

**COUNSEL | PORTFOLIO SERVICES**

# *Counsel North American High Yield Bond*

ANNUAL FINANCIAL STATEMENTS

For the year ended March 31, 2019

## COUNSEL | PORTFOLIO SERVICES

# Management's *Responsibility for Financial Reporting*

To the securityholders of:

Counsel All Equity Portfolio

Counsel Balanced Growth Portfolio

Counsel Balanced Portfolio

Counsel Canadian Core Fixed Income

Counsel Canadian Dividend

Counsel Canadian Growth

Counsel Canadian Value

Counsel Conservative Portfolio

Counsel Defensive Global Equity

Counsel Fixed Income

Counsel Global Fixed Income

Counsel Global Low Volatility Equity

Counsel Global Real Estate

Counsel Global Small Cap

Counsel Global Trend Strategy

Counsel Growth Portfolio

Counsel High Income Portfolio

Counsel High Yield Fixed Income

Counsel Income Portfolio

Counsel International Growth

Counsel Money Market

Counsel Monthly Income Portfolio

Counsel North American High Yield Bond

Counsel Retirement Accumulation Portfolio

Counsel Retirement Foundation Portfolio

Counsel Retirement Income Portfolio

Counsel Retirement Preservation Portfolio

Counsel Short Term Bond

Counsel U.S. Growth

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

June 3, 2019



**Frank Gawlina**  
Chief Financial Officer

June 3, 2019

## Independent Auditor's Report

To the Securityholders of:

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

("Funds" and each individually, the "Fund")

### Opinion

We have audited the financial statements of each of the Funds, which comprise the statements of financial position as at March 31, 2019 and 2018, and the statements of comprehensive income, changes in financial position and cash flows for the periods then ended, as indicated in note 1, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of each of the Funds as at March 31, 2019 and 2018, as applicable, and its financial performance and its cash flows for the periods then ended, as indicated in note 1, in accordance with International Financial Reporting Standards ("IFRS").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Other Information**

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

/s/ Deloitte LLP

Chartered Professional Accountants  
Licensed Public Accountants  
June 3, 2019

**STATEMENTS OF FINANCIAL POSITION**

at March 31, 2019 with comparative figures at March 31, 2018

	Mar. 31 2019	Mar. 31 2018
<b>Assets</b>		
<b>Current assets:</b>		
Investments at fair value	75,045	77,125
Cash and cash equivalents	5,320	5,687
Accrued interest receivable	1,299	1,296
Dividends receivable	1	2
Accounts receivable for investments sold	310	672
Accounts receivable for securities issued	101	39
Accounts receivable from the Manager	1	-
Margin with broker	-	-
Derivative assets	143	589
Other assets	-	-
	82,220	85,410
<b>Non-current assets:</b>		
Taxes recoverable	-	-
Other assets	-	-
	-	-
<b>Total assets</b>	<b>82,220</b>	<b>85,410</b>
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Bank indebtedness	-	-
Accounts payable for investments purchased	771	847
Accounts payable for securities redeemed	46	123
Distributions payable	-	-
Accrued expenses and miscellaneous payables	-	-
Dividends payable on investments sold short	-	-
Derivative liabilities	88	1,770
Taxes payable	-	-
Other liabilities	-	-
<b>Total liabilities</b>	<b>905</b>	<b>2,740</b>
<b>Net assets attributable to securityholders</b>	<b>81,315</b>	<b>82,670</b>

	Net assets attributable to securityholders			
	per security		per series	
	Mar. 31 2019	Mar. 31 2018	Mar. 31 2019	Mar. 31 2018
Series O	9.87	9.81	81,315	82,669
Series R	n/a	9.87	n/a	1
			81,315	82,670

**STATEMENTS OF COMPREHENSIVE INCOME**

for the periods ended March 31

	2019	2018
<b>Income:</b>		
Dividends	26	44
Interest and other income	5,019	4,367
Net realized gain (loss)	(3,381)	2,666
Net unrealized gain (loss)	3,662	(5,579)
Income (loss) from derivatives	-	-
Income (loss) from short selling	-	-
Securities lending income	-	-
Trust income	-	-
<b>Total income</b>	<b>5,326</b>	<b>1,498</b>
<b>Expenses:</b>		
Management fees	-	-
Management fee rebates	-	-
Administration fees	-	-
Commissions and other portfolio transaction costs	7	14
Independent Review Committee costs	-	-
Interest and other charges	-	2
<b>Expenses before amounts absorbed by Manager</b>	<b>7</b>	<b>16</b>
Expenses absorbed by Manager	-	-
<b>Net expenses</b>	<b>7</b>	<b>16</b>
<b>Increase (decrease) in net assets attributable to securityholders</b>		
<b>from operations before tax</b>	<b>5,319</b>	<b>1,482</b>
Foreign withholding tax expense (recovery)	4	8
Foreign income tax expense (recovery)	-	-
Income tax expense (recovery)	-	-
<b>Increase (decrease) in net assets attributable to securityholders</b>		
<b>from operations</b>	<b>5,315</b>	<b>1,474</b>

	Increase (decrease) in net assets attributable to securityholders from operations			
	per security		per series	
	2019	2018	2019	2018
Series O	0.64	0.30	5,315	1,474
Series R	0.13	0.30	-	-
			5,315	1,474

**STATEMENTS OF CHANGES IN FINANCIAL POSITION**

for the periods ended March 31

	TOTAL		SERIES O		SERIES R	
	2019	2018	2019	2018	2019	2018
<b>Net assets attributable to securityholders, beginning of period</b>	82,670	87,294	82,669	87,293	1	1
Increase (decrease) in net assets attributable to securityholders resulting from:						
<b>Operations</b>	5,315	1,474	5,315	1,474	-	-
<b>Distributions:</b>						
Income	(4,808)	(4,340)	(4,808)	(4,340)	-	-
Capital gains	-	(2,028)	-	(2,028)	-	-
Return of capital	-	-	-	-	-	-
Management fee rebates	-	-	-	-	-	-
<b>Total distributions</b>	(4,808)	(6,368)	(4,808)	(6,368)	-	-
<b>Security transactions:</b>						
Proceeds from sale of securities	7,501	39,474	7,501	39,474	-	-
Proceeds from securities issued on merger	-	-	-	-	-	-
Reinvested from distributions	4,808	6,368	4,808	6,368	-	-
Payment on redemption of securities	(14,171)	(45,572)	(14,170)	(45,572)	(1)	-
<b>Total security transactions</b>	(1,862)	270	(1,861)	270	(1)	-
<b>Increase (decrease) in assets attributable to securityholders</b>	(1,355)	(4,624)	(1,354)	(4,624)	(1)	-
<b>Net assets attributable to securityholders, end of period</b>	81,315	82,670	81,315	82,669	-	1
<b>Increase (decrease) in securities (in thousands):</b>						
<b>Securities outstanding, beginning of period</b>			8,430.8	8,345.2	0.1	0.1
Add (deduct):						
Securities sold			769.4	3,914.7	-	-
Securities issued on merger			-	-	-	-
Reinvested from distributions			494.5	630.7	-	-
Securities redeemed			(1,452.9)	(4,459.8)	(0.1)	-
<b>Securities outstanding, end of period</b>			8,241.8	8,430.8	-	0.1

**STATEMENTS OF CASH FLOWS**

for the periods ended March 31

	2019	2018
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to securityholders from operations	5,315	1,474
<b>Less non-cash impact of:</b>		
Net realized loss (gain) on investments	3,381	(2,666)
Change in net unrealized loss (gain) on investments	(3,662)	5,579
Distributions received from Underlying Funds	-	-
<b>Adjustments for:</b>		
Proceeds from sale and maturity of investments	24,452	64,067
Purchases of investments	(23,086)	(61,841)
(Increase) decrease in accounts receivable and other assets	(3)	(7)
Increase (decrease) in accounts payable and other liabilities	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>6,397</b>	<b>6,606</b>
<b>Cash flows from financing activities:</b>		
Proceeds from securities issued	7,439	39,616
Proceeds from securities issued on merger	-	-
Payments on redemption of securities	(14,248)	(45,464)
Distributions paid net of reinvestments	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>(6,809)</b>	<b>(5,848)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(412)</b>	<b>758</b>
Cash and cash equivalents at beginning of period	5,687	4,953
Effect of exchange rate fluctuations on cash and cash equivalents	45	(24)
<b>Cash and cash equivalents, end of period</b>	<b>5,320</b>	<b>5,687</b>
Cash	5,168	5,687
Cash equivalents	152	-
Bank indebtedness	-	-
	5,320	5,687
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received net of withholding taxes	23	37
Interest received net of withholding taxes	5,016	4,321
Interest paid	-	2
Income taxes paid (recovered)	-	-

## SCHEDULE OF INVESTMENTS

as at March 31, 2019

	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	87
ABC Supply Co. Inc. 5.88% 05-15-2026 Callable 2021 144A	United States	Corporate	USD	30,000	38	41
Academy Ltd. Term Loan B 1st Lien F/R 07-01-2022	United States	Bank Loans	USD	36,156	48	35
The AES Corp. 4.50% 03-15-2023 Callable 2020	United States	Corporate	USD	45,000	58	61
The AES Corp. 4.88% 05-15-2023 Callable 2019	United States	Corporate	USD	55,000	69	75
The AES Corp. 5.50% 04-15-2025 Callable 2020	United States	Corporate	USD	105,000	126	146
The AES Corp. 5.13% 09-01-2027 Callable 2022	United States	Corporate	USD	270,000	351	376
Air Medical Merger 6.38% 05-15-2023 Callable 2018 144A	United States	Corporate	USD	185,000	224	211
Aker BP ASA 5.88% 03-31-2025 Callable 2021 144A	Norway	Corporate	USD	150,000	199	209
Albertsons Cos. Inc. 7.50% 03-15-2026 Callable 2022 144A	United States	Corporate	USD	90,000	120	124
Allegheny Technologies Inc. 5.95% 01-15-2021 Callable 2020	United States	Corporate	USD	40,000	50	55
Allegheny Technologies Inc. F/R 08-15-2023 Callable 2023	United States	Corporate	USD	135,000	182	196
Alliance Data Systems Corp. 5.38% 08-01-2022 Callable 144A	United States	Corporate	USD	80,000	106	108
Allison Transmission Inc. 4.75% 10-01-2027 Callable 2022 144A	United States	Corporate	USD	160,000	197	205
Aly Financial Inc. 5.75% 11-20-2025 Callable 2025	United States	Corporate	USD	155,000	216	221
Aly Financial Inc. 8.00% 11-01-2031	United States	Corporate	USD	395,000	636	655
Alpha 3 BV 6.25% 02-01-2025 Callable 2020 144A	United Kingdom	Corporate	USD	200,000	270	259
Alta Mesa Holdings LP 7.88% 12-15-2024 Callable 2019	United States	Corporate	USD	65,000	87	33
Altice SA 7.63% 02-15-2025 Callable 2020 144A	Luxembourg	Corporate	USD	200,000	282	235
AMC Entertainment Holdings Inc. 5.75% 06-15-2025 Callable 2020	United States	Corporate	USD	110,000	148	138
AMC Entertainment Holdings Inc. 5.88% 11-15-2026 Callable	United States	Corporate	USD	40,000	54	48
AMC Entertainment Holdings Inc. 6.13% 05-15-2027 Callable	United States	Corporate	USD	50,000	65	61
American Builders & Contractors Supply Co. Inc. 5.75% 12-15-2023 Callable 2018 144A	United States	Corporate	USD	65,000	91	90
American International Group Inc. 8.18% 05-15-2058 (F/R @ 05-15-2038) Callable 2038	United States	Corporate	USD	75,000	135	120
Antero Resources Corp. 5.38% 11-01-2021 Callable	United States	Corporate	USD	45,000	50	61
Antero Resources Corp. 5.13% 12-01-2022 Callable	United States	Corporate	USD	20,000	21	27
Antero Resources Corp. 5.63% 06-01-2023 Callable	United States	Corporate	USD	155,000	200	211
Apergy Corp. 6.38% 05-01-2026 Callable 2021	United States	Corporate	USD	135,000	180	183
ArcelorMittal SA 6.13% 06-01-2025	Luxembourg	Corporate	USD	15,000	15	22
ArcelorMittal SA 7.00% 10-15-2039	Luxembourg	Corporate	USD	185,000	272	282
Ardagh Packaging Finance PLC 7.25% 05-15-2024 Callable 2019 144A	Ireland	Corporate	USD	400,000	538	563
Ascend Learning LLC Term Loan B 1st Lien F/R 07-12-2024	United States	Bank Loans	USD	60,000	79	79
Ascend Learning LLC 6.88% 08-01-2025 144A	United States	Corporate	USD	140,000	182	187
Ascent Resources Utica Holdings LLC 10.00% 04-01-2022 Callable 2020 144A	United States	Corporate	USD	88,000	123	129
Ascent Resources Utica Holdings LLC 7.00% 11-01-2026 Callable 2021 144A	United States	Corporate	USD	60,000	77	77
ASP AMC Merger Sub Inc. Term Loan 1st Lien F/R 04-22-2024	United States	Bank Loans	USD	93,751	122	95
ASP AMC Merger Sub Inc. 8.00% 05-15-2025 Callable 2020 144A	United States	Corporate	USD	100,000	126	60
Asurion LLC Term Loan B2 2nd Lien F/R 08-04-2025	United States	Bank Loans	USD	155,000	197	210
ATS Automation Tooling Systems Inc. 6.50% 06-15-2023 Callable 2019 144A	Canada	Corporate	USD	185,000	252	256
Avaya Inc. Term Loan B 1st Lien F/R 12-15-2024	United States	Bank Loans	USD	157,864	198	210
Banff Merger Sub Inc. 9.75% 09-01-2026 Callable 2021 144A	United States	Corporate	USD	175,000	228	229
Bank of America Corp. 6.10% 03-17-2025 Callable Series AA	United States	Corporate	USD	20,000	28	28
Bank of America Corp. 6.50% 12-31-2049 Callable 2024	United States	Corporate	USD	40,000	58	58
Bausch Health Cos Inc. 6.50% 03-15-2022 Callable 2019 144A	United States	Corporate	USD	75,000	101	104
Bausch Health Cos Inc. 4.50% 05-05-2023 Callable 2019	United States	Corporate	EUR	100,000	149	151
Bausch Health Cos Inc. 7.00% 03-15-2024 Callable 2020 144A	United States	Corporate	USD	160,000	217	226
Bausch Health Cos Inc. Term Loan B 1st Lien F/R 05-24-2025	United States	Bank Loans	USD	74,000	95	98
Bausch Health Cos Inc. 5.50% 11-01-2025 Callable 144A	United States	Corporate	USD	25,000	32	34
Bausch Health Cos Inc. 9.00% 12-15-2025 Callable 2021	United States	Corporate	USD	225,000	289	327
Bausch Health Cos Inc. 9.25% 04-01-2026 Callable 2022 144A	United States	Corporate	USD	100,000	128	147
Bausch Health Cos Inc. 8.50% 01-31-2027 Callable 2022 144A	United States	Corporate	USD	125,000	162	177
Bausch Health Cos Inc. 5.75% 08-15-2027 Callable 2022 144A	United States	Corporate	USD	35,000	46	48
Baytex Energy Corp. 5.63% 06-01-2024 Callable 2019 144A	Canada	Corporate	USD	50,000	61	62
BCP Raptor LLC Term Loan 1st Lien F/R 06-30-2024	United States	Bank Loans	USD	98,841	126	124
Beacon Escrow Corp. 4.88% 11-01-2025 Callable 2020 144A	United States	Corporate	USD	95,000	119	120
Beacon Roofing Supply Inc. 6.38% 10-01-2023 Callable	United States	Corporate	USD	85,000	119	118
Berry Global Inc. 4.50% 02-15-2026 Callable 2021 144A	United States	Corporate	USD	100,000	124	127
Big River Steel LLC 7.25% 09-01-2025 Callable 2020 144A	United States	Corporate	USD	215,000	281	300
BMC East LLC 5.50% 10-01-2024 Callable 2019 144A	United States	Corporate	USD	155,000	204	203
Boise Cascade Co. 5.63% 09-01-2024 Callable 2019 144A	United States	Corporate	USD	210,000	277	277
Bombardier Inc. 8.75% 12-01-2021 144A	Canada	Corporate	USD	45,000	62	67
Bombardier Inc. 7.50% 12-01-2024 Callable 2020 144A	Canada	Corporate	USD	190,000	256	264
Bombardier Inc. 7.88% 04-15-2027 Callable 2022 144A	Canada	Corporate	USD	95,000	124	131
Boyd Gaming Corp. Term Loan B 1st Lien F/R 09-15-2023	United States	Bank Loans	USD	99,726	129	132
Boyd Gaming Corp. 6.38% 04-01-2026 Callable 2021	United States	Corporate	USD	70,000	95	97
Boyd Gaming Corp. 6.00% 08-15-2026 Callable 2021	United States	Corporate	USD	50,000	65	69
Brand Energy & Infrastructure Services Inc. Term Loan 1st Lien F/R 06-21-2024	United States	Bank Loans	USD	211,534	273	271
Brand Energy & Infrastructure Services Inc. 8.50% 07-15-2025 Callable 2020 144A	United States	Corporate	USD	150,000	199	180
Briggs & Stratton Corp. 6.88% 12-15-2020	United States	Corporate	USD	140,000	208	194
Brookfield Residential Properties Inc. 6.50% 12-15-2020 Callable 144A	Canada	Corporate	USD	115,000	153	154
Builders FirstSource Inc. 5.63% 09-01-2024 Callable 2019 144A	United States	Corporate	USD	145,000	192	191

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

**SCHEDULE OF INVESTMENTS (continued)**

as at March 31, 2019

	Country	Sector	Currency*	No. of Units, Shares, or Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (continued)</b>						
Building Materials Corp. of America 5.38% 11-15-2024 Callable 2019 144A	United States	Corporate	USD	95,000	133	130
Building Materials Corp. of America 6.00% 10-15-2025 Callable 2020 144A	United States	Corporate	USD	30,000	42	42
BWAY Holding Co. 5.50% 04-15-2024 Callable 2020 144A	United States	Corporate	USD	155,000	205	206
BWAY Holding Co. 7.25% 04-15-2025 144A	United States	Corporate	USD	230,000	304	297
California Resources Corp. 5.00% 01-15-2020 Callable 2019	United States	Corporate	USD	75,000	82	96
California Resources Corp. Term Loan 1st Lien F/R 12-31-2021	United States	Bank Loans	USD	80,000	115	113
California Resources Corp. Term Loan 1st Lien F/R 11-17-2022	United States	Bank Loans	USD	90,000	116	119
California Resources Corp. 8.00% 12-15-2022 Callable 2018 144A	United States	Corporate	USD	70,000	65	74
Calpine Corp. 5.88% 01-15-2024 Callable 2018 144A	United States	Corporate	USD	15,000	21	21
Calpine Corp. 5.75% 01-15-2025 Callable 2019	United States	Corporate	USD	140,000	171	186
Calpine Corp. 5.25% 06-01-2026 Callable 2021 144A	United States	Corporate	USD	205,000	256	273
Carriage Services Inc. 6.63% 06-01-2026 Callable 2021 144A	United States	Corporate	USD	100,000	128	137
CBS Radio Inc. 7.25% 11-01-2024 Callable 2019 144A	United States	Corporate	USD	280,000	366	373
CCO Holdings LLC 5.13% 05-01-2023 Callable 2018 144A	United States	Corporate	USD	15,000	20	21
CCO Holdings LLC 5.88% 04-01-2024 Callable 2019 144A	United States	Corporate	USD	205,000	281	287
CCO Holdings LLC 5.75% 02-15-2026	United States	Corporate	USD	300,000	396	420
CCO Holdings LLC 5.50% 05-01-2026 Callable 2021 144A	United States	Corporate	USD	215,000	282	297
CEC Entertainment 8.00% 02-15-2022 Callable	United States	Corporate	USD	140,000	184	173
Cemex SAB de CV 6.13% 05-05-2025 Callable 2020 144A	Mexico	Corporate	USD	275,000	336	381
Cenovus Energy Inc. 6.75% 11-15-2039 Callable	Canada	Corporate	USD	85,000	120	127
Centene Corp. 4.75% 05-22-2021 Callable	United States	Corporate	USD	65,000	86	89
Centene Escrow Corp. 6.13% 02-15-2024 Callable 2019	United States	Corporate	USD	120,000	166	168
Centene Escrow I Corp. 5.38% 06-01-2026 Callable 2021 144A	United States	Corporate	USD	50,000	64	70
CF Industries Inc. 4.95% 06-01-2043	United States	Corporate	USD	130,000	144	149
The Chemours Co. 6.63% 05-15-2023 Callable 2018	United States	Corporate	USD	45,000	52	62
The Chemours Co. 7.00% 05-15-2025 Callable 2020	United States	Corporate	USD	70,000	84	99
The Chemours Co. 5.38% 05-15-2027 Callable 2027	United States	Corporate	USD	55,000	74	73
Cheniere Corpus Christi Holdings LLC 5.88% 03-31-2025	United States	Corporate	USD	205,000	279	299
Cheniere Corpus Christi Holdings LLC 5.13% 06-30-2027	United States	Corporate	USD	135,000	180	190
Chesapeake Energy Corp. 5.75% 03-15-2023	United States	Corporate	USD	70,000	86	91
Chesapeake Energy Corp. 8.00% 01-15-2025 Callable 2020	United States	Corporate	USD	215,000	278	294
Chesapeake Energy Corp. 8.00% 06-15-2027 Callable	United States	Corporate	USD	45,000	61	59
CHS/Community Health Systems Inc. 6.88% 02-01-2022 Callable 2020	United States	Corporate	USD	183,000	211	162
CHS/Community Health Systems Inc. 6.25% 03-31-2023 Callable	United States	Corporate	USD	420,000	527	530
CHS/Community Health Systems Inc. 8.13% 06-30-2024 Callable 144A	United States	Corporate	USD	80,000	98	80
CHS/Community Health Systems Inc. 8.00% 03-15-2026 Callable 2022 144A	United States	Corporate	USD	50,000	63	64
Cinemark USA Inc. 5.13% 12-15-2022 Callable	United States	Corporate	USD	40,000	55	54
Cinemark USA Inc. 4.88% 06-01-2023 Callable 2019	United States	Corporate	USD	110,000	145	150
CIT Group Inc. 5.00% 08-15-2022 Callable	United States	Corporate	USD	50,000	71	70
CIT Group Inc. 5.00% 08-01-2023	United States	Corporate	USD	250,000	343	351
CIT Group Inc. 5.25% 03-07-2025 Callable 2024	United States	Corporate	USD	95,000	126	135
Clear Channel Worldwide Holdings Inc. 6.50% 11-15-2022 Callable	United States	Corporate	USD	155,000	202	212
Clear Channel Worldwide Holdings Inc. 9.25% 02-15-2024 Callable 2021 144A	United States	Corporate	USD	75,000	100	107
Cleveland-Cliffs Inc. 5.75% 03-01-2025 Callable 2020	United States	Corporate	USD	35,000	45	45
CNG Holdings Inc. 9.38% 05-15-2020 Callable 2018 144A	United States	Corporate	USD	85,000	46	112
CNO Financial Group Inc. 5.25% 05-30-2025 Callable	United States	Corporate	USD	145,000	195	201
CommScope Technologies Finance LLC 5.50% 03-01-2024 Callable 2021 144A	United States	Corporate	USD	30,000	40	41
CommScope Technologies LLC 6.00% 06-15-2025 Callable 2020 144A	United States	Corporate	USD	180,000	242	234
CommScope Technologies Finance LLC 6.00% 03-01-2026 Callable 2022 144A	United States	Corporate	USD	25,000	33	34
CommScope Technologies LLC 5.00% 03-15-2027 Callable 2022 144A	United States	Corporate	USD	35,000	44	42
Compass Minerals International Inc. 4.88% 07-15-2024 Callable 2024 144A	United States	Corporate	USD	200,000	256	250
Comstock Escrow Corp. 9.75% 08-15-2026 Callable 2021 144A	United States	Corporate	USD	150,000	190	186
Constellation Merger Sub Inc. 8.50% 09-15-2025 Callable 2020 144A	United States	Corporate	USD	250,000	312	305
Constellium NV 6.63% 03-01-2025 Callable 2020 144A	Netherlands	Corporate	USD	250,000	309	341
Continental Resources Inc. 5.00% 09-15-2022 Callable	United States	Corporate	USD	8,000	9	11
Continental Resources Inc. 4.90% 06-01-2044 Callable 2043	United States	Corporate	USD	120,000	144	164
Cortez NP Acquisition Corp. 9.25% 10-15-2024 Callable 2019 144A	United States	Corporate	USD	60,000	77	80
Cortez NP Intermediate Holdings II Corp. Term Loan B 1st Lien 11-30-2023	United States	Bank Loans	USD	125,000	160	157
Covey Park Energy LLC 7.50% 05-15-2025 Callable 2020 144A	United States	Corporate	USD	190,000	254	236
CPG International Inc. Term Loan 1st Lien F/R 05-05-2024	United States	Bank Loans	USD	116,395	151	154
CPG Merger Sub LLC 8.00% 10-01-2021 Callable 144A	United States	Corporate	USD	45,000	59	60
CRC Escrow Issuer LLC 5.25% 10-15-2025 Callable 2020 144A	United States	Corporate	USD	205,000	256	265
Credit Acceptance Corp. 7.38% 03-15-2023 Callable	United States	Corporate	USD	15,000	21	21
Credit Acceptance Corp. 6.63% 03-15-2026 Callable 2022	United States	Corporate	USD	50,000	67	68
Credit Suisse Group AG 6.25% 12-29-2049 Callable 2024 144A	Switzerland	Corporate	USD	200,000	260	267
Crown Americas LLC 4.75% 02-01-2026 Callable 2021	United States	Corporate	USD	170,000	213	228
Crown Cork & Seal Co. Inc. 7.38% 12-15-2026	United States	Corporate	USD	35,000	51	52
Crown Financial Group Inc. Term Loan B 1st Lien F/R 02-28-2025	United States	Bank Loans	USD	66,642	86	87
CSC Holdings LLC 6.75% 11-15-2021 Callable	United States	Corporate	USD	235,000	322	336
CSC Holdings LLC 5.13% 12-15-2021 Callable 2018	United States	Corporate	USD	235,000	298	315
CSC Holdings LLC 5.25% 06-01-2024	United States	Corporate	USD	310,000	388	421
CSC Holdings LLC 7.75% 07-15-2025 Callable 2020 144A	United States	Corporate	USD	200,000	269	287

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

**SCHEDULE OF INVESTMENTS (continued)**

as at March 31, 2019

	Country	Sector	Currency*	No. of Units, Shares, or Par Value	Average Cost (\$ '000)	Fair Value (\$ '000)
<b>BONDS (continued)</b>						
CSC Holdings LLC 7.50% 04-01-2028 Callable 2023 144A	United States	Corporate	USD	200,000	265	288
DCP Midstream Operating LP 5.38% 07-15-2025 Callable 2025	United States	Corporate	USD	55,000	73	77
DCP Midstream Operating LP 6.75% 09-15-2037	United States	Corporate	USD	125,000	172	173
Denbury Resources Inc. 9.00% 05-15-2021 Callable 144A	United States	Corporate	USD	98,000	125	128
Denbury Resources Inc. 7.50% 02-15-2024 Callable 2020 144A	United States	Corporate	USD	40,000	52	46
Diamond (BC) BV 5.63% 08-15-2025 Callable 2020	United States	Corporate	EUR	120,000	178	169
Diamond 1 Finance Corp. 7.13% 06-15-2024 Callable 2019 144A	United States	Corporate	USD	115,000	162	163
Diamond 1 Finance Corp. 6.02% 06-15-2026 Callable 2026 144A	United States	Corporate	USD	340,000	466	490
Diamondback Energy Inc. 4.75% 11-01-2024 Callable	United States	Corporate	USD	30,000	40	41
Diamondback Energy Inc. 5.38% 05-31-2025 Callable	United States	Corporate	USD	275,000	363	385
Digicel Group Ltd. 6.75% 03-01-2023 Callable 2019	Jamaica	Corporate	USD	200,000	231	172
DISH DBS Corp. 5.88% 11-15-2024	United States	Corporate	USD	325,000	376	366
DISH Network Corp. 3.38% 08-15-2026 Conv.	United States	Corporate	USD	52,000	69	59
Dynegy Inc. 7.63% 11-01-2024	United States	Corporate	USD	88,000	112	125
Dynegy Inc. 8.13% 01-30-2026 Callable 2020 144A	United States	Corporate	USD	205,000	277	299
Eldorado Resorts Inc. 7.00% 08-01-2023 Callable 2019	United States	Corporate	USD	25,000	34	35
Eldorado Resorts Inc. 6.00% 09-15-2026	United States	Corporate	USD	20,000	26	27
Endeavor Energy Resources LP 5.50% 01-30-2026 Callable 2021 144A	United States	Corporate	USD	80,000	103	110
Endeavor Energy Resources LP 5.75% 01-30-2028 Callable 2023 144A	United States	Corporate	USD	185,000	238	259
Endo Finance LLC 6.00% 02-01-2025 Callable 2020 144A	United States	Corporate	USD	200,000	271	194
Energizer Holdings Inc. 6.38% 07-15-2026 Callable 2021 144A	United States	Corporate	USD	35,000	47	48
Energizer Holdings Inc. 7.75% 01-15-2027 Callable 2022 144A	United States	Corporate	USD	10,000	13	14
Energy Transfer Equity LP 5.88% 01-15-2024 Callable 2023	United States	Corporate	USD	205,000	269	296
Energy Transfer Equity LP 5.50% 06-01-2027 Callable 2027	United States	Corporate	USD	40,000	53	57
Energy Transfer Partners LP F/R 02-15-2166 Perpetual Callable 2028	United States	Corporate	USD	205,000	261	258
Enso PLC 7.75% 02-01-2026	United States	Corporate	USD	65,000	82	74
EP Energy LLC 7.75% 05-15-2026 Callable 2021 144A	United States	Corporate	USD	55,000	71	60
Equinix Inc. 5.88% 01-15-2026 Callable 2021	United States	Corporate	USD	35,000	46	49
Equinix Inc. 5.38% 05-15-2027 Callable 2022	United States	Corporate	USD	190,000	251	267
ESH Hospitality Inc. 5.25% 05-01-2025 Callable 2020 144A	United States	Corporate	USD	205,000	265	272
Everest Acquisition Finance Inc. 9.38% 05-01-2024 Callable 2020	United States	Corporate	USD	141,000	132	69
Fairfax Financial Holdings Ltd. 4.85% 04-17-2028 Callable 2028	Canada	Corporate	USD	65,000	82	87
Financial & Risk US Holdings Inc. Term Loan B 1st Lien F/R 10-01-2025	United States	Bank Loans	USD	299,250	387	389
Financial & Risk US Holdings Inc. 6.25% 05-15-2026 Callable 2021 144A	United States	Corporate	USD	45,000	59	61
First Data Corp. 5.38% 08-15-2023 Callable 2018 144A	United States	Corporate	USD	60,000	83	82
First Data Corp. 5.75% 01-15-2024 Callable 2019 144A	United States	Corporate	USD	255,000	339	352
First Quantum Minerals Ltd. 7.00% 02-15-2021 Callable 2018 144A	Canada	Corporate	USD	17,000	23	23
Forest City Enterprises LP Term Loan B 1st Lien F/R 10-26-2025	United States	Bank Loans	USD	89,775	117	121
Freedom Mortgage Corp. 8.13% 11-15-2024 Callable 2020 144A	United States	Corporate	USD	90,000	116	107
Freedom Mortgage Corp. 8.25% 04-15-2025 Callable 2021 144A	United States	Corporate	USD	90,000	115	107
Freeport-McMoRan Inc. 6.88% 02-15-2023	United States	Corporate	USD	75,000	105	106
Freeport-McMoRan Inc. 5.45% 03-15-2043 Callable 2042	United States	Corporate	USD	55,000	64	65
The Fresh Market Inc. 9.75% 05-01-2023 Callable 2019 144A	United States	Corporate	USD	65,000	75	65
Frontier Communications Corp. 11.00% 09-15-2025 Callable 2025	United States	Corporate	USD	280,000	257	247
Frontier Communications Corp. 8.50% 04-01-2026 Callable 2021 144A	United States	Corporate	USD	240,000	307	299
FTS International Inc. Term Loan 1st Lien F/R 04-16-2021	United States	Bank Loans	USD	38,387	47	51
Gartner Inc. 5.13% 04-01-2025 Callable 2020 144A	United States	Corporate	USD	140,000	189	189
Gates Global LLC 6.00% 07-15-2022 Callable 144A	United States	Corporate	USD	73,000	79	98
GCP Applied Technologies Inc. 5.50% 04-15-2026 Callable 2021 144A	United States	Corporate	USD	275,000	353	373
GFL Environmental Inc. 5.38% 03-01-2023 Callable 2020 144A	Canada	Corporate	USD	120,000	151	152
GFL Environmental Inc. Term Loan B 1st Lien F/R 05-31-2025	Canada	Bank Loans	USD	59,849	77	77
GFL Environmental Inc. 7.00% 06-01-2026 Callable 2021 144A	Canada	Corporate	USD	190,000	244	241
GLP Capital LP/GLP Financing II Inc. 5.25% 06-01-2025	United States	Corporate	USD	95,000	122	133
GLP Capital LP/GLP Financing II Inc. 5.38% 04-15-2026	United States	Corporate	USD	175,000	234	246
goeasy Ltd. 7.88% 11-01-2022 Callable 2019 144A	Canada	Corporate	USD	110,000	148	155
Golden Nugget Inc. 8.75% 10-01-2025 Callable 2020 144A	United States	Corporate	USD	145,000	184	204
Gray Escrow Inc. 7.00% 05-15-2027 Callable 2022 144A	United States	Corporate	USD	165,000	219	235
Gray Television Inc. 5.88% 07-15-2026 Callable 2021 144A	United States	Corporate	USD	100,000	130	136
Great Lakes Dredge & Dock Corp. 8.00% 05-15-2022	United States	Corporate	USD	165,000	221	232
Greif Inc. 6.50% 03-01-2027 Callable 2022 144A	United States	Corporate	USD	100,000	132	137
Hanesbrands Inc. 4.63% 05-15-2024 Callable 2024 144A	United States	Corporate	USD	75,000	96	101
HCA Holdings Inc. 5.25% 06-15-2026 Callable 2025	United States	Corporate	USD	55,000	74	79
HCA Inc. 5.00% 03-15-2024	United States	Corporate	USD	105,000	143	149
Hess Infrastructure Partners LP 5.63% 02-15-2026 Callable 2021 144A	United States	Corporate	USD	190,000	245	258
Hilton Worldwide Finance LLC 4.88% 04-01-2027 Callable 2022	United States	Corporate	USD	145,000	193	196
Holly Energy Partners LP 6.00% 08-01-2024 Callable 2019 144A	United States	Corporate	USD	200,000	266	277
Hologic Inc. 4.38% 10-15-2025 Callable 2020 144A	United States	Corporate	USD	55,000	72	73
Houston Fuel Oil Terminal Co. LLC (HFOTCO) Term Loan B 1st Lien F/R 06-19-2025	United States	Bank Loans	USD	158,800	210	212
Howard Hughes Corp. 5.38% 03-15-2025 Callable 2020 144A	United States	Corporate	USD	190,000	254	255
Hub International Ltd. 7.00% 05-01-2026 Callable 2021 144A	United States	Corporate	USD	115,000	147	152
HudBay Minerals Inc. 7.63% 01-15-2025 Callable 2020 144A	Canada	Corporate	USD	100,000	137	138
Icahn Enterprises LP 6.00% 08-01-2020 Callable	United States	Corporate	USD	10,000	13	14

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

**SCHEDULE OF INVESTMENTS (continued)**

as at March 31, 2019

	Country	Sector	Currency*	No. of Units, Shares, or Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (continued)</b>						
Icahn Enterprises LP 5.88% 02-01-2022	United States	Corporate	USD	80,000	108	108
Icahn Enterprises LP 6.25% 02-01-2022 Callable 2019	United States	Corporate	USD	50,000	66	69
Icahn Enterprises LP 6.75% 02-01-2024 Callable 2020	United States	Corporate	USD	155,000	205	217
iHeartCommunications Inc. Term Loan 1st Lien F/R 01-30-2019	United States	Bank Loans	USD	60,000	58	57
iHeartCommunications Inc. 9.00% 12-15-2019 Callable 2019	United States	Corporate	USD	135,000	142	129
IHS Markit Ltd. 4.75% 02-15-2025 Callable 2024 144A	United States	Corporate	USD	95,000	127	132
IHS Markit Ltd. 4.00% 03-01-2026 Callable 2025 144A	United States	Corporate	USD	20,000	26	27
IHS Markit Ltd. 4.75% 08-01-2028 Callable 2028	United States	Corporate	USD	50,000	66	70
Indigo Natural Resources LLC 6.88% 02-15-2026 144A	United States	Corporate	USD	125,000	156	148
Infor (US) Inc. 4.50% 02-01-2022 Callable 2019	United States	Corporate	USD	115,000	146	156
Infor (US) Inc. Term Loan B6 1st Lien F/R 02-01-2022	United States	Bank Loans	USD	120,000	157	160
Infor Software Parent LLC 7.13% 05-01-2021 Callable 144A	United States	Corporate	USD	100,000	128	134
Ingevity Corp. 4.50% 02-01-2026 Callable 2021 144A	United States	Corporate	USD	145,000	181	190
Intelsat Connect Finance SA 9.50% 02-15-2023 Callable 2020 144A	Luxembourg	Corporate	USD	255,000	328	301
Intelsat Jackson Holdings SA 9.75% 07-15-2025 Callable 2021 144A	Luxembourg	Corporate	USD	250,000	317	340
Iron Mountain Inc. 4.88% 09-15-2027 Callable 2022 144A	United States	Corporate	USD	130,000	161	167
Iron Mountain Inc. 5.25% 03-15-2028 Callable 2022 144A	United States	Corporate	USD	90,000	111	117
iStar Inc. 6.00% 04-01-2022 Callable	United States	Corporate	USD	75,000	98	101
iStar Inc. 5.25% 09-15-2022 Callable 2019	United States	Corporate	USD	35,000	43	46
Itron Inc. 5.00% 01-15-2026 Callable 2021 144A	United States	Corporate	USD	155,000	196	204
J. Crew Group Inc. Term Loan B 1st Lien F/R 03-05-2021	United States	Bank Loans	USD	85,698	77	79
Jacobs Entertainment Inc. 7.88% 02-01-2024 Callable 2020 144A	United States	Corporate	USD	80,000	108	113
Jagged Peak Energy LLC 5.88% 05-01-2026 Callable 2021	United States	Corporate	USD	65,000	84	86
Jaguar Holding Co. II/Jaguar Merger Sub Inc. 6.38% 08-01-2023 Callable 2018 144A	United States	Corporate	USD	110,000	148	150
James Hardie International Finance Ltd. 5.00% 01-15-2028 Callable 2023 144A	Ireland	Corporate	USD	200,000	256	256
Jeld-Wen Inc. 4.63% 12-15-2025 Callable 2020 144A	United States	Corporate	USD	50,000	64	64
Jeld-Wen Inc. 4.88% 12-15-2027 Callable 2022 144A	United States	Corporate	USD	90,000	114	113
Jo-Ann Stores LLC Term Loan B 1st Lien F/R 10-16-2023	United States	Bank Loans	USD	64,330	80	86
Jo-Ann Stores LLC Term Loan 2nd Lien F/R 05-02-2024	United States	Bank Loans	USD	125,000	159	160
Joseph T. Ryerson & Son Inc. 11.00% 05-15-2022 Callable 2019 144A	United States	Corporate	USD	50,000	64	71
KCA Deutag US Finance LLC Term Loan B 1st Lien F/R 03-21-2023	United Kingdom	Bank Loans	USD	43,409	54	50
Keane Group Holdings LLC Term Loan B 1st Lien F/R 05-18-2025	United States	Bank Loans	USD	187	-	-
KFC Holding Co. 5.00% 06-01-2024 Callable 2019 144A	United States	Corporate	USD	60,000	79	82
KFC Holding Co. 5.25% 06-01-2026 Callable 2021 144A	United States	Corporate	USD	145,000	190	196
KFC Holding Co. 4.75% 06-01-2027 Callable 2022 144A	United States	Corporate	USD	115,000	149	151
Kinetic Concepts Inc. 12.50% 11-01-2021 Callable 2019 144A	United States	Corporate	USD	95,000	139	138
Kraton Polymers LLC 7.00% 04-15-2025 Callable 2020 144A	United States	Corporate	USD	165,000	221	223
Lamb Weston Holdings Inc. 4.63% 11-01-2024 Callable 2021 144A	United States	Corporate	USD	25,000	33	34
Lamb Weston Holdings Inc. 4.88% 11-01-2026 Callable 2021 144A	United States	Corporate	USD	185,000	248	251
Landry's Inc. 6.75% 10-15-2024 Callable 2019 144A	United States	Corporate	USD	180,000	230	242
Lennar Corp. 5.88% 11-15-2024 Callable 2024	United States	Corporate	USD	30,000	40	43
Level 3 Financing Inc. 5.63% 02-01-2023 Callable	United States	Corporate	USD	190,000	251	258
Level 3 Financing Inc. 5.25% 03-15-2026 Callable 2021	United States	Corporate	USD	245,000	311	329
LG FinanceCo Corp. 5.88% 11-01-2024 Callable 2019 144A	United States	Corporate	USD	130,000	173	175
Lions Gate Capital Holdings LLC 6.38% 02-01-2024 Callable 2021 144A	United States	Corporate	USD	100,000	134	140
Live Nation Entertainment Inc. 4.88% 11-01-2024 Callable 2019 144A	United States	Corporate	USD	65,000	85	88
Live Nation Entertainment Inc. 5.63% 03-15-2026 Callable 2021 144A	United States	Corporate	USD	110,000	144	152
Lloyds Banking Group PLC Perpetual 4.50% 06-27-2024	United Kingdom	Corporate	USD	200,000	261	275
Louisiana-Pacific Corp. 4.88% 09-15-2024 Callable 2019	United States	Corporate	USD	110,000	142	147
LPL Holdings Inc. 5.75% 09-15-2025 Callable 2020	United States	Corporate	USD	190,000	248	258
Mallinckrodt International Finance SA 5.50% 04-15-2025 Callable 2020 144A	United States	Corporate	USD	55,000	70	58
MasTec Inc. 4.88% 03-15-2023 Callable 2019	United States	Corporate	USD	110,000	135	149
Match Group Inc. 5.00% 12-15-2027 Callable 2022 144A	United States	Corporate	USD	240,000	306	324
Mattamy Group Corp. 6.88% 12-15-2023 Callable 2019 144A	Canada	Corporate	USD	165,000	215	221
Mattamy Group Corp. 6.50% 10-01-2025 Callable 2020 144A	Canada	Corporate	USD	30,000	37	40
MEG Energy Corp. 6.38% 01-30-2023 Callable 144A	Canada	Corporate	USD	85,000	102	105
MEG Energy Corp. 7.00% 03-31-2024 Callable 2018 144A	Canada	Corporate	USD	15,000	16	19
MEG Energy Corp. 6.50% 01-15-2025 Callable 2020 144A	Canada	Corporate	USD	140,000	181	184
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	75,000	100	103
Mercer International Inc. 7.38% 01-15-2025 Callable 2021 144A	United States	Corporate	USD	65,000	87	91
Mercer International Inc. 5.50% 01-15-2026 Callable 2021	Canada	Corporate	USD	55,000	70	73
Meredith Corp. 6.88% 02-01-2026 Callable 2021	United States	Corporate	USD	170,000	219	240
MGM Growth Properties LP/MGP Finance Co-Issuer Inc. 5.63% 05-01-2024 Callable	United States	Corporate	USD	135,000	180	189
MGM Growth Properties Operating Partnership LP 4.50% 01-15-2028 Callable 2027	United States	Corporate	USD	30,000	36	38
Microchip Technology Inc. 1.63% 02-15-2027 Conv.	United States	Corporate	USD	90,000	137	133
Molina Healthcare Inc. 5.38% 11-15-2022 Callable 2022	United States	Corporate	USD	45,000	63	63
Molina Healthcare Inc. 4.88% 06-15-2025 Callable 2020 144A	United States	Corporate	USD	15,000	20	20
Nabors Industries Inc. 5.50% 01-15-2023 Callable 2022	United States	Corporate	USD	15,000	19	19
Nabors Industries Inc. 5.75% 02-01-2025 Callable 2024	United States	Corporate	USD	125,000	156	150
Nationstar Mortgage LLC/Nationstar Capital Corp. 6.50% 07-01-2021 Callable	United States	Corporate	USD	125,000	149	167
Navistar Financial Corp. Term Loan B 1st Lien F/R 07-25-2025	United States	Bank Loans	USD	29,850	39	40

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

## SCHEDULE OF INVESTMENTS (continued)

as at March 31, 2019

	Country	Sector	Currency*	No. of Units, Shares, or Par Value	Average Cost (\$ '000)	Fair Value (\$ '000)
<b>BONDS (continued)</b>						
Navistar Inc. Term Loan B 1st Lien F/R 11-06-2024	United States	Bank Loans	USD	188,025	240	251
Navistar International Corp. 6.63% 11-01-2025 Callable 2020 144A	United States	Corporate	USD	245,000	316	333
Netflix Inc. 4.88% 04-15-2028	United States	Corporate	USD	105,000	132	139
Netflix Inc. 5.88% 11-15-2028 144A	United States	Corporate	USD	70,000	90	99
Netflix Inc. 6.38% 05-15-2029 144A	United States	Corporate	USD	50,000	65	72
New Gold Inc. 6.25% 11-15-2022 Callable 144A	Canada	Corporate	USD	35,000	40	42
New Red Finance Inc. 4.25% 05-15-2024 Callable 2020 144A	Canada	Corporate	USD	70,000	96	93
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020 144A	Canada	Corporate	USD	230,000	289	303
Newfield Exploration Co. 5.75% 01-30-2022	United States	Corporate	USD	85,000	105	121
Nexstar Escrow Corp. 5.63% 08-01-2024 Callable 2019 144A	United States	Corporate	USD	315,000	410	430
The Nielsen Co. (Luxembourg) S.a.r.l. 5.00% 02-01-2025 Callable 2020 144A	United States	Corporate	USD	65,000	84	84
Nielsen Finance LLC/Nielsen Finance Co. 5.00% 04-15-2022 Callable 144A	United States	Corporate	USD	185,000	245	244
Nine Energy Service Inc. 8.75% 11-01-2023 Callable 2020 144A	United States	Corporate	USD	50,000	65	70
Noble Holding International Ltd. 7.75% 01-15-2024 Callable 2023	United Kingdom	Corporate	USD	50,000	62	60
Noble Holding International Ltd. 7.88% 02-01-2026 Callable 2021 144A	United Kingdom	Corporate	USD	85,000	107	106
Novelis Corp. 6.25% 08-15-2024 Callable 2019 144A	United States	Corporate	USD	170,000	225	232
Novelis Corp. 5.88% 09-30-2026 Callable 2022 144A	United States	Corporate	USD	185,000	238	247
NRG Energy Inc. 7.25% 05-15-2026 Callable 2021	United States	Corporate	USD	95,000	123	140
NRG Energy Inc. 6.63% 01-15-2027 Callable 2021	United States	Corporate	USD	170,000	223	245
NRG Energy Inc. 5.75% 01-15-2028 Callable 2023	United States	Corporate	USD	65,000	83	92
Numericable-SFR 6.25% 05-15-2024 Callable 2019 144A	France	Corporate	USD	200,000	258	270
Numericable-SFR 7.38% 05-01-2026 Callable 2021 144A	France	Corporate	USD	200,000	271	262
Oasis Petroleum Inc. 6.88% 03-15-2022	United States	Corporate	USD	119,000	124	161
Oasis Petroleum Inc. 6.25% 05-01-2026 Callable 2021 144A	United States	Corporate	USD	100,000	128	127
ON Semiconductor Corp. 1.00% 12-01-2020 Conv.	United States	Corporate	USD	60,000	81	100
OneMain Holdings Inc. 7.13% 03-15-2026	United States	Corporate	USD	50,000	65	68
Ortho-Clinical Diagnostics Inc. 6.63% 05-15-2022 Callable 144A	United States	Corporate	USD	190,000	198	241
Ortho-Clinical Diagnostics Inc. Term Loan B 1st Lien F/R 06-01-2025	United States	Bank Loans	USD	128,291	167	165
Oryx Southern Delaware Holdings LLC Term Loan 1st Lien F/R 02-28-2025	United States	Bank Loans	USD	79,200	101	103
Oshkosh Corp. 5.38% 03-01-2025 Callable 2020	United States	Corporate	USD	90,000	121	125
Outdoor Americas Capital LLC/Outfront Media Capital Corp. 5.88% 03-15-2025	United States	Corporate	USD	100,000	138	138
Panther BF Aggregator 2 LP 6.25% 05-15-2026 144A	United States	Corporate	USD	20,000	27	27
Panther BF Aggregator 2 LP 8.50% 05-15-2027 Callable 2022 144A	United States	Corporate	USD	100,000	133	134
Par Pharmaceutical Inc. 7.50% 04-01-2027 Callable 2022 144A	United States	Corporate	USD	100,000	133	136
Park-Ohio Industries Inc. 6.63% 04-15-2027 Callable 2022	United States	Corporate	USD	65,000	89	87
Penn National Gaming Inc. 5.63% 01-15-2027 Callable 2022 144A	United States	Corporate	USD	70,000	92	91
Penske Automotive Group Inc. 5.75% 10-01-2022 Callable	United States	Corporate	USD	85,000	117	116
Penske Automotive Group Inc. 5.38% 12-01-2024 Callable 2019	United States	Corporate	USD	155,000	207	207
Penske Automotive Group Inc. 5.50% 05-15-2026 Callable 2021	United States	Corporate	USD	175,000	225	231
Pisces Midco Inc. 8.00% 04-15-2026 Callable 2021 144A	United States	Corporate	USD	115,000	148	139
Plantronics Inc. 5.50% 05-31-2023 Callable 2018 144A	United States	Corporate	USD	255,000	343	343
PQ Corp. 5.75% 12-15-2025 Callable 2020 144A	United States	Corporate	USD	130,000	170	171
Precision Drilling Corp. 7.13% 01-15-2026 Callable 2020 144A	Canada	Corporate	USD	130,000	175	173
Provident Funding Associates LP 6.38% 06-15-2025 Callable 2020 144A	United States	Corporate	USD	150,000	199	182
PulteGroup Inc. 5.50% 03-01-2026 Callable 2025	United States	Corporate	USD	65,000	88	90
PulteGroup Inc. 7.88% 06-15-2032	United States	Corporate	USD	130,000	204	196
Qorvo Inc. 5.50% 07-15-2026 Callable 2021 144A	United States	Corporate	USD	80,000	106	111
Quebecor Media Inc. 5.75% 01-15-2023 Callable	Canada	Corporate	USD	65,000	88	91
Rackspace Hosting Inc. Term Loan B 1st Lien F/R 11-03-2023	United States	Bank Loans	USD	24,472	31	31
Rackspace Hosting Inc. 8.63% 11-15-2024 Callable 2019 144A	United States	Corporate	USD	58,000	78	70
Range Resources Corp. 5.75% 06-01-2021 Callable W/	United States	Corporate	USD	70,000	91	96
RBS Global Inc. 4.88% 12-15-2025 Callable 2020 144A	United States	Corporate	USD	185,000	235	246
Realogy Group LLC 9.38% 04-01-2027 Callable 2022 144A	United States	Corporate	USD	30,000	40	41
Resideo Funding Inc. 6.13% 11-01-2026 Callable 2021 144A	United States	Corporate	USD	70,000	90	97
Revlon Consumer Products Corp. Term Loan B 1st Lien F/R 09-07-2023	United States	Bank Loans	USD	81,126	92	79
Rite Aid Corp. 6.13% 04-01-2023 Callable 2018 144A	United States	Corporate	USD	160,000	205	177
Rivers Pittsburgh Borrower LP 6.13% 08-15-2021 Callable 2018 144A	United States	Corporate	USD	185,000	239	249
Robertshaw US Holding Corp. Term Loan 1st Lien F/R 02-15-2025	United States	Bank Loans	USD	69,263	86	87
Robertshaw US Holding Corp. Term Loan 2nd Lien F/R 02-15-2026	United States	Bank Loans	USD	75,000	93	89
ROC Finance LLC 6.75% 11-15-2021 Callable 2018 144A	United States	Corporate	USD	180,000	243	248
ROC Finance LLC 10.25% 11-15-2022 Callable 2019 144A	United States	Corporate	USD	225,000	307	324
Rose Rock Midstream LP 5.63% 07-15-2022 Callable	United States	Corporate	USD	60,000	76	79
Rose Rock Midstream LP/Rose Rock Finance Corp. 5.63% 11-15-2023	United States	Corporate	USD	25,000	28	31
The Royal Bank of Scotland Group PLC 7.65% Perpetual (F/R @ 09-30-2031) Callable 2031	United Kingdom	Corporate	USD	145,000	231	244
The Royal Bank of Scotland Group PLC F/R 12-29-2049 Callable 2020	United Kingdom	Corporate	USD	200,000	264	273
Sabre GBLB Inc. 5.38% 04-15-2023 Callable 2018 144A	United States	Corporate	USD	120,000	161	164
Sabre GBLB Inc. 5.25% 11-15-2023 Callable 2018 144A	United States	Corporate	USD	65,000	86	89
Scientific Games International Inc. 10.00% 12-01-2022 Callable 2019	United States	Corporate	USD	345,000	410	486
Scientific Games International Inc. 8.25% 03-15-2026 Callable 2022 144A	United States	Corporate	USD	145,000	194	198
Service Corp. International 5.38% 01-15-2022 Callable	United States	Corporate	USD	115,000	165	155
Service Corp. International 5.38% 05-15-2024 Callable 2019	United States	Corporate	USD	85,000	122	117

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

**SCHEDULE OF INVESTMENTS (continued)**

as at March 31, 2019

	Country	Sector	Currency*	No. of Units, Shares, or Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (continued)</b>						
Service Corp. International 4.63% 12-15-2027 Callable 2022	United States	Corporate	USD	210,000	266	280
SESI LLC 7.13% 12-15-2021 Callable	United States	Corporate	USD	55,000	69	66
SESI LLC 7.75% 09-15-2024 Callable	United States	Corporate	USD	105,000	139	117
Sinclair Television Group Inc. 5.63% 08-01-2024 Callable 2019 144A	United States	Corporate	USD	80,000	106	108
Sirius XM Radio Inc. 6.00% 07-15-2024 Callable 2019 144A	United States	Corporate	USD	135,000	191	188
Sirius XM Radio Inc. 5.00% 08-01-2027 Callable 2022 144A	United States	Corporate	USD	205,000	264	274
Six Flags Entertainment Corp. 4.88% 07-31-2024 Callable 2019 144A	United States	Corporate	USD	135,000	178	178
Six Flags Entertainment Corp. 5.50% 04-15-2027 Callable 2022 144A	United States	Corporate	USD	290,000	379	384
SM Energy Co. 6.13% 11-15-2022	United States	Corporate	USD	45,000	39	60
SM Energy Co. 5.00% 01-15-2024 Callable 2019	United States	Corporate	USD	55,000	51	68
SM Energy Co. 6.75% 09-15-2026 Callable 2021	United States	Corporate	USD	50,000	66	64
SM Energy Co. 6.63% 01-15-2027 Callable 2022	United States	Corporate	USD	40,000	52	51
Smurfit Kappa Funding PLC 7.50% 11-20-2025	Ireland	Corporate	USD	245,000	382	375
Solera Finance Inc. 10.50% 03-01-2024 Callable 2019 144A	United States	Corporate	USD	230,000	334	334
Spectrum Brands Inc. 6.13% 12-15-2024 Callable 2019	United States	Corporate	USD	95,000	134	129
Spectrum Brands Inc. 5.75% 07-15-2025 Callable 2020	United States	Corporate	USD	40,000	57	54
Springleaf Finance Corp. 6.13% 05-15-2022	United States	Corporate	USD	145,000	194	202
Springleaf Finance Corp. 6.88% 03-15-2025	United States	Corporate	USD	195,000	254	269
Sprint Capital Corp. 6.88% 11-15-2028	United States	Corporate	USD	395,000	468	508
Sprint Corp. 7.25% 09-15-2021	United States	Corporate	USD	250,000	262	351
Sprint Corp. 7.88% 09-15-2023	United States	Corporate	USD	505,000	635	707
Sprint Nextel Corp. 7.00% 08-15-2020	United States	Corporate	USD	60,000	64	83
SS&C Technologies Inc. 5.50% 09-30-2027 Callable 2022 144A	United States	Corporate	USD	210,000	282	284
Standard Industries Inc. 5.50% 02-15-2023 Callable 144A	United States	Corporate	USD	30,000	42	41
Standard Industries Inc. 5.00% 02-15-2027 Callable 2022 144A	United States	Corporate	USD	55,000	72	71
Standard Industries Inc. 4.75% 01-15-2028 Callable 2023 144A	United States	Corporate	USD	130,000	163	168
Star Merger Sub Inc. Term Loan B 1st Lien F/R 02-01-2026	United States	Bank Loans	USD	50,000	64	66
Star Merger Sub Inc. 6.88% 08-14-2026 Callable 2022 144A	United States	Corporate	USD	50,000	65	68
Starfruit US Holdco LLC 8.00% 10-01-2026 Callable 2021 144A	Netherlands	Corporate	USD	200,000	255	268
Starwood Property Trust Inc. 5.00% 12-15-2021 Callable 2021	United States	Corporate	USD	30,000	39	41
Starwood Property Trust Inc. 4.75% 03-15-2025 Callable 2024	United States	Corporate	USD	155,000	198	206
Stearns Holdings Inc. 9.38% 08-15-2020 Callable 144A	United States	Corporate	USD	135,000	181	169
Steel Dynamics Inc. 5.50% 10-01-2024 Callable	United States	Corporate	USD	45,000	56	62
Steel Dynamics Inc. 4.13% 09-15-2025 Callable 2020	United States	Corporate	USD	25,000	31	33
Steel Dynamics Inc. 5.00% 12-15-2026 Callable 2021	United States	Corporate	USD	140,000	187	191
Sterigenics-Nordion Holdings LLC 6.50% 05-15-2023 Callable 144A	United States	Corporate	USD	15,000	20	20
Stevens Holding Co. Inc. 6.13% 10-01-2026 Callable 2023 144A	United States	Corporate	USD	180,000	236	248
Sugarhouse HSP Gaming Prop Mezz LP 5.88% 05-15-2025 Callable 2020 144A	United States	Corporate	USD	70,000	95	93
Talbots Inc. Term Loan B 1st Lien F/R 11-16-2022	United States	Bank Loans	USD	103,688	134	135
Tallgrass Energy Partners LP 5.50% 01-15-2028 Callable 2023 144A	United States	Corporate	USD	95,000	122	128
Targa Resources Partners LP 6.50% 07-15-2027 Callable 2022 144A	United States	Corporate	USD	50,000	67	72
Targa Resources Partners LP 5.00% 01-15-2028	United States	Corporate	USD	75,000	94	99
Targa Resources Partners LP 6.88% 01-15-2029 144A	United States	Corporate	USD	35,000	46	51
Teck Resources Ltd. 3.75% 02-01-2023 Callable 2022	Canada	Corporate	USD	70,000	89	94
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	270,000	350	365
Tenet Healthcare Corp. 6.00% 10-01-2020 Reg S	United States	Corporate	USD	165,000	235	229
Tenet Healthcare Corp. 8.13% 04-01-2022	United States	Corporate	USD	85,000	109	122
Tenet Healthcare Corp. 4.63% 07-15-2024 Callable 2020	United States	Corporate	USD	65,000	84	87
Tenet Healthcare Corp. 6.25% 02-01-2027 Callable 2022 144A	United States	Corporate	USD	50,000	67	70
Tennant Co. 5.63% 05-01-2025 Callable 2020	United States	Corporate	USD	90,000	119	122
Teva Pharmaceutical Finance Netherlands III BV 6.00% 04-15-2024	Israel	Corporate	USD	200,000	258	269
Teva Pharmaceutical Finance Netherlands III BV 3.15% 10-01-2026 Callable	Israel	Corporate	USD	65,000	69	71
Titan Acquisition Ltd. Term Loan 1st Lien F/R 03-16-2025	United Kingdom	Bank Loans	USD	128,663	168	160
Titan Acquisition Ltd. 7.75% 04-15-2026 Callable 2021 144A	United Kingdom	Corporate	USD	37,000	48	43
T-Mobile USA Inc. 4.00% 04-15-2022	United States	Corporate	USD	25,000	34	34
T-Mobile USA Inc. 6.38% 03-01-2025 Callable 2019	United States	Corporate	USD	90,000	127	125
T-Mobile USA Inc. 4.50% 02-01-2026 Callable 2021	United States	Corporate	USD	40,000	50	54
T-Mobile USA Inc. 5.38% 04-15-2027 Callable 2022	United States	Corporate	USD	325,000	427	450
T-Mobile USA Inc. 4.75% 02-01-2028 Callable 2023	United States	Corporate	USD	100,000	125	133
TMS International Corp. 7.25% 08-15-2025 Callable 2025 144A	United States	Corporate	USD	165,000	216	214
TMX Finance LLC 11.13% 04-01-2023 Callable 2020 144A	United States	Corporate	USD	105,000	135	133
TopBuild Corp. 5.63% 05-01-2026 Callable 2021 144A	United States	Corporate	USD	135,000	170	179
Townsquare Media Inc. 6.50% 04-01-2023 Callable 2018 144A	United States	Corporate	USD	65,000	86	83
TransDigm Group Inc. 6.25% 03-15-2026 Callable 2022 144A	United States	Corporate	USD	155,000	209	215
TransDigm Group Inc. 6.38% 06-15-2026 Callable	United States	Corporate	USD	220,000	287	292
TransDigm Inc. 6.50% 05-15-2025 Callable 2020	United States	Corporate	USD	35,000	47	47
Transocean Inc. 9.00% 07-15-2023 Callable 2020 144A	United States	Corporate	USD	4,000	6	6
Transocean Inc. 7.50% 04-15-2031	United States	Corporate	USD	55,000	67	63
Transocean Pontus Ltd. 6.13% 08-01-2025 Callable 2021 144A	United States	Corporate	USD	75,600	98	103
Transocean Poseidon Ltd. 6.88% 02-01-2027 Callable 2022 144A	United States	Corporate	USD	35,000	48	49
Travelport Corporate Finance PLC 6.00% 03-15-2026 Callable 2021 144A	United States	Corporate	USD	130,000	170	189

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

**SCHEDULE OF INVESTMENTS (continued)**

as at March 31, 2019

	Country	Sector	Currency*	No. of Units, Shares, or Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (continued)</b>						
Travelport Finance Luxembourg Sarl Term Loan 1st Lien F/R 03-18-2026	Luxembourg	Bank Loans	USD	125,000	163	163
Traverse Midstream Partners LLC Term Loan B 1st Lien F/R 09-21-2024	United States	Bank Loans	USD	49,750	61	67
TRI Pointe Holdings Inc. 5.88% 06-15-2024	United States	Corporate	USD	95,000	128	128
Tribune Media Co. 5.88% 07-15-2022 Callable 2018	United States	Corporate	USD	85,000	116	116
Tronox Finance PLC 5.75% 10-01-2025 Callable 2020 144A	United States	Corporate	USD	35,000	43	44
TTM Technologies Inc. 5.63% 10-01-2025 Callable 2020 144A	United States	Corporate	USD	245,000	309	316
U.S. Concrete Inc. 6.38% 06-01-2024	United States	Corporate	USD	124,000	168	169
Univision Communications Inc. 5.13% 05-15-2023 144A	United States	Corporate	USD	60,000	78	76
Univision Communications Inc. 5.13% 02-15-2025 Callable 2020 144A	United States	Corporate	USD	90,000	120	112
USA Compression Partners LP 6.88% 04-01-2026 Callable 2021	United States	Corporate	USD	125,000	162	171
USA Compression Partners LP 6.88% 09-01-2027 Callable 2022	United States	Corporate	USD	30,000	40	41
USG Corp. 5.50% 03-01-2025 Callable 2020 144A	United States	Corporate	USD	105,000	142	143
USG Corp. 4.88% 06-01-2027 Callable 2022 144A	United States	Corporate	USD	120,000	160	162
USIS Merger Sub Inc. 6.88% 05-01-2025 Callable 2020 144A	United States	Corporate	USD	80,000	108	104
Vermilion Energy Inc. 5.63% 03-15-2025 Callable 2020 144A	Canada	Corporate	USD	60,000	75	78
Vertiv Intermediate Holding Corp. 12.00% 02-15-2022 Callable 2019 144A	United States	Corporate	USD	45,000	55	58
Videotron Ltee 5.00% 07-15-2022	Canada	Corporate	USD	115,000	158	159
Videotron Ltd./Videotron Ltee. 5.13% 04-15-2027 Callable 2022 144A	Canada	Corporate	USD	140,000	183	192
Virgin Media Finance PLC 5.75% 01-15-2025 Callable 2020 144A	United Kingdom	Corporate	USD	200,000	266	272
Vistra Operations Co. LLC 5.50% 09-01-2026 Callable 2021 144A	United States	Corporate	USD	135,000	176	188
Vistra Operations Co. LLC 5.63% 02-15-2027 Callable 2022 144A	United States	Corporate	USD	60,000	80	83
VRX Escrow Corp. 6.13% 04-15-2025 Callable 2020 144A	United States	Corporate	USD	300,000	342	398
W.R. Grace & Co.-Conn. 5.63% 10-01-2024 144A	United States	Corporate	USD	115,000	158	164
Wand Merger Corp. 8.13% 07-15-2023 Callable 2020 144A	United States	Corporate	USD	90,000	121	124
Wand Merger Corp. 9.13% 07-15-2026 Callable 2021 144A	United States	Corporate	USD	30,000	40	41
Watco Companies LLC 6.38% 04-01-2023 Callable 2018 144A	United States	Corporate	USD	175,000	238	236
Wayne Merger Sub LLC 8.25% 08-01-2023 Callable 2018 144A	United States	Corporate	USD	75,000	101	103
Weatherford International Ltd. 9.25% 06-15-2023 Callable 2023	United States	Corporate	USD	25,000	36	24
Weatherford International Ltd. 9.88% 02-15-2024 Callable 2023	United States	Corporate	USD	87,000	119	84
Weekley Homes LLC 6.00% 02-01-2023 Callable	United States	Corporate	USD	125,000	160	161
Weekley Homes LLC/Weekley Finance Corp. 6.63% 08-15-2025 Callable 144A	United States	Corporate	USD	50,000	62	64
WellCare Health Plans Inc. 5.25% 04-01-2025 Callable 2020	United States	Corporate	USD	45,000	65	63
WellCare Health Plans Inc. 5.38% 08-15-2026 Callable 2021 144A	United States	Corporate	USD	40,000	52	56
Werner FinCo LP 8.75% 07-15-2025 Callable 2020 144A	United States	Corporate	USD	145,000	191	166
Western Digital Corp. 4.75% 02-15-2026 Callable 2025	United States	Corporate	USD	185,000	232	237
WeWork Companies Inc. 7.88% 05-01-2025 144A	United States	Corporate	USD	195,000	251	240
Whiting Petroleum Corp. 6.63% 01-15-2026 Callable 2025	United States	Corporate	USD	100,000	130	132
WideOpenWest Finance LLC Term Loan B 1st Lien F/R 08-19-2023	United States	Bank Loans	USD	94,759	123	122
The Williams Companies Inc. 8.75% 03-15-2032	United States	Corporate	USD	45,000	76	84
WMG Acquisition Corp. 5.00% 08-01-2023 Callable 2019 144A	United States	Corporate	USD	55,000	73	75
WMG Acquisition Corp. 5.50% 04-15-2026 Callable 2021 144A	United States	Corporate	USD	95,000	124	130
Wolverine World Wide Inc. 5.00% 09-01-2026 Callable 2021 144A	United States	Corporate	USD	70,000	91	91
WPX Energy Inc. 6.00% 01-15-2022 Callable 2021	United States	Corporate	USD	28,000	33	39
WPX Energy Inc. 8.25% 08-01-2023 Callable 2023	United States	Corporate	USD	75,000	109	113
WPX Energy Inc. 5.75% 06-01-2026 Callable 2021	United States	Corporate	USD	75,000	97	102
Wyndham Hotels and Resorts Inc. 5.38% 04-15-2021 Callable 2021 144A	United States	Corporate	USD	90,000	116	123
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
					72,357	74,105
<b>EQUITIES</b>						
Advanz Pharma Corp.	Canada	Health Care		340	7	8
Ally Financial Inc.	United States	Financials		4,493	115	165
Avaya Holdings Corp.	United States	Information Technology		5,085	104	114
Charter Communications Inc. Class A	United States	Communication Services		205	90	95
CIT Group Inc.	United States	Financials		1,257	71	81
Crown Castle International Corp. Conv. Pfd. Series A	United States	Real Estate		89	118	141
EPR Properties 5.75% Conv. Pfd. Series C	United States	Real Estate		2,575	89	108
Live Nation Entertainment Inc.	United States	Communication Services		725	24	62
Nine Point Energy Holdings Inc.	United States	Energy		1,408	25	27
Nine Point Energy Holdings Inc. Pfd.	United States	Energy		29	38	46
Seven Generations Energy Ltd.	Canada	Energy		2,430	63	23

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

**SCHEDULE OF INVESTMENTS (continued)**

as at March 31, 2019

	Country	Sector	Currency*	No. of Units, Shares, or Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES (continued)</b>						
Tervita Corp.	Canada	Energy		26	-	-
Tervita Corp. Class A Voting	Canada	Health Care		101	1	1
T-Mobile USA Inc.	United States	Communication Services		748	45	69
					790	940
<b>COMMISSIONS AND OTHER PORTFOLIO TRANSACTION COSTS</b>					(7)	-
<b>TOTAL INVESTMENTS</b>					73,140	75,045
<b>Net Assets:</b>						
Total investments						75,045
Cash and cash equivalents						5,320
Derivative assets (see schedule of derivative instruments)						143
Derivative liabilities (see schedule of derivative instruments)						(88)
Other net assets (liabilities)						895
						81,315

**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, 2019

	% of net assets
<b>BY ASSET TYPE</b>	
Corporate Bonds	85.1
Bank Loans	6.0
Equities	1.2
Cash and cash equivalents	6.5
Other	1.2
<b>Total</b>	<b>100.0</b>
<b>BY REGION</b>	
United States	78.9
Canada	6.8
Europe ex U.K.	5.2
United Kingdom	2.1
Latin America	0.5
Cash and cash equivalents	6.5
<b>Total</b>	<b>100.0</b>
<b>BY SECTOR</b>	
Corporate Bonds	85.1
Bank Loans	6.0
Financials	0.3
Communication Services	0.3
Real Estate	0.3
Information Technology	0.2
Energy	0.1
Cash and cash equivalents	6.5
Other	1.2
<b>Total</b>	<b>100.0</b>

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>

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



**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, 2019 and 2018 (as applicable). In a year that a series is terminated, 'period' represents the period from April 1 to that series' date of termination. Refer to Note 10 (a) for series inception dates and termination dates.

The Fund is organized as an open-ended unit trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust as amended and restated from time to time. The address of the Fund's registered office is 5015 Spectrum Way, Suite 300, Mississauga, 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 3, 2019.

**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. 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 10 (d) 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

Other fund costs include taxes (including, but not limited to GST/HST and income tax), interest and borrowing costs, all fees and expenses of the Counsel Funds' Independent Review Committee, any new fees related to external services that were not commonly charged in the Canadian mutual fund industry and introduced after October 29, 2018 (the date of the Counsel Funds' last Simplified Prospectus).

**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, 2019 and 2018 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 (b).

**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 (b) 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.

**NOTES TO ANNUAL FINANCIAL STATEMENTS****8. FINANCIAL INSTRUMENTS RISK (continued)****(c) Credit Risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment into which it has entered with the Fund.

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.

Note 10 (c) 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. Note 10 (c) 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. Note 10 (c) 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. Note 10 (c) 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 policies and disclosures will be provided, without charge, by: calling toll-free 1-877-625-9885, writing to Counsel Portfolio Services Inc., 5015 Spectrum Way, Suite 300, Mississauga, ON, L4W 0E4, by visiting our website at [www.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. On December 10, 2018, this series was terminated.

<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, 2019			
	Investments	Cash and cash equivalents	Derivative instruments	Net exposure
Euro	321	-	-	321
United States dollars	74,691	3,999	(17,783)	60,907
Total	75,012	3,999	(17,783)	61,228
As percent of net assets (%)				75.3

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

As at March 31, 2019, 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 \$3,061 or 3.8% of total net assets (March 31, 2018 – \$3,225 or 3.9% 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, 2019	282	20,153	50,419	3,251	74,105
March 31, 2018	346	16,667	54,600	4,135	75,748

As at March 31, 2019, 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 \$3,258 or 4.0% of total net assets (March 31, 2018 – \$3,654 or 4.4% 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, 2019, 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 \$94 or 0.1% of total net assets (March 31, 2018 – \$138 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, 2019, the maximum exposure to any one debt issuer was 2.0% of the net assets of the Fund (March 31, 2018 – 1.9%).

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

<b>March 31, 2019</b>	
BBB	4.2
BB	38.9
B	37.6
CCC	10.0
Unrated	0.4
<b>Total</b>	<b>91.1</b>

  

<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>

*Credit ratings are based on DBRS, Standard & Poor's or Moody's ratings.*

**(d) Loss Carryforwards**

As at the last taxation year-end, \$808 of net capital losses and \$nil of non-capital losses were 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, 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Fixed income	-	74,105	-	74,105
Equities	866	1	73	940
Cash equivalents	-	152	-	152
Derivative assets	-	143	-	143
Derivative liabilities	-	(88)	-	(88)
<b>Total</b>	<b>866</b>	<b>74,313</b>	<b>73</b>	<b>75,252</b>

  

<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>

There were no significant transfers between Level 1 and Level 2. Cash equivalents classified as level 2 investments are valued based on amortized cost plus accrued interest which closely approximates fair value.

**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, 2019	Fixed Income	Equities	Total
Balance – beginning of period	-	66	66
Purchases	-	-	-
Sales	-	-	-
Transfers in	-	-	-
Transfers out	-	(1)	(1)
Gains (losses) during the period:			
Realized	-	-	-
Unrealized	-	8	8
Balance – end of period	-	73	73
Unrealized gains (losses) during the period attributable to securities held at end of period	-	8	8
<b>for the year ended March 31, 2018</b>	<b>Fixed Income</b>	<b>Equities</b>	<b>Total</b>
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

**(f) Commissions**

The brokerage commissions paid to certain dealers included an investment of \$1 (2018 – \$nil) that was available for payment to third party vendors for the provision of investment decision making services. This amount represented 14.7% (2018 – 0.0%) of the total commissions and other transaction costs paid during the period.



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