000	71	66
CIT Group Inc. 5.00% 08-01-2023	United States	Corporate	USD	250,000	343	330
CIT Group Inc. 5.25% 03-07-2025 Callable 2024	United States	Corporate	USD	95,000	126	125
Clear Channel Worldwide Holdings Inc. 7.63% 03-15-2020 Callable	United States	Corporate	USD	95,000	120	122
Clear Channel Worldwide Holdings Inc. 6.50% 11-15-2022 Callable	United States	Corporate	USD	210,000	273	277
CNG Holdings Inc. 9.38% 05-15-2020 Callable 2018 144A	United States	Corporate	USD	85,000	46	108
CNO Financial Group Inc. 5.25% 05-30-2025 Callable	United States	Corporate	USD	140,000	188	182
CommScope Technologies LLC 6.00% 06-15-2025 Callable 2020 144A	United States	Corporate	USD	220,000	296	295
CommScope Technologies LLC 5.00% 03-15-2027 Callable 2022 144A	United States	Corporate	USD	195,000	247	240
Community Health Systems Inc. 7.13% 07-15-2020 Callable 2018	United States	Corporate	USD	75,000	89	79
Compass Minerals International Inc. 4.88% 07-15-2024 Callable 2024 144A	United States	Corporate	USD	205,000	262	259
Concordia Healthcare Corp. 7.00% 04-15-2023 144A	Canada	Corporate	USD	95,000	114	9
Constellation Merger Sub Inc. 8.50% 09-15-2025 Callable 2020 144A	United States	Corporate	USD	295,000	368	370
Constellium NV 6.63% 03-01-2025 Callable 2020 144A	Netherlands	Corporate	USD	250,000	309	328
Continental Resources Inc. 5.00% 09-15-2022 Callable	United States	Corporate	USD	10,000	12	13
Continental Resources Inc. 4.50% 04-15-2023 Callable 2023	United States	Corporate	USD	80,000	90	105
Continental Resources Inc. 3.80% 06-01-2024 Callable 2024	United States	Corporate	USD	85,000	102	106
Continental Resources Inc. 4.90% 06-01-2044 Callable 2043	United States	Corporate	USD	225,000	271	278
Covey Park Energy LLC 7.50% 05-15-2025 Callable 2020 144A	United States	Corporate	USD	190,000	254	244
CPG International Inc. Term Loan 1st Lien F/R 05-05-2024	United States	Bank Loans	USD	77,583	101	101
CPG Merger Sub LLC 8.00% 10-01-2021 Callable 144A	United States	Corporate	USD	45,000	59	59
CRC Escrow Issuer LLC 5.25% 10-15-2025 Callable 2020 144A	United States	Corporate	USD	205,000	256	254
Credit Acceptance Corp. 6.13% 02-15-2021 Callable	United States	Corporate	USD	100,000	135	130
Credit Acceptance Corp. 7.38% 03-15-2023 Callable	United States	Corporate	USD	15,000	21	20
Credit Suisse Group AG 6.25% 12-29-2049 Callable 2024 144A	Switzerland	Corporate	USD	200,000	260	265
Crown Americas LLC 4.75% 02-01-2026 Callable 2021 144A	United States	Corporate	USD	170,000	213	212
Crown Cork & Seal Co. Inc. 7.38% 12-15-2026	United States	Corporate	USD	35,000	51	51
CrownRock LP/CrownRock Finance Inc. 5.63% 10-15-2025 Callable 144A	United States	Corporate	USD	110,000	138	141
CSC Holdings LLC 6.75% 11-15-2021 Callable	United States	Corporate	USD	235,000	322	317
CSC Holdings LLC 5.25% 06-01-2024	United States	Corporate	USD	310,000	388	380

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

**SCHEDULE OF INVESTMENTS (continued)**

as at March 31, 2018

	Country	Sector	Currency*	No. of Units, Shares, or Par Value	Average Cost (\$ '000)	Fair Value (\$ '000)
<b>BONDS (continued)</b>						
CSTN Merger Sub Inc. 6.75% 08-15-2024 Callable 2020 144A	United States	Corporate	USD	175,000	220	225
Dakota Merger Sub Inc. 7.75% 09-01-2023 Callable 2019 144A	United States	Corporate	USD	240,000	320	337
Dakota Merger Sub Inc. 10.75% 09-01-2024 Callable 2019 144A	United States	Corporate	USD	145,000	193	204
Dean Foods Co. 6.50% 03-15-2023 Callable 2018 144A	United States	Corporate	USD	95,000	134	116
Denbury Resources Inc. 9.00% 05-15-2021 Callable 144A	United States	Corporate	USD	188,000	240	249
Denbury Resources Inc. 6.38% 08-15-2021 Callable	United States	Corporate	USD	45,000	40	49
Diamond (BC) BV 5.63% 08-15-2025 Callable 2020	United States	Corporate	EUR	120,000	178	183
Diamond 1 Finance Corp. 5.88% 06-15-2021 Callable 2018 144A	United States	Corporate	USD	30,000	39	40
Diamond 1 Finance Corp. 5.45% 06-15-2023 Callable 2023 144A	United States	Corporate	USD	85,000	110	116
Diamond 1 Finance Corp. 7.13% 06-15-2024 Callable 2019 144A	United States	Corporate	USD	395,000	555	544
Diamondback Energy Inc. 4.75% 11-01-2024 Callable	United States	Corporate	USD	30,000	40	38
Diamondback Energy Inc. 5.38% 05-31-2025 Callable	United States	Corporate	USD	275,000	363	360
Digicel Group Ltd. 6.75% 03-01-2023 Callable 2018	Jamaica	Corporate	USD	200,000	231	233
DISH DBS Corp. 5.88% 11-15-2024	United States	Corporate	USD	95,000	125	109
DISH Network Corp. 3.38% 08-15-2026 Conv.	United States	Corporate	USD	112,000	148	139
Dynegy Inc. 7.63% 11-01-2024	United States	Corporate	USD	90,000	115	126
Dynegy Inc. 8.13% 01-30-2026 Callable 2020 144A	United States	Corporate	USD	205,000	277	292
Eldorado Resorts Inc. 7.00% 08-01-2023 Callable 2018	United States	Corporate	USD	25,000	34	34
Endeavor Energy Resources LP 5.50% 01-30-2026 Callable 2021 144A	United States	Corporate	USD	80,000	103	103
Endeavor Energy Resources LP 5.75% 01-30-2028 Callable 2023 144A	United States	Corporate	USD	185,000	238	237
Endo Finance LLC 6.00% 02-01-2025 Callable 2020 144A	United States	Corporate	USD	200,000	271	187
Endo Finance LLC/Endo Finco Inc. 5.38% 01-15-2023 Callable 144A	United States	Corporate	USD	75,000	79	73
Energy Transfer Equity LP 5.88% 01-15-2024 Callable 2023	United States	Corporate	USD	205,000	269	273
Energy Transfer Equity LP 5.50% 06-01-2027 Callable 2027	United States	Corporate	USD	40,000	53	52
Energy Transfer Partners LP F/R 02-15-2166 Perpetual Callable 2028	United States	Corporate	USD	205,000	261	251
Enscoc PLC 7.75% 02-01-2026	United States	Corporate	USD	65,000	82	77
EP Energy LLC 8.00% 11-29-2024 Callable 2019 144A	United States	Corporate	USD	40,000	55	53
EP Energy LLC 8.00% 02-15-2025 Callable 2020 144A	United States	Corporate	USD	75,000	98	65
EP Energy LLC/Everest Acquisition Finance Inc. 9.38% 05-01-2020 Callable 2018	United States	Corporate	USD	34,000	29	41
ESH Hospitality Inc. 5.25% 05-01-2025 Callable 2020 144A	United States	Corporate	USD	205,000	265	257
Everest Acquisition Finance Inc. 9.38% 05-01-2024 Callable 2020	United States	Corporate	USD	161,000	151	148
Extraction Oil & Gas Inc. 5.63% 02-01-2026 Callable 2021 144A	United States	Corporate	USD	125,000	156	152
Fairfax Financial Holdings Ltd. 7.38% 04-15-2018	Canada	Corporate	USD	125,000	189	161
First Data Corp. 5.38% 08-15-2023 Callable 2018 144A	United States	Corporate	USD	60,000	83	79
First Data Corp. 7.00% 12-01-2023 Callable 2018 144A	United States	Corporate	USD	170,000	232	230
First Data Corp. 5.75% 01-15-2024 Callable 2019 144A	United States	Corporate	USD	255,000	339	332
First Quantum Minerals Ltd. 7.00% 02-15-2021 Callable 2018 144A	Canada	Corporate	USD	65,000	88	84
First Quantum Minerals Ltd. 7.25% 05-15-2022 Callable 144A	Canada	Corporate	USD	200,000	172	259
First Quantum Minerals Ltd. 7.50% 04-01-2025 Callable 2020 144A	Canada	Corporate	USD	200,000	270	254
Flex Acquisition Co. Inc. 6.88% Callable 2020 144A	United States	Corporate	USD	105,000	140	135
Forterra Finance LLC Term Loan 1st Lien F/R 10-25-2023	United States	Bank Loans	USD	54,660	57	65
Freedom Mortgage Corp. 8.13% 11-15-2024 Callable 2020 144A	United States	Corporate	USD	150,000	194	199
Freepport-McMoRan Inc. 6.88% 02-15-2023	United States	Corporate	USD	75,000	105	104
The Fresh Market Inc. 9.75% 05-01-2023 Callable 2019 144A	United States	Corporate	USD	65,000	75	49
Frontier Communications Corp. 10.50% 09-15-2022 Callable 2022	United States	Corporate	USD	80,000	109	86
Frontier Communications Corp. 11.00% 09-15-2025 Callable 2025	United States	Corporate	USD	25,000	34	24
Frontier Communications Corp. 8.50% 04-01-2026 Callable 2021 144A	United States	Corporate	USD	210,000	270	262
FTS International Inc. Term Loan 1st Lien F/R 04-16-2021	United States	Bank Loans	USD	119,855	148	155
FXI Holdings Inc. 7.88% 11-01-2024 Callable 2020 144A	United States	Corporate	USD	125,000	159	158
Gartner Inc. 5.13% 04-01-2025 Callable 2020 144A	United States	Corporate	USD	90,000	123	116
Gates Global LLC 6.00% 07-15-2022 Callable 144A	United States	Corporate	USD	73,000	79	96
GCP Applied Technologies Inc. 5.50% 04-15-2026 Callable 2021 144A	United States	Corporate	USD	100,000	129	129
Getty Images Inc. Term Loan B F/R 10-18-2019	United States	Bank Loans	USD	36,529	34	45
GFL Environmental Inc. 5.38% 03-01-2023 Callable 2020 144A	Canada	Corporate	USD	55,000	70	70
GLP Capital LP/GLP Financing II Inc. 5.38% 04-15-2026	United States	Corporate	USD	175,000	234	230
GLP Capital LP 4.88% 11-01-2020	United States	Corporate	USD	65,000	88	85
goeasy Ltd. 7.88% 11-01-2022 Callable 2019 144A	Canada	Corporate	USD	110,000	148	152
Golden Nugget Inc. 8.75% 10-01-2025 Callable 2020 144A	United States	Corporate	USD	255,000	324	343
Gray Television Inc. 5.88% 07-15-2026 Callable 2021 144A	United States	Corporate	USD	125,000	163	157
Great Canadian Gaming Corp. 6.63% 07-25-2022 Callable 144A	Canada	Corporate	USD	120,000	121	124
Great Lakes Dredge & Dock Corp. 8.00% 05-15-2022	United States	Corporate	USD	180,000	241	238
GW Honos Security Corp. 8.75% 05-15-2025 Callable 2020 144A	Canada	Corporate	USD	145,000	197	196
Hanesbrands Inc. 4.63% 05-15-2024 Callable 2024 144A	United States	Corporate	USD	75,000	96	95
HCA Holdings Inc. 5.25% 06-15-2026 Callable 2025	United States	Corporate	USD	55,000	74	72
HCA Inc. 6.50% 02-15-2020 Callable	United States	Corporate	USD	95,000	143	129
HCA Inc. 5.88% 03-15-2022	United States	Corporate	USD	145,000	208	197
HCA Inc. 5.50% 06-15-2047 Callable 2046	United States	Corporate	USD	210,000	280	262
Hess Infrastructure Partners LP 5.63% 02-15-2026 Callable 2021 144A	United States	Corporate	USD	165,000	213	210
Hilton Worldwide Finance LLC 4.88% 04-01-2027 Callable 2022	United States	Corporate	USD	145,000	193	185
Holly Energy Partners LP 6.00% 08-01-2024 Callable 2019 144A	United States	Corporate	USD	145,000	193	191
Howard Hughes Corp. 5.38% 03-15-2025 Callable 2020 144A	United States	Corporate	USD	225,000	300	287
Hub Holdings LLC 8.13% 07-15-2019 Callable 144A	United States	Corporate	USD	15,000	19	19

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

## SCHEDULE OF INVESTMENTS (continued)

as at March 31, 2018

	Country	Sector	Currency*	No. of Units, Shares, or Par Value	Average Cost (\$ '000)	Fair Value (\$ '000)
<b>BONDS (continued)</b>						
HUB International Ltd. 7.88% 10-01-2021 Callable 144A	United States	Corporate	USD	200,000	269	267
HudBay Minerals Inc. 7.63% 01-15-2025 Callable 2020 144A	Canada	Corporate	USD	100,000	137	137
Icahn Enterprises LP 6.00% 08-01-2020 Callable	United States	Corporate	USD	10,000	13	13
Icahn Enterprises LP 5.88% 02-01-2022	United States	Corporate	USD	80,000	108	104
Icahn Enterprises LP 6.25% 02-01-2022 Callable 2019	United States	Corporate	USD	50,000	66	66
Icahn Enterprises LP 6.75% 02-01-2024 Callable 2020	United States	Corporate	USD	155,000	205	205
iHeartCommunications Inc. Term Loan 1st Lien F/R 01-30-2019	United States	Bank Loans	USD	60,000	58	61
iHeartCommunications Inc. 9.00% 12-15-2019 Callable 2018	United States	Corporate	USD	135,000	142	137
IHS Markit Ltd. 4.75% 02-15-2025 Callable 2024 144A	United States	Corporate	USD	95,000	127	124
IHS Markit Ltd. 4.00% 03-01-2026 Callable 2025 144A	United States	Corporate	USD	20,000	26	25
Indigo Natural Resources LLC 6.88% 02-15-2026 144A	United States	Corporate	USD	100,000	123	123
Infor (US) Inc. 5.75% 08-15-2020 Callable 144A	United States	Corporate	USD	15,000	21	20
Infor (US) Inc. 6.50% 05-15-2022 Callable 2018	United States	Corporate	USD	315,000	401	413
Infor Software Parent LLC 7.13% 05-01-2021 Callable 144A	United States	Corporate	USD	180,000	231	235
Ingevity Corp. 4.50% 02-01-2026 Callable 2021 144A	United States	Corporate	USD	110,000	137	136
Intelsat Connect Finance SA 12.50% 04-01-2022	Luxembourg	Corporate	USD	3,000	3	3
Intelsat Jackson Holdings SA 7.50% 04-01-2021 Callable 144A	Luxembourg	Corporate	USD	20,000	24	23
Intelsat Jackson Holdings SA 9.75% 07-15-2025 Callable 2021 144A	Luxembourg	Corporate	USD	340,000	427	409
Iron Mountain Inc. 4.88% 09-15-2027 Callable 2022 144A	United States	Corporate	USD	130,000	161	156
Iron Mountain Inc. 5.25% 03-15-2028 Callable 2022 144A	United States	Corporate	USD	150,000	185	182
iStar Inc. 6.00% 04-01-2022 Callable	United States	Corporate	USD	75,000	98	97
iStar Inc. 5.25% 09-15-2022 Callable 2019	United States	Corporate	USD	35,000	43	44
Itron Inc. 5.00% 01-15-2026 Callable 2021 144A	United States	Corporate	USD	145,000	183	184
J. Crew Group Inc. Term Loan B 1st Lien F/R 03-05-2021	United States	Bank Loans	USD	86,676	78	81
Jacobs Entertainment Inc. 7.88% 02-01-2024 Callable 2020 144A	United States	Corporate	USD	75,000	102	103
Jaguar Holding Co. I/Jaguar Merger Sub Inc. 6.38% 08-01-2023 Callable 2018 144A	United States	Corporate	USD	110,000	148	143
James Hardie International Finance Ltd. 5.00% 01-15-2028 Callable 2023 144A	Ireland	Corporate	USD	200,000	256	251
Jeld-Wen Inc. 4.63% 12-15-2025 Callable 2020 144A	United States	Corporate	USD	50,000	64	62
Jeld-Wen Inc. 4.88% 12-15-2027 Callable 2022 144A	United States	Corporate	USD	90,000	114	109
Jo-Ann Stores Holdings Inc. 9.75% 10-15-2019 Callable 144A	United States	Corporate	USD	30,000	23	39
Jonah Energy LLC 7.25% 10-15-2025 Callable 2021 144A	United States	Corporate	USD	75,000	93	88
Joseph T. Ryerson & Son Inc. 11.00% 05-15-2022 Callable 2019 144A	United States	Corporate	USD	65,000	84	92
KCA Deutag US Finance LLC Term Loan B 1st Lien F/R 05-16-2020	United Kingdom	Bank Loans	USD	84,612	105	109
KFC Holding Co. 5.00% 06-01-2024 Callable 2019 144A	United States	Corporate	USD	60,000	79	77
KFC Holding Co. 5.25% 06-01-2026 Callable 2021 144A	United States	Corporate	USD	145,000	190	186
KFC Holding Co. 4.75% 06-01-2027 Callable 2022 144A	United States	Corporate	USD	115,000	149	143
Kinetic Concepts Inc. 12.50% 11-01-2021 Callable 2019 144A	United States	Corporate	USD	95,000	139	138
Kraton Polymers LLC 10.50% 04-15-2023 Callable 2018 144A	United States	Corporate	USD	65,000	86	93
Kraton Polymers LLC 7.00% 04-15-2025 Callable 2020 144A	United States	Corporate	USD	165,000	221	221
Lamb Weston Holdings Inc. 4.63% 11-01-2024 Callable 2021 144A	United States	Corporate	USD	25,000	33	32
Lamb Weston Holdings Inc. 4.88% 11-01-2026 Callable 2021 144A	United States	Corporate	USD	185,000	248	237
Landry's Inc. 6.75% 10-15-2024 Callable 2019 144A	United States	Corporate	USD	265,000	334	344
Lennar Corp. 4.75% 11-15-2022 Callable 2022	United States	Corporate	USD	45,000	62	58
Lennar Corp. 5.88% 11-15-2024 Callable 2024	United States	Corporate	USD	35,000	47	47
LG FinanceCo Corp. 5.88% 11-01-2024 Callable 2019 144A	United States	Corporate	USD	130,000	173	175
Live Nation Entertainment Inc. 4.88% 11-01-2024 Callable 2019 144A	United States	Corporate	USD	35,000	47	44
Live Nation Entertainment Inc. 5.63% 03-15-2026 Callable 2021 144A	United States	Corporate	USD	65,000	85	85
Lloyds Banking Group PLC Perpetual 4.50% 06-27-2024	United Kingdom	Corporate	USD	200,000	261	280
Louisiana-Pacific Corp. 4.88% 09-15-2024 Callable 2019	United States	Corporate	USD	185,000	240	239
LPL Holdings Inc. 5.75% 09-15-2025 Callable 2020	United States	Corporate	USD	190,000	248	242
Mallinckrodt International Finance SA 5.50% 04-15-2025 Callable 2020 144A	United States	Corporate	USD	55,000	70	55
Manitowoc Foodservice Inc. 9.50% 02-15-2024 Callable 2019	United States	Corporate	USD	155,000	221	223
Mariposa Borrower Inc. 8.75% 10-15-2021 Callable 144A	United States	Corporate	USD	36,662	32	30
MasTec Inc. 4.88% 03-15-2023 Callable 2018	United States	Corporate	USD	135,000	165	172
Match Group Inc. 5.00% 12-15-2027 Callable 2022 144A	United States	Corporate	USD	145,000	184	184
Mattamy Group Corp. 6.88% 12-15-2023 Callable 2019 144A	Canada	Corporate	USD	45,000	60	60
Mattamy Group Corp. 6.50% 10-01-2025 Callable 2020 144A	Canada	Corporate	USD	60,000	74	78
MEG Energy Corp. 7.00% 03-31-2024 Callable 2018 144A	Canada	Corporate	USD	15,000	16	16
MEG Energy Corp. 6.50% 01-15-2025 Callable 2020 144A	Canada	Corporate	USD	85,000	109	106
Mercer International Inc. 7.75% 12-01-2022 Callable	Canada	Corporate	USD	29,000	40	40
Mercer International Inc. 6.50% 02-01-2024 Callable 2020	Canada	Corporate	USD	100,000	134	135
Mercer International Inc. 5.50% 01-15-2026 Callable 2021 144A	Canada	Corporate	USD	145,000	185	186
Meredith Corp. 6.88% 02-01-2026 Callable 2021 144A	United States	Corporate	USD	165,000	213	218
MGM Growth Properties LP/MGP Finance Co-Issuer Inc. 5.63% 05-01-2024 Callable	United States	Corporate	USD	135,000	180	180
MGM Growth Properties Operating Partnership LP 4.50% 01-15-2028 Callable 2027	United States	Corporate	USD	30,000	36	36
Micron Technology Inc. 5.25% 01-15-2024 Callable 2018 144A	United States	Corporate	USD	50,000	67	67
Mirant Americas Generation LLC 8.50% 10-01-2021 Callable	United States	Corporate	USD	125,000	66	85
Mirant Americas Generation LLC 9.13% 05-01-2031	United States	Corporate	USD	125,000	54	84
Molina Healthcare Inc. 5.38% 11-15-2022 Callable 2022	United States	Corporate	USD	45,000	63	57
Molina Healthcare Inc. 4.88% 06-15-2025 Callable 2020 144A	United States	Corporate	USD	15,000	20	18
Murray Energy Corp. 11.25% 04-15-2021 Callable 2018 144A	United States	Corporate	USD	90,000	87	44
Nabors Industries Inc. 5.75% 02-01-2025 Callable 2024 144A	United States	Corporate	USD	110,000	137	134

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

## SCHEDULE OF INVESTMENTS (continued)

as at March 31, 2018

	Country	Sector	Currency*	No. of Units, Shares, or Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (continued)</b>						
Nationstar Mortgage LLC/Nationstar Capital Corp. 6.50% 07-01-2021 Callable	United States	Corporate	USD	125,000	149	164
Navistar Inc. Term Loan B 1st Lien F/R 11-06-2024	United States	Bank Loans	USD	205,000	261	266
Navistar International Corp. 6.63% 11-01-2025 Callable 2020 144A	United States	Corporate	USD	245,000	316	317
The Neiman Marcus Group Ltd. LLC 8.00% 10-15-2021 Callable 144A	United States	Corporate	USD	100,000	106	82
The Neiman Marcus Group Inc. LLC 7.13% 06-01-2028	United States	Corporate	USD	75,000	100	78
Netflix Inc. 4.88% 04-15-2028 144A	United States	Corporate	USD	105,000	132	130
New Arclin US Holding Corp. Term Loan 2nd Lien F/R 02-14-2025	United States	Bank Loans	USD	17,000	22	22
New Gold Inc. 6.25% 11-15-2022 Callable 144A	Canada	Corporate	USD	75,000	86	99
New Gold Inc. 6.38% 05-15-2025 Callable 2020 144A	Canada	Corporate	USD	25,000	34	33
New Red Finance Inc. 4.25% 05-15-2024 Callable 2020 144A	Canada	Corporate	USD	70,000	96	86
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020 144A	Canada	Corporate	USD	230,000	289	283
Newfield Exploration Co. 5.75% 01-30-2022	United States	Corporate	USD	85,000	105	115
Newfield Exploration Co. 5.63% 07-01-2024	United States	Corporate	USD	75,000	85	102
Newfield Exploration Co. 5.38% 01-01-2026 Callable	United States	Corporate	USD	165,000	211	220
Nexstar Escrow Corp. 5.63% 08-01-2024 Callable 2019 144A	United States	Corporate	USD	315,000	410	398
The Nielsen Co. (Luxembourg) S.a.r.l. 5.00% 02-01-2025 Callable 2020 144A	United States	Corporate	USD	130,000	168	166
Nielsen Finance LLC/Nielsen Finance Co. 5.00% 04-15-2022 Callable 144A	United States	Corporate	USD	55,000	75	71
Noble Holding International Ltd. 7.75% 01-15-2024 Callable 2023	United Kingdom	Corporate	USD	120,000	149	144
Noble Holding International Ltd. 7.88% 02-01-2026 Callable 2021 144A	United Kingdom	Corporate	USD	75,000	94	96
Northwest Acquisitions ULC 7.13% 11-01-2022 Callable 2019 144A	United States	Corporate	USD	35,000	43	46
NOVA Chemicals Corp. 4.88% 06-01-2024 Callable 144A	Canada	Corporate	USD	55,000	74	68
NOVA Chemicals Corp. 5.25% 06-01-2027 Callable 2027 144A	Canada	Corporate	USD	95,000	128	117
Novelis Corp. 6.25% 08-15-2024 Callable 2019 144A	United States	Corporate	USD	170,000	225	224
Novelis Corp. 5.88% 09-30-2026 Callable 2022 144A	United States	Corporate	USD	215,000	276	273
NRG Energy Inc. 7.25% 05-15-2026 Callable 2021	United States	Corporate	USD	95,000	123	130
NRG Energy Inc. 6.63% 01-15-2027 Callable 2021	United States	Corporate	USD	170,000	223	225
NRG Energy Inc. 5.75% 01-15-2028 Callable 2023 144A	United States	Corporate	USD	65,000	83	82
Numericable-SFR 6.25% 05-15-2024 Callable 2019 144A	France	Corporate	USD	200,000	258	244
Numericable-SFR 7.38% 05-01-2026 Callable 2021 144A	France	Corporate	USD	200,000	271	246
Oasis Petroleum Inc. 6.88% 03-15-2022	United States	Corporate	USD	125,000	130	164
Omega US Sub LLC 8.75% 07-15-2023 Callable 2018 144A	United Kingdom	Corporate	USD	89,000	121	121
ON Semiconductor Corp. 1.00% 12-01-2020 Conv.	United States	Corporate	USD	60,000	81	110
Ortho-Clinical Diagnostics Inc. 6.63% 05-15-2022 Callable 144A	United States	Corporate	USD	190,000	198	242
Oryx Southern Delaware Holdings LLC Term Loan 1st Lien F/R 02-28-2025	United States	Bank Loans	USD	80,000	102	103
Oshkosh Corp. 5.38% 03-01-2025 Callable 2020	United States	Corporate	USD	90,000	121	120
Outdoor Americas Capital LLC/Outfront Media Capital Corp. 5.63% 02-15-2024	United States	Corporate	USD	30,000	43	39
Outdoor Americas Capital LLC/Outfront Media Capital Corp. 5.88% 03-15-2025	United States	Corporate	USD	100,000	138	131
Pactiv LLC 8.38% 04-15-2027	United States	Corporate	USD	110,000	155	159
Park-Ohio Industries Inc. 6.63% 04-15-2027 Callable 2022	United States	Corporate	USD	135,000	185	181
Penn National Gaming Inc. 5.63% 01-15-2027 Callable 2022 144A	United States	Corporate	USD	70,000	92	87
Penske Automotive Group Inc. 5.75% 10-01-2022 Callable	United States	Corporate	USD	85,000	117	112
Penske Automotive Group Inc. 5.38% 12-01-2024 Callable 2019	United States	Corporate	USD	155,000	207	201
Penske Automotive Group Inc. 5.50% 05-15-2026 Callable 2021	United States	Corporate	USD	175,000	225	222
PetSmart Inc. 7.13% 03-15-2023 Callable 2018 144A	United States	Corporate	USD	35,000	45	26
Piscis Midco Inc. 8.00% 04-15-2026 Callable 2021 144A	United States	Corporate	USD	55,000	71	71
Plantronics Inc. 5.50% 05-31-2023 Callable 2018 144A	United States	Corporate	USD	255,000	343	326
Platform Specialty Products Corp. 6.50% 02-01-2022 Callable 2018 144A	United States	Corporate	USD	45,000	60	59
Platform Specialty Products Corp. 5.88% 12-01-2025 Callable 2020 144A	United States	Corporate	USD	205,000	260	259
Provident Funding Associates LP 6.38% 06-15-2025 Callable 2020 144A	United States	Corporate	USD	150,000	199	194
PulteGroup Inc. 5.50% 03-01-2026 Callable 2025	United States	Corporate	USD	65,000	88	86
PulteGroup Inc. 7.88% 06-15-2032	United States	Corporate	USD	140,000	220	215
QEP Resources Inc. 5.63% 03-01-2026 Callable 2025	United States	Corporate	USD	75,000	95	91
Quebecor Media Inc. 5.75% 01-15-2023 Callable	Canada	Corporate	USD	35,000	48	46
Rackspace Hosting Inc. 8.63% 11-15-2024 Callable 2019 144A	United States	Corporate	USD	375,000	504	479
Range Resources Corp. 5.75% 06-01-2021 Callable WI	United States	Corporate	USD	175,000	227	230
Range Resources Corp. 5.00% 03-15-2023 Callable 2022	United States	Corporate	USD	55,000	68	68
RBS Global Inc. 4.88% 12-15-2025 Callable 2020 144A	United States	Corporate	USD	70,000	91	88
Revlon Consumer Products Corp. 5.75% 02-15-2021 Callable 2018	United States	Corporate	USD	35,000	47	35
Revlon Consumer Products Corp. Term Loan B 1st Lien F/R 09-07-2023	United States	Bank Loans	USD	252,722	286	257
Revlon Consumer Products Corp. 6.25% 08-01-2024 Callable	United States	Corporate	USD	155,000	154	124
Rite Aid Corp. 6.13% 04-01-2023 Callable 2018 144A	United States	Corporate	USD	145,000	187	189
Rivers Pittsburgh Borrower LP 6.13% 08-15-2021 Callable 2018 144A	United States	Corporate	USD	225,000	291	280
Robertshaw US Holding Corp. Term Loan 1st Lien F/R 02-15-2025	United States	Bank Loans	USD	75,000	93	98
Robertshaw US Holding Corp. Term Loan 2nd Lien F/R 02-15-2026	United States	Bank Loans	USD	75,000	93	97
ROC Finance LLC 6.75% 11-15-2021 Callable 2018 144A	United States	Corporate	USD	305,000	411	408
ROC Finance LLC 10.25% 11-15-2022 Callable 2019 144A	United States	Corporate	USD	295,000	403	417
Rose Rock Midstream LP/Rose Rock Finance Corp. 5.63% 11-15-2023	United States	Corporate	USD	85,000	96	104
The Royal Bank of Scotland Group PLC 7.65% Perpetual (F/R @ 09-30-2031) Callable 2031	United Kingdom	Corporate	USD	145,000	231	234
The Royal Bank of Scotland Group PLC F/R 12-29-2049 Callable 2020	United Kingdom	Corporate	USD	200,000	264	270
Sabre GBLB Inc. 5.38% 04-15-2023 Callable 2018 144A	United States	Corporate	USD	140,000	188	182
Sabre GBLB Inc. 5.25% 11-15-2023 Callable 2018 144A	United States	Corporate	USD	65,000	86	85

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

**SCHEDULE OF INVESTMENTS (continued)**

as at March 31, 2018

	Country	Sector	Currency*	No. of Units, Shares, or Par Value	Average Cost (\$ '000)	Fair Value (\$ '000)
<b>BONDS (continued)</b>						
Scientific Games International Inc. 10.00% 12-01-2022 Callable 2018	United States	Corporate	USD	415,000	494	579
SemGroup Corp. 6.38% 03-15-2025 Callable	United States	Corporate	USD	30,000	40	37
Service Corp. International 5.38% 01-15-2022 Callable	United States	Corporate	USD	115,000	165	151
Service Corp. International 5.38% 05-15-2024 Callable 2019	United States	Corporate	USD	85,000	122	114
Service Corp. International 4.63% 12-15-2027 Callable 2022	United States	Corporate	USD	210,000	266	262
SESI LLC 7.13% 12-15-2021 Callable	United States	Corporate	USD	35,000	44	46
SESI LLC 7.75% 09-15-2024 Callable 2020 144A	United States	Corporate	USD	150,000	199	200
Seven Generations Energy Ltd. 6.75% 05-01-2023 Callable 144A	Canada	Corporate	USD	35,000	44	47
Seven Generations Energy Ltd. 5.38% 09-30-2025 Callable 2020 144A	Canada	Corporate	USD	180,000	225	223
Sinclair Television Group Inc. 5.63% 08-01-2024 Callable 2019 144A	United States	Corporate	USD	225,000	298	288
Sirius XM Radio Inc. 6.00% 07-15-2024 Callable 2019 144A	United States	Corporate	USD	135,000	191	179
Sirius XM Radio Inc. 5.00% 08-01-2027 Callable 2022 144A	United States	Corporate	USD	205,000	264	249
Six Flags Entertainment Corp. 4.88% 07-31-2024 Callable 2019 144A	United States	Corporate	USD	135,000	178	170
Six Flags Entertainment Corp. 5.50% 04-15-2027 Callable 2022 144A	United States	Corporate	USD	290,000	379	371
SM Energy Co. 6.50% 11-15-2021 Callable	United States	Corporate	USD	95,000	123	124
SM Energy Co. 6.13% 11-15-2022	United States	Corporate	USD	60,000	52	77
SM Energy Co. 6.50% 01-01-2023 Callable	United States	Corporate	USD	40,000	31	51
SM Energy Co. 5.00% 01-15-2024 Callable 2018	United States	Corporate	USD	55,000	51	66
SM Energy Co. 6.75% 09-15-2026 Callable 2021	United States	Corporate	USD	50,000	66	64
Smurfit Kappa Funding PLC 7.50% 11-20-2025	Ireland	Corporate	USD	175,000	275	272
Solenis International LP Term Loan 2nd Lien F/R 07-31-2022	United States	Bank Loans	USD	120,000	154	147
Solera Finance Inc. 10.50% 03-01-2024 Callable 2019 144A	United States	Corporate	USD	300,000	436	431
Spectrum Brands Inc. 6.13% 12-15-2024 Callable 2019	United States	Corporate	USD	95,000	134	127
Spectrum Brands Inc. 5.75% 07-15-2025 Callable 2020	United States	Corporate	USD	40,000	57	53
Springleaf Finance Corp. 8.25% 12-15-2020	United States	Corporate	USD	30,000	40	42
Springleaf Finance Corp. 6.13% 05-15-2022	United States	Corporate	USD	160,000	213	210
Springleaf Finance Corp. 6.88% 03-15-2025	United States	Corporate	USD	195,000	254	252
Sprint Capital Corp. 6.88% 11-15-2028	United States	Corporate	USD	395,000	467	476
Sprint Corp. 7.25% 09-15-2021	United States	Corporate	USD	250,000	262	333
Sprint Corp. 7.88% 09-15-2023	United States	Corporate	USD	505,000	633	666
Sprint Nextel Corp. 7.00% 08-15-2020	United States	Corporate	USD	60,000	64	81
Standard Industries Inc. 5.50% 02-15-2023 Callable 144A	United States	Corporate	USD	30,000	42	40
Standard Industries Inc. 5.00% 02-15-2027 Callable 2022 144A	United States	Corporate	USD	55,000	72	69
Standard Industries Inc. 4.75% 01-15-2028 Callable 2023 144A	United States	Corporate	USD	130,000	163	158
Starwood Property Trust Inc. 4.75% 03-15-2025 Callable 2024 144A	United States	Corporate	USD	155,000	198	197
Stearns Holdings Inc. 9.38% 08-15-2020 Callable 144A	United States	Corporate	USD	105,000	142	138
Steel Dynamics Inc. 5.50% 10-01-2024 Callable	United States	Corporate	USD	45,000	56	60
Steel Dynamics Inc. 4.13% 09-15-2025 Callable 2020	United States	Corporate	USD	25,000	31	31
Steel Dynamics Inc. 5.00% 12-15-2026 Callable 2021	United States	Corporate	USD	140,000	187	181
Sterigenics-Nordion Holdings LLC 6.50% 05-15-2023 Callable 144A	United States	Corporate	USD	15,000	20	19
Sugarhouse HSP Gaming Prop Mezz LP 5.88% 05-15-2025 Callable 2020 144A	United States	Corporate	USD	70,000	95	86
The Talbots Inc. Term Loan B 1st Lien F/R 03-19-2020	United States	Bank Loans	USD	92,997	122	119
The Talbots Inc. Term Loan 2nd Lien F/R 03-19-2021	United States	Bank Loans	USD	49,974	64	63
Tallgrass Energy Partners LP 5.50% 01-15-2028 Callable 2023 144A	United States	Corporate	USD	95,000	122	123
Targa Resources Partners LP 5.13% 02-01-2025 Callable 2020	United States	Corporate	USD	35,000	46	45
Targa Resources Partners LP 5.38% 02-01-2027 Callable 2022	United States	Corporate	USD	130,000	167	167
Targa Resources Partners LP 5.00% 01-15-2028 Callable 2023 144A	United States	Corporate	USD	170,000	213	209
Teck Resources Ltd. 4.75% 01-15-2022 Callable 2021	Canada	Corporate	USD	35,000	47	46
Teck Resources Ltd. 3.75% 02-01-2023 Callable 2022	Canada	Corporate	USD	70,000	89	87
Teck Resources Ltd. 8.50% 06-01-2024 Callable 144A	Canada	Corporate	USD	10,000	13	14
Tempo Acquisition LLC 6.75% 06-01-2025 Callable 2020 144A	United States	Corporate	USD	115,000	154	148
Tenet Healthcare Corp. 6.00% 10-01-2020 Reg S	United States	Corporate	USD	165,000	235	220
Tenet Healthcare Corp. 8.13% 04-01-2022	United States	Corporate	USD	85,000	109	114
Tennant Co. 5.63% 05-01-2025 Callable 2020	United States	Corporate	USD	100,000	132	131
Tenneco Inc. 5.38% 12-15-2024 Callable 2019	United States	Corporate	USD	95,000	132	124
Tenneco Inc. 5.00% 07-15-2026 Callable 2021	United States	Corporate	USD	45,000	58	56
Teva Pharmaceutical Finance Netherlands III BV 6.00% 04-15-2024 144A	Israel	Corporate	USD	200,000	258	251
Teva Pharmaceutical Finance Netherlands III BV 3.15% 10-01-2026 Callable	Israel	Corporate	USD	65,000	69	67
Titan Acquisition Ltd. Term Loan 1st Lien F/R 03-16-2025	United Kingdom	Bank Loans	USD	145,000	189	187
Titan Acquisition Ltd. 7.75% 04-15-2026 Callable 2021 144A	United Kingdom	Corporate	USD	265,000	347	341
T-Mobile USA Inc. 4.00% 04-15-2022	United States	Corporate	USD	25,000	34	32
T-Mobile USA Inc. 6.63% 04-01-2023 Callable 2018	United States	Corporate	USD	125,000	178	166
T-Mobile USA Inc. 6.38% 03-01-2025 Callable 2019	United States	Corporate	USD	90,000	127	122
T-Mobile USA Inc. 4.50% 02-01-2026 Callable 2021	United States	Corporate	USD	40,000	50	49
T-Mobile USA Inc. 5.38% 04-15-2027 Callable 2022	United States	Corporate	USD	185,000	246	241
T-Mobile USA Inc. 4.75% 02-01-2028 Callable 2023	United States	Corporate	USD	100,000	125	124
TMS International Corp. 7.25% 08-15-2025 Callable 2025 144A	United States	Corporate	USD	165,000	216	224
TMX Finance LLC 8.50% 09-15-2018 Callable 144A	United States	Corporate	USD	100,000	103	123
Townsquare Media Inc. 6.50% 04-01-2023 Callable 2018 144A	United States	Corporate	USD	65,000	86	79
TransDigm Group Inc. 6.50% 07-15-2024 Callable 2019	United States	Corporate	USD	60,000	81	79
TransDigm Group Inc. 6.38% 06-15-2026 Callable	United States	Corporate	USD	235,000	307	306
TransDigm Inc. 6.50% 05-15-2025 Callable 2020	United States	Corporate	USD	50,000	67	65

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

**SCHEDULE OF INVESTMENTS (continued)**

as at March 31, 2018

	Country	Sector	Currency*	No. of Units, Shares, or Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (continued)</b>						
Travelport Corporate Finance PLC 6.00% 03-15-2026 Callable 2021 144A	United States	Corporate	USD	65,000	83	84
Traverse Midstream Partners LLC Term Loan B 1st Lien F/R 09-21-2024	United States	Bank Loans	USD	50,000	61	65
TRI Pointe Holdings Inc. 5.88% 06-15-2024	United States	Corporate	USD	95,000	128	124
Tribune Media Co. 5.88% 07-15-2022 Callable 2018	United States	Corporate	USD	85,000	116	111
Trident Merger Sub Inc. 6.63% 11-01-2025 Callable 2020 144A	United States	Corporate	USD	115,000	144	145
Trinidad Drilling Ltd. 6.63% 02-15-2025 Callable 2020 144A	Canada	Corporate	USD	90,000	110	109
Trinseo Materials Operating SCA 5.38% 09-01-2025 Callable 2020 144A	United States	Corporate	USD	60,000	77	76
Tronox Finance PLC 5.75% 10-01-2025 Callable 2020 144A	United States	Corporate	USD	35,000	43	44
Tronox Inc. 6.50% 04-15-2026 Callable 2021 144A	United States	Corporate	USD	100,000	129	129
TTM Technologies Inc. 5.63% 10-01-2025 Callable 2020 144A	United States	Corporate	USD	215,000	271	276
U.S. Concrete Inc. 6.38% 06-01-2024	United States	Corporate	USD	145,000	197	194
Univar Inc. 6.75% 07-15-2023 Callable 2018 144A	United States	Corporate	USD	95,000	123	127
Univision Communications Inc. 5.13% 05-15-2023 144A	United States	Corporate	USD	60,000	78	74
Univision Communications Inc. 5.13% 02-15-2025 Callable 2020 144A	United States	Corporate	USD	90,000	120	108
USA Compression Partners LP 6.88% 04-01-2026 Callable 2021 144A	United States	Corporate	USD	125,000	162	164
USG Corp. 5.50% 03-01-2025 Callable 2020 144A	United States	Corporate	USD	105,000	142	141
USG Corp. 4.88% 06-01-2027 Callable 2022 144A	United States	Corporate	USD	120,000	160	156
USIS Merger Sub Inc. 6.88% 05-01-2025 Callable 2020 144A	United States	Corporate	USD	80,000	108	104
Valeant Pharmaceuticals International Inc. 5.63% 12-01-2021 Callable 144A	United States	Corporate	USD	5,000	6	6
Valeant Pharmaceuticals International Inc. 6.50% 03-15-2022 Callable 2019 144A	United States	Corporate	USD	75,000	101	100
Valeant Pharmaceuticals International Inc. 5.50% 03-01-2023 Callable 2018 144A	United States	Corporate	USD	90,000	104	102
Valeant Pharmaceuticals International Inc. 7.00% 03-15-2024 Callable 2020 144A	United States	Corporate	USD	160,000	217	215
Valeant Pharmaceuticals International Inc. 5.50% 11-01-2025 Callable 144A	United States	Corporate	USD	25,000	32	31
Valeant Pharmaceuticals International Inc. 9.00% 12-15-2025 Callable 2021	United States	Corporate	USD	225,000	289	289
Valeant Pharmaceuticals International Inc. 9.25% 04-01-2026 Callable 2022 144A	United States	Corporate	USD	100,000	128	129
Vermilion Energy Inc. 5.63% 03-15-2025 Callable 2020 144A	Canada	Corporate	USD	65,000	82	82
Videotron Ltd./Videotron Ltee. 5.13% 04-15-2027 Callable 2022 144A	Canada	Corporate	USD	90,000	120	114
Videotron Ltee 5.00% 07-15-2022	Canada	Corporate	USD	115,000	158	151
Virgin Media Finance PLC 5.75% 01-15-2025 Callable 2020 144A	United Kingdom	Corporate	USD	200,000	266	248
VRX Escrow Corp. 5.88% 05-15-2023 Callable 2018 144A	United States	Corporate	USD	75,000	94	86
VRX Escrow Corp. 6.13% 04-15-2025 Callable 2020 144A	United States	Corporate	USD	300,000	342	334
W.R. Grace & Co.-Conn. 5.63% 10-01-2024 144A	United States	Corporate	USD	80,000	111	106
Wabash National Corp. 5.50% 10-01-2025 Callable 2020 144A	United States	Corporate	USD	50,000	63	63
Waste Pro USA Inc. 5.50% 02-15-2026 Callable 2021 144A	United States	Corporate	USD	80,000	100	102
Watco Companies LLC 6.38% 04-01-2023 Callable 2018 144A	United States	Corporate	USD	190,000	258	251
Wayne Merger Sub LLC 8.25% 08-01-2023 Callable 2018 144A	United States	Corporate	USD	75,000	101	100
Weatherford International Ltd. 9.25% 06-15-2023 Callable 2023	United States	Corporate	USD	25,000	36	28
Weatherford International Ltd. 9.88% 02-15-2024 Callable 2023	United States	Corporate	USD	135,000	188	159
Weatherford International LLC 9.88% 03-01-2025 Callable 2024 144A	United States	Corporate	USD	45,000	57	52
Weekley Homes LLC/Weekley Finance Corp. 6.63% 08-15-2025 Callable 144A	United States	Corporate	USD	50,000	62	64
Weekley Homes LLC 6.00% 02-01-2023 Callable	United States	Corporate	USD	150,000	193	193
WellCare Health Plans Inc. 5.25% 04-01-2025 Callable 2020	United States	Corporate	USD	45,000	65	58
Werner FinCo LP 8.75% 07-15-2025 Callable 2020 144A	United States	Corporate	USD	180,000	237	239
Western Digital Corp. 4.75% 02-15-2026 Callable 2025	United States	Corporate	USD	185,000	232	238
Whiting Petroleum Corp. 6.63% 01-15-2026 Callable 2025 144A	United States	Corporate	USD	80,000	103	104
The Williams Companies Inc. 8.75% 03-15-2032	United States	Corporate	USD	50,000	81	86
Windstream Holdings Inc. 6.38% 08-01-2023 Callable 2018	United States	Corporate	USD	85,000	90	63
WMG Acquisition Corp. 5.00% 08-01-2023 Callable 2019 144A	United States	Corporate	USD	55,000	73	71
WMG Acquisition Corp. 5.50% 04-15-2026 Callable 2021 144A	United States	Corporate	USD	95,000	124	123
Wolverine World Wide Inc. 5.00% 09-01-2026 Callable 2021 144A	United States	Corporate	USD	70,000	91	89
WPX Energy Inc. 7.50% 08-01-2020 Callable	United States	Corporate	USD	116,000	150	160
WPX Energy Inc. 6.00% 01-15-2022 Callable 2021	United States	Corporate	USD	120,000	139	159
WPX Energy Inc. 8.25% 08-01-2023 Callable 2023	United States	Corporate	USD	95,000	137	138
Wrangler Buyer Corp. 6.00% 10-01-2025 Callable 2020 144A	United States	Corporate	USD	150,000	189	191
Wyndham Hotels & Resorts Inc. 5.38% 04-15-2021 Callable 2021 144A	United States	Corporate	USD	90,000	116	117
Wyndham Worldwide Corp. 4.50% 04-01-2027 Callable	United States	Corporate	USD	160,000	201	205
Wynn Las Vegas LLC 5.25% 05-15-2027 Callable 2027 144A	United States	Corporate	USD	205,000	264	260
Zekelman Industries Inc. 9.88% 06-15-2023 Callable 2019 144A	United States	Corporate	USD	85,000	114	121
					76,303	75,748
<b>EQUITIES</b>						
Ally Financial Inc.	United States	Financials		4,493	115	158
Avaya Holdings Corp.	United States	Information Technology		6,232	128	181
Belden Inc. Pfd. Conv.	United States	Information Technology		360	47	43
Berry Global Group Inc.	United States	Materials		1,561	93	110
Caesars Entertainment Corp.	United States	Consumer Discretionary		1,509	23	22
Charter Communications Inc. Class A	United States	Consumer Discretionary		205	90	82
CIT Group Inc.	United States	Financials		1,257	70	83
Crown Castle International Corp. Conv. Pfd. Series A	United States	Real Estate		89	118	128
Crown Holdings Inc.	United States	Materials		1,095	75	72
EPR Properties 5.75% Conv. Pfd. Series C	United States	Real Estate		2,575	89	81
Gaming and Leisure Properties Inc.	United States	Real Estate		1,874	78	81

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

**SCHEDULE OF INVESTMENTS (continued)**

as at March 31, 2018

	Country	Sector	Currency*	No. of Units, Shares, or Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)	
<b>EQUITIES (continued)</b>							
Halcon Resources Corp.	United States	Energy		4,308	56	27	
Halcon Resources Corp. Purchase Warrants Exp. 09-09-2020	United States	Energy		1,747	-	1	
iStar Inc. 4.50% Pfd. Conv. Series J	United States	Real Estate		1,285	88	76	
Live Nation Entertainment Inc.	United States	Consumer Discretionary		725	24	39	
Nine Point Energy Holdings Inc.	United States	Energy		1,408	25	25	
Nine Point Energy Holdings Inc. Pfd.	United States	Energy		29	38	41	
SandRidge Energy Inc.	United States	Energy		1,520	38	28	
Seven Generations Energy Ltd.	Canada	Energy		2,430	63	39	
Tervita Corp. Class A Voting	Canada	Health Care		127	1	1	
T-Mobile USA Inc.	United States	Telecommunication Services		748	45	59	
					1,304	1,377	
<b>COMMISSIONS AND OTHER PORTFOLIO TRANSACTION COSTS</b>						(7)	-
<b>TOTAL INVESTMENTS</b>						77,600	77,125
<b>Net Assets</b>							
Total investments						77,125	
Cash and cash equivalents						5,687	
Derivative assets (see schedule of derivative Instruments)						589	
Derivative liabilities (see schedule of derivative instruments)						(1,770)	
Other net assets (liabilities)						1,039	
						82,670	

**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 March 31, 2018

	% of net assets
<b>BY ASSET TYPE</b>	
Corporate Bonds	87.7
Bank Loans	3.9
Equities	1.7
Cash and cash equivalents	6.9
Other	(0.2)
<b>Total</b>	<b>100.0</b>
<b>BY REGION</b>	
United States	78.9
Canada	5.8
Europe ex U.K.	3.9
United Kingdom	3.4
Latin America	0.7
Middle East and Africa	0.4
Cash and cash equivalents	6.9
<b>Total</b>	<b>100.0</b>
<b>BY SECTOR</b>	
Corporate Bonds	87.7
Bank Loans	3.9
Real Estate	0.4
Financials	0.3
Information Technology	0.3
Energy	0.2
Consumer Discretionary	0.2
Materials	0.2
Telecommunication Services	0.1
Cash and cash equivalents	6.9
Other	(0.2)
<b>Total</b>	<b>100.0</b>

at March 31, 2017

	% of net assets
<b>BY ASSET TYPE</b>	
Fixed Income	86.4
Bank Loans	5.7
Equities	2.1
Cash and cash equivalents	5.7
Other	0.1
<b>Total</b>	<b>100.0</b>
<b>BY REGION</b>	
United States	79.5
Canada	6.5
Europe ex U.K.	4.4
United Kingdom	2.1
Latin America	1.5
Pacific ex Japan	0.3
Cash and cash equivalents	5.7
<b>Total</b>	<b>100.0</b>
<b>BY SECTOR</b>	
Corporate Bonds	86.4
Bank Loans	5.7
Real Estate	0.6
Financials	0.3
Consumer Discretionary	0.3
Telecommunication Services	0.2
Health Care	0.2
Energy	0.2
Materials	0.1
Consumer Staples	0.1
Information Technology	0.1
Cash and cash equivalents	5.7
Other	0.1
<b>Total</b>	<b>100.0</b>

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

**Schedule of Derivative Instruments**

as at March 31, 2018

**Schedule of Forward Currency Contracts**

Counterparty credit rating	Settlement date	Currency to be received (000)	Contract costs (CAD\$ 000)	Currency to be delivered (000)	Current fair value (CAD\$ 000)	Unrealized gains (CAD\$ 000)	Unrealized losses (CAD\$ 000)	
AA	04-18-2018	3,249 CAD	3,249	2,489 USD	3,205	44	-	
A	04-18-2018	882 CAD	882	675 USD	869	13	-	
A	04-18-2018	486 USD	604	604 CAD	626	24	-	
A	04-18-2018	5,532 USD	6,873	6,873 CAD	7,125	252	-	
A	04-18-2018	887 CAD	887	691 USD	890	-	(3)	
A	04-18-2018	4,840 CAD	4,840	3,900 USD	5,023	-	(182)	
A	04-18-2018	1,473 CAD	1,473	1,186 USD	1,527	-	(54)	
A	04-18-2018	1,229 USD	1,608	1,608 CAD	1,582	-	(26)	
AA	04-18-2018	3,103 CAD	3,103	2,500 USD	3,220	-	(117)	
AA	04-18-2018	1,408 CAD	1,408	1,132 USD	1,457	-	(49)	
AA	04-18-2018	1,229 USD	1,607	1,607 CAD	1,582	-	(25)	
AA	04-18-2018	1,399 CAD	1,399	1,134 USD	1,461	-	(62)	
AA	04-18-2018	5,532 USD	6,871	6,871 CAD	7,125	254	-	
AA	04-18-2018	56 USD	70	70 CAD	73	2	-	
AA	04-18-2018	2,457 USD	3,215	3,215 CAD	3,164	-	(51)	
AA	04-18-2018	762 CAD	762	619 USD	798	-	(35)	
AA	05-08-2018	14,109 USD	18,284	18,284 CAD	18,165	-	(120)	
AA	05-08-2018	17,634 CAD	17,634	14,109 USD	18,165	-	(530)	
AA	05-08-2018	17,649 CAD	17,649	14,109 USD	18,165	-	(516)	
						589	(1,770)	
<b>TOTAL DERIVATIVE ASSETS</b>							589	
<b>TOTAL DERIVATIVE LIABILITIES</b>								(1,770)

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

The information provided in these financial statements and notes thereto is for the period from inception to March 31, 2018 and 2017. In the year a series is established, 'period' represents the period from inception to the period end of that fiscal period. Refer to Note 10 for series inception dates.

The Fund is organized as an open-ended mutual fund 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, 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 annual financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). 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 June 7, 2018.

**3. SIGNIFICANT ACCOUNTING POLICIES****(a) Financial Instruments**

Financial instruments include financial assets and liabilities such as debt and equity securities and derivatives. The Fund classifies and measures financial instruments in accordance with IFRS 9 Financial Instruments ("IFRS 9"). 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.

Investments are designated on initial recognition as FVTPL with changes in fair value recognized in the Statement of Comprehensive Income – Net unrealized gain (loss).

The Fund's redeemable securities contain multiple contractual obligations and therefore meet the criteria for classification as financial liabilities. The Fund's obligation for net assets attributable to securityholders is presented at the redemption amount.

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.

**(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, including exchange traded funds ("ETFs"), listed on a public securities exchange or traded on an over-the-counter market are valued on the basis of the last traded market price where this price falls within the quoted bid-ask spread for the investment. In circumstances where the last traded price is not within the bid-ask spread, the Manager 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 the Manager 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. The cost of investments is determined on a weighted average cost basis.

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 fair value which closely approximates their amortized cost due to their nature of being highly liquid and having short terms to maturity.

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 the Manager, 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.

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 – Other changes in fair value of investments - Net unrealized gain (loss).

Further information on the Fund's fair value measurements may be found in Note 10.

**(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 financial assets or liabilities. They include fees and commissions paid to agents, advisers, brokers and dealers.

**(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. 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. Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments, and financial institutions. 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 – Securities lending income and recognized when earned.

**(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.

**NOTES TO ANNUAL FINANCIAL STATEMENTS****3. SIGNIFICANT ACCOUNTING POLICIES (continued)****(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. The fair value of net assets presented in the financial statements is consistent with the net asset values calculated for the purchase and redemption of the Fund's redeemable securities calculated in accordance with securities regulations.

**(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 Statements 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.

**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.

**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 is 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.

Losses of the Fund cannot be allocated to investors and are retained in the Fund for use in future years. Non-capital losses may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Refer to Note 9 for the Fund's loss carryforwards.

**6. MANAGEMENT FEES AND OPERATING EXPENSES**

No management fee or operating expenses, other than certain specific fund costs, are charged to the Fund

Such 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, any new fees related to external services that were not commonly charged in the Canadian mutual fund industry and introduced after October 27, 2017 and the costs of complying with any new regulatory requirements, including, without limitation, any new fees introduced after October 27, 2017.

**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 March 31, 2018 and 2017 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 10.

**NOTES TO ANNUAL FINANCIAL STATEMENTS****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 10), and where applicable, by using derivatives to hedge certain risk exposures. To assist in managing risks, the Manager 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 accordance with securities regulations, the Fund must maintain at least 85% of its assets in liquid investments (i.e., investments that can be readily sold). In addition, the Fund retains sufficient cash and short-term investment positions to maintain adequate liquidity. The Fund also has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

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, please refer to the amounts disclosed pertaining to Series 0 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 that it has entered into with the Fund.

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.

If significant, Note 10 summarizes the Fund's exposure to credit risk pertaining to fixed income investments and derivatives.

**(d) Currency risk**

Currency risk arises when the fair value of financial instruments that are denominated in a currency other than the Canadian dollar, which is the Fund's reporting currency, fluctuates due to changes in exchange rates. If applicable and significant, Note 10 summarizes the Fund's exposure to currency risk.

**(e) Interest rate risk**

Interest rate risk arises when the fair value of interest-bearing financial instruments fluctuates due to changes in the prevailing levels of market interest rates. Cash and cash equivalents do not expose the Fund to significant amounts of interest rate risk. If applicable and significant, Note 10 summarizes the Fund's exposure to interest rate risk related to fixed income investments.

**(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. If applicable and significant, Note 10 summarizes the Fund's exposure to other price risk, including indirect exposure through underlying mutual funds and ETFs.

**9. FURTHER INFORMATION**

A copy of the Fund's current Annual Information Form, Management Report of Fund Performance, quarterly portfolio disclosures and proxy voting disclosures will be provided, without charge, by: calling toll-free 1-877-625-9885, writing to Counsel Portfolio Services Inc., 5015 Spectrum Way, Suite 300, Mississauga, ON, L4W 0E4, by visiting our website at [www.counsel-services.com](http://www.counsel-services.com) or by visiting [www.sedar.com](http://www.sedar.com).

**NOTES TO ANNUAL FINANCIAL STATEMENTS**

All figures stated in \$000s of Canadian dollars, except for Note 10(a), unless otherwise noted

**10. FUND SPECIFIC INFORMATION****(a) Series information**

Series	Date of Inception	Minimum Investment (\$)	Management Fee (%)	Administration Fee (%)
Series O <sup>1,3</sup>	October 29, 2015	-	-	-
Series R <sup>2,3</sup>	October 29, 2015	-	-	-

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

<sup>2</sup> This series is not available for sale and is held solely by Counsel.

<sup>3</sup> Securities of this series are not subject to sales charges or redemption charges.

**(b) Investment Objectives and Strategies**

The Fund seeks to achieve a high level of income with the potential for long-term capital growth. The Fund invests primarily in Canadian and U.S. fixed-income securities. The Fund's investments are generally expected to have a weighted average credit rating of "BB-" or higher, as rated by S&P or an equivalent rating from another recognized credit rating organization. The sub-advisor may vary the weighted average credit quality. The Fund seeks to diversify the portfolio by industry sector, size of issuer and credit rating.

The Fund is not available to retail investors and is only available to other institutional investors (primarily other Counsel Funds).

**(c) Risks Associated with Financial Instruments****i. Currency Risk**

The table below indicates the foreign currencies, to which the Fund had significant exposure as at period end in Canadian dollar terms, including the underlying principal amount of forward currency contracts.

Currency	March 31, 2018			
	Investments	Cash and cash equivalents	Derivative instruments	Net exposure
Euro	183	-	-	183
United States dollars	76,685	2,970	(15,338)	64,317
Total	76,868	2,970	(15,338)	64,500
As percent of net assets (%)				78.0

Currency	March 31, 2017			
	Investments	Cash and cash equivalents	Derivative instruments	Net exposure
United States dollars	81,746	3,368	1,716	86,830
Total	81,746	3,368	1,716	86,830
As percent of net assets (%)				99.5

As at March 31, 2018, had the Canadian dollar strengthened or weakened by 5.0% relative to all foreign currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$3,225 or 3.9% of total net assets (March 31, 2017—\$4,342 or 5.0% of total net assets). In practice, the actual trading results may differ and the difference could be material.

**ii. Interest Rate Risk**

The table below summarizes the Fund's exposure to interest rate risks by remaining term to maturity.

Bonds	Less than 1 year	1 - 5 years	5 - 10 years	> 10 years	Total
March 31, 2018	346	16,667	54,600	4,135	75,748
March 31, 2017	299	23,679	52,278	4,121	80,377

As at March 31, 2018, had prevailing interest rates raised or lowered by 1.0%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased by approximately \$3,654 or 4.4% of total net assets (March 31, 2017—\$3,342 or 3.8% of total net assets). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio and interest rate swaps. In practice, the actual trading results may differ and the difference could be material.

**iii. Other Price Risk**

The Fund's most significant exposure to other price risk arises from its investment in equity securities. As at March 31, 2018, had the prices on the respective stock exchanges for these securities raised or lowered by 10.0%, with all other variables held constant, net assets would have increased or decreased by approximately \$138 or 0.2% of total net assets (March 31, 2017—\$180 or 0.2% of total net assets). In practice, the actual trading results may differ and the difference could be material.

**NOTES TO ANNUAL FINANCIAL STATEMENTS**

All figures stated in \$000s of Canadian dollars, except for Note 10(a), unless otherwise noted

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

## iv. Credit Risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. As at March 31, 2018, the maximum exposure to any one debt issuer was 1.9% of the net assets of the Fund (March 31, 2017 – 2.0%).

The table below indicates the Fund's exposure to debt securities by credit rating as a percentage of net assets:

<b>March 31, 2018</b>	
AA	0.4
A	0.3
BBB	2.7
BB	26.3
B	41.8
CCC	19.6
Unrated	0.6
<b>Total</b>	<b>91.6</b>

  

<b>March 31, 2017</b>	
A	0.3
BBB	5.4
BB	33.6
B	40.3
CCC	10.1
CC	0.4
D	0.6
Unrated	1.4
<b>Total</b>	<b>92.1</b>

*Credit ratings are based on ratings provided by external ratings agencies.*

**(d) Loss Carryforwards**

As at the last taxation year-end, the Fund had no loss carryforwards available to offset future taxable income.

**(e) Fair Value Classification**

The table below summarizes the Fund's financial instruments carried at fair value using the following fair value hierarchy:

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; and

Level 3 – Inputs that are not based on observable market data.

<b>as at March 31, 2018</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Fixed income	306	75,442	-	75,748
Equities	1,310	1	66	1,377
Cash equivalents	-	-	-	-
Derivative assets	-	589	-	589
Derivative liabilities	-	(1,770)	-	(1,770)
<b>Total</b>	<b>1,616</b>	<b>74,262</b>	<b>66</b>	<b>75,944</b>

  

<b>as at March 31, 2017</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Fixed income	-	80,377	-	80,377
Equities	1,787	14	-	1,801
Cash equivalents	-	-	-	-
Derivative assets	-	10	-	10
Derivative liabilities	-	(52)	-	(52)
<b>Total</b>	<b>1,787</b>	<b>80,349</b>	<b>-</b>	<b>82,136</b>

There were no significant transfers between Level 1 and Level 2.

**NOTES TO ANNUAL FINANCIAL STATEMENTS**

All figures stated in \$000s of Canadian dollars, except for Note 10(a), unless otherwise noted

**10. FUND SPECIFIC INFORMATION****(e) Fair Value Classification (continued)**

The table below presents a reconciliation of financial instruments measured at fair value using Level 3 inputs:

for the year ended March 31, 2018	Fixed Income	Equities	Total
Balance – beginning of period	-	-	-
Purchases	-	38	38
Sales	-	-	-
Transfers in	-	25	25
Transfers out	-	-	-
Gains (losses) during the period:			
Realized	-	-	-
Unrealized	-	3	3
Balance – end of period	-	66	66
Unrealized gains (losses) during the period attributable to securities held at end of period	-	3	3
for the year ended March 31, 2017	Fixed Income	Equities	Total
Balance – beginning of period	-	8	8
Purchases	-	-	-
Sales	-	-	-
Transfers in	-	-	-
Transfers out	-	(7)	(7)
Gains (losses) during the period:			
Realized	-	(1)	(1)
Unrealized	-	-	-
Balance – end of period	-	-	-
Unrealized gains (losses) during the period attributable to securities held at end of period	-	-	-

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.

**(f) Commissions**

The brokerage commissions paid to certain dealers included an investment of \$nil (2017–\$1) that was available for payment to third party vendors for the provision of investment decision making services. This amount represented 0.0% (2017–7.1%) of the total commissions and other transaction costs paid during the period.

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