

## COUNSEL | PORTFOLIO SERVICES

June 25, 2021

Dear Securityholder,

The Independent Review Committee (IRC) of the Counsel Funds is pleased to provide its annual report for the period ended March 31, 2021 as required by National Instrument 81 - 107 *Independent Review Committee for Investment Funds*.

Your IRC has a mandate to review conflict of interest matters identified and referred to the IRC by Counsel Portfolio Services Inc. (the Manager) in respect of the Counsel Funds (the Funds) and to give its approval or recommendation, depending on the nature of the conflict of interest matter. A "conflict of interest matter" is a situation where a reasonable person would consider the Manager or an entity related to the Manager to have an interest that may conflict with the Manager's ability to act in good faith and in the best interests of the Funds. In each instance where a conflict of interest matter is identified and referred to the IRC, the focus of the IRC is to determine if the Manager's proposed action achieves a fair and reasonable result for the Funds.

At least annually, the IRC also reviews and assesses the adequacy and effectiveness of the Manager's policies in respect of the Funds and conducts a self-assessment of the IRC's independence, compensation and effectiveness.

The IRC's duties and functions are distinct from those of the Manager's Board. The latter are described within the report.

The members of the IRC, whose identities are listed in the report, bring to their duties a wide range of business experience. One of the members, Mr. Martin Taylor, retired effective February 24, 2021 after 14 years of service on the IRC. The IRC acknowledges the dedication and valuable contribution provided by Mr. Taylor during his tenure as a member of the IRC.

The IRC continues to be well satisfied with the open and cooperative attitude the Manager has brought to its interaction with IRC members. They look forward to maintaining that level of cooperation and to continue to consider whether conflict issues are resolved in a manner that achieves a fair and reasonable result for the Funds.



Robert Hines  
Chair of the Independent Review Committee

# Report of the Independent Review Committee of Counsel Funds for the Year Ended March 31, 2021

## Structure of the Funds and Their Governance

Counsel Portfolio Services Inc., the manager of the Funds, (the “Manager”) is governed by a Board of Directors. A majority of the members of the Board are independent of the Manager. The Board and committees of the Board oversee matters relating to the Funds including monitoring investment performance, reviewing financial statements and management reports of fund performance, receiving reports on the operations of the Funds and reviewing proposed changes to the Funds including changes to investment objectives and strategies.

## Scope of Report

The Funds have a financial year that ends on March 31 and this report relates to the twelve-month period ended March 31, 2021. The Funds are listed at the conclusion of this report.

## The IRC and its Membership

The IRC became operational on November 1, 2007. The names of the members of the IRC are listed below. Mr. Robert Hines and Mr. George Hucal were first appointed effective May 1, 2007, and Mr. Scott Edmonds was appointed effective February 24, 2012. Mr. Robert Hines was appointed Chair on February 1, 2013. Each member has been subsequently reappointed with the agreement of the Manager. Mr. Martin Taylor, a member from May 1, 2007, retired from the IRC effective February 24, 2021.

Name	Residence
Robert Hines (Chair)	Toronto, Ontario
George Hucal	Montreal, Quebec
Scott Edmonds	Vancouver, British Columbia

All IRC members are independent of the Manager and maintain transparency in relation to their personal holdings of Funds and securities of the Manager. As at March 31, 2021, the members of the IRC did not beneficially own, directly or indirectly, any outstanding units of any series of the Funds. As at March 31, 2021, the members of the IRC did not beneficially own directly or indirectly, in the aggregate, more than 0.1% of any class or series of voting or equity securities of the Manager or its indirect parent companies, Investment Planning Counsel Inc., IGM Financial Inc., Power Financial Corporation or Power Corporation of Canada. As at March 31, 2021, the members of the IRC did not beneficially own, in the aggregate, directly or indirectly, more than 0.1% of any class or series of voting or equity securities of any material service provider to the Funds or the Manager. The members of the IRC also serve, in a separate capacity, as members of the IRC for mutual funds managed

by Mackenzie Financial Corporation, an affiliate of the Manager.

## Compensation and Indemnities

The members of the IRC are entitled to be compensated by the Funds and to be indemnified by the Funds in appropriate circumstances. The aggregate compensation paid by the Funds to the IRC for the period from April 1, 2020 to March 31, 2021 was \$76,250.

The members of the IRC were not paid any amounts under the indemnities provided to them by the Funds during the period.

The IRC reviews and determines its own compensation on an annual basis as required by NI 81-107. In deciding the appropriate level of compensation, the IRC:

- considers the Manager’s recommendations on reasonable compensation for the IRC
- considers the workload of the IRC and the contribution made by each of its members
- considers the benefit accruing to the Funds as a result of the IRC activity
- considers the complexity and difficulty of the tasks undertaken by the IRC, and
- conducts a review of the compensation and expenses that other Canadian mutual fund governance agency members receive in comparable circumstances at the applicable time period, if that information is publicly available and accessible by the IRC.

## Summary of Conflict of Interest Matters

### *Approvals and Standing Instructions*

During the period, the Manager relied upon the approval and standing instruction of the IRC in order to enable the Funds to invest in related issuers of the Funds. Absent IRC approval, the Funds could not have made these investments. For purposes of the above, a related issuer of a Fund is an issuer who is a substantial securityholder of the Manager (holding more than 20% of the voting securities of the Manager) or an issuer in which a substantial securityholder of the Manager has a significant interest (holding more than 10% of the voting securities of the issuer), or an issuer of which a director or officer of the portfolio manager or an affiliate of the portfolio manager is also a director or officer.

The standing instruction requires that the Manager act in accordance with the Investment in Securities of a Related Company Policy, make periodic reports of its adherence to the Policy accompanied by certificates of the applicable portfolio managers attesting thereto and provide timely notification of any material breaches of, or exceptions to, the Policy.

During the period the Manager relied on the approval and standing instructions of the IRC in order to engage in inter-fund trading (which is also referred to as cross-trading). Inter-fund trading occurs when a Fund purchases portfolio securities from or sells portfolio securities to another Fund. This standing instruction requires the Manager to act in accordance with the applicable policy, make periodic reports of its adherence to the policy and provide timely notification of any material breaches of, or exceptions to, the policy.

*Positive Recommendations and Standing Instructions*

The IRC reviews existing standing instructions each year and the Manager’s proposals to continue or terminate those standing instructions. The IRC also reviews, from time to time, the Manager’s requests for new standing instructions. As a result of the IRC’s reviews during the year ended March 31, 2021, the Manager received positive recommendations and standing instructions in respect of the conflict of interest matters addressed by the following policies:

<b>Policy</b>	<b>Description</b>
Dissemination of Portfolio Information	Governs the release of information about a fund’s investments
Code of Conduct	Governs the activities of the Manager’s employees and directors
Gifts and Entertainment	Governs the acceptance of gifts and entertainment by the Manager’s employees
Personal Trading	Governs the personal trading of individuals who have access to fund portfolio information
Fund Insiders Personal Trading	Governs the personal trading of individuals who have access to inside information about a Fund
Best Execution	Governs the oversight of the execution of trades of portfolio securities by brokers, including the selection of brokers and commissions paid
Proxy Voting	Governs voting of proxies held by the Funds
Use of Client Brokerage Commissions	Governs the acceptance of services by the Manager from brokers that execute portfolio transactions for the Funds
Trade Allocation	Governs the allocation of investment opportunities among the Funds and other accounts
Short-Term Trade Monitoring	Governs the monitoring of potential harmful investor activity

<b>Policy</b>	<b>Description</b>
Fund Gain/Loss Accounting	Governs the correction of errors in calculating the security price of a Fund, in managing investor transactions, and in trading a Fund’s portfolio securities
Valuation	Governs the determination of the value of a Fund’s portfolio securities
Sub-Advisor Compliance Oversight	Governs the oversight of Fund external portfolio managers
Investment Management Changes	Governs investment management changes where the change results in an economic benefit to the Manager or a related entity
Large Transaction in Mutual Funds	Governs the arrangements made by the Manager for investments in the Funds
Investments in Mackenzie Investments ETFs	Governs investments by an investment fund managed by Counsel in an exchange traded fund managed by Mackenzie Financial Corporation
Sales Practices	Governs Counsel’s sales practices in relation to advisors that sell the Funds

**Additional Information**

Securityholders who would like additional details regarding the activities of the IRC may contact the Manager at [info@counselwealth.com](mailto:info@counselwealth.com). Questions for members of the IRC will be appropriately directed to our attention.

COUNSEL MUTUAL FUNDS

Counsel All Equity 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 Dividend  
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 Trend Strategy  
Counsel International Growth  
Counsel International Value  
Counsel Money Market  
Counsel Monthly Income Portfolio

Counsel North American High Yield Bond  
Counsel Retirement Accumulation Portfolio  
Counsel Retirement Foundation Portfolio  
Counsel Retirement Preservation Portfolio  
Counsel Short Term Bond  
Counsel U.S. Growth  
Counsel U.S. Value  
IPC Essentials Income Portfolio  
IPC Essentials Balanced Portfolio  
IPC Essentials ESG Balanced Portfolio  
IPC Essentials Growth Portfolio  
IPC Focus Balanced Portfolio  
IPC Focus Conservative Portfolio  
IPC Focus Growth Portfolio  
IPC Multi-Factor Canadian Equity  
IPC Multi-Factor International Equity  
IPC Multi-Factor U.S. Equity  
IPC Private Wealth Visio Balanced Growth Pool  
IPC Private Wealth Visio Balanced Pool  
IPC Private Wealth Visio Core Fixed Income  
IPC Private Wealth Visio Growth Pool  
IPC Private Wealth Visio Income Pool  
IPC Private Wealth Visio North American Equity