

Counsel Short Term Bond Series F

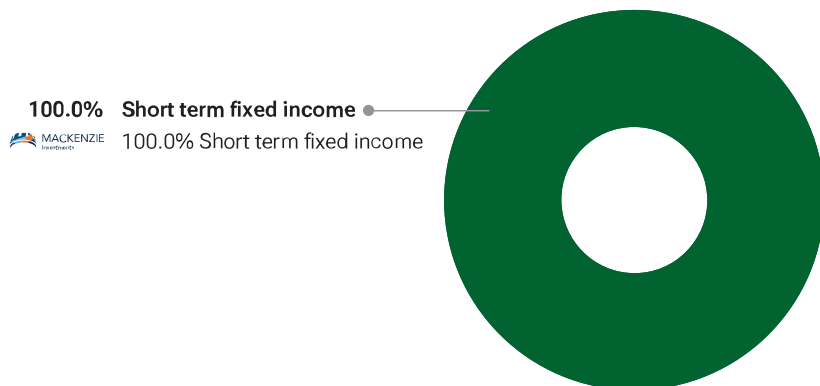
May 31, 2026

The fund seeks a moderate level of income while preserving investment capital and liquidity by investing in a diversified fund of primarily Canadian fixed-income securities, either directly or through securities of other mutual funds.

Is this portfolio right for you?

- Designed to provide a moderate level of income while preserving investment capital and liquidity.
- Offers exposure to a diversified portfolio of debt obligations issued by Canadian federal and provincial governments, debt obligations of Schedule 1 Canadian banks, loan or trust companies and corporations where obligations have a term to maturity of less than five years.
- Monthly distributions.

Neutral portfolio allocation¹



Annualized performance (%)

Period	1 mth	3 mths	6 mths	1 yr	3 yr	5 yr	10 yr	Inception return
Series F	0.8	-0.1	0.8	3.0	4.9	2.1	1.9	1.9

Performance (%) calendar year returns

Period	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
Series F	0.5	-0.5	0.6	3.1	6.0	-0.9	-4.5	5.6	5.8	3.7	1.0

Historical performance (%) Current value of \$10,000



Key data

Fund type	Canadian Short Term Fixed Income
Fund code	CGF739
Inception date	January 14, 2010
Mgmt. fee	0.45%
Admin. fee	0.15%
MER	0.65%

Distribution frequency

Income	Monthly
Capital gains	Annual
Distributions	\$0.03

Distributions represent the annual distributions paid during 2025

Risk tolerance Low

Portfolio characteristics

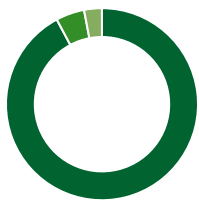
Dividend yield	3.3%
Yield to maturity	3.4%
Duration (years)	2.7
Average credit rating	A

Investment

Min.	Subsq.	RRSP eligible
\$500	\$100	Yes

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How the fund is invested² as at Mar 31, 2026



Asset allocation	(%)	Geographic allocation	(%)	Sector allocation	(%)
Domestic Bonds	92.2	Canada	95.2	Fixed Income	97.0
Foreign Bonds	4.8	Germany	3.4	Cash and Cash Equivalent	3.0
Cash and Equivalents	3.0	United States	1.3		
		Australia	0.1		

Top holdings

Effective holdings	(%) of NAV
Quebec Province 2.30% 01-Sep-2029	7.6
Canada Government 3.25% 01-Sep-2028	5.0
Alberta Province 2.05% 01-Jun-2030	4.5
Ontario Province 1.35% 02-Dec-2030	3.5
Bank of Nova Scotia 2.62% 02-Dec-2026	3.2
Toronto-Dominion Bank 3.61% 10-Sep-2030	3.1
Sun Life Financial Inc 2.80% 21-Nov-2028	2.9
Choice Properties REIT 2.85% 21-May-2027	2.4
Ontario Province 2.05% 02-Jun-2030	2.3
Manulife Financial Corp 5.41% 10-Mar-2028	2.2

Credit Rating

AAA	AA	A	BBB	BB	B and below
2.1	58.2	15.4	23.4	0.9	0.0

Term to maturity: Bonds only (%) in years

< 1	1 - 5	5 - 10	10 - 20	> 20
6.7	68.7	20.7	-	3.9

Why Invest with Counsel Portfolios

Our Portfolio Management team builds and maintains our portfolios based on in-depth analysis to align to a broad range of investor risk profiles. We take an unbiased approach when choosing our money managers by incorporating a proprietary and disciplined methodology for researching and selecting independent asset managers from across the globe. Each manager is monitored and held accountable to their mandate to help ensure our investors have the best chance at achieving their financial goals.

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Q1 2026 Fund Commentary

Commentary and opinions are provided by Mackenzie Financial Corporation

Market Commentary

The first quarter of 2026 brought a volatile mix of geopolitical friction in the Middle East and a technology-driven growth narrative in the United States. The period began with optimism after the resolution of the U.S. federal government shutdown, but sentiment shifted as tensions between the U.S. and Iran escalated. Energy price volatility introduced competing forces for fixed income markets – inflationary pressure from rising oil prices weighed against the deflationary risk of a broader growth shock.

In Canada, the economic picture diverged from the U.S. as domestic fragilities became more apparent. The Bank of Canada (BoC) held its benchmark overnight interest rate steady at 2.25% in March, though policymakers adopted a more cautious tone. Data confirmed that the Canadian economy contracted in the final quarter of 2025, and the labour market showed signs of cooling, with the unemployment rate rising to 6.7% in February.

Performance

The Fund's allocation to maturities across the Canadian yield curve contributed to performance. An underweight position in shorter-term Canadian rates also contributed during the quarter. Canada's economic outlook diverged from the U.S. as growth weakened and the labour market cooled, prompting markets to reassess the BoC's policy path. While Canadian yields moved higher, the Fund's curve positioning captured relative value opportunities during the period.

The Fund's allocation to bonds in the financials sector detracted from performance. A holding in Sun Life Financial Inc. (2.80%, 2033/11/21) bonds detracted from performance during the quarter. Bonds within the financials sector underperformed the benchmark during the period, weighing on relative returns.

Portfolio Activity

The sub-advisor added to the Fund a holding in ARC Resources Ltd. (3.349%, 2029/02/25) bonds during the quarter, participating in the company's new issue. ARC Resources is one of Canada's leading natural gas and liquids producers, with a strong asset base and disciplined capital allocation. The addition aligns with the sub-advisor's constructive outlook on Canadian energy and reflects confidence in the issuer's credit profile.

The sub-advisor increased the Fund's exposure to Canadian Core Real Estate LP (4.482%, 2029/10/16) during the quarter. Canadian Core Real Estate owns a diversified portfolio of commercial and residential properties across Canada, with assets concentrated in core urban markets and supported by stable rental income. The increased allocation reflects the sub-advisor's comfort with the credit given the issuer's conservative leverage profile and defensive cash flows.

The sub-advisor sold a holding in Canadian Imperial Bank of Commerce (6.369%, 2085/04/28) during the quarter as part of ongoing adjustments to Fund exposure to limited recourse capital notes (LRCN). The exit forms part of the sub-advisor's broader portfolio rebalancing efforts aimed at maintaining appropriate LRCN exposure and managing duration risk, while creating flexibility to redeploy into more attractive opportunities.

The sub-advisor reduced the Fund's position in Province of Ontario (1.35%, 2030/12/02) bonds during the quarter to align the Fund's duration and asset allocation objectives.

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Outlook

The sub-advisor is maintaining a long front-end bias in Canada. In the sub-advisor's view, Canada may be entering a housing-led downturn, where a combination of falling rents and tighter financing could prompt the BoC to reduce interest rates toward the middle of 2026.

In the U.S., the sub-advisor's positioning of the Fund was more tactical. The sub-advisor began the year with an underweight duration but moved to neutral as the Middle East conflict escalated. In mid-March, the sub-advisor selectively added to the Fund long duration in 10-year and 30-year U.S. Treasuries as a hedge against an escalation-driven growth shock, though resilience in core inflation measures may limit the U.S. Federal Reserve Board's ability to ease monetary policy in the near term.

Within credit, the sub-advisor is maintaining an overweight in investment-grade corporate bonds. In high yield, the sub-advisor continues to favour the aerospace and defence industry because of an environment of increased fiscal defence outlays. The Fund is underweight in the automotive and airline sectors because of execution risks and the direct impact of higher jet fuel costs. In the energy space, the sub-advisor believes the stability of Western Canadian infrastructure may provide an advantage as insurance and shipping costs rise in more volatile regions.

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Note: Occasionally, a negative value may be reported for Cash holdings that reflects the sale of securities and/or redemption transactions that have not settled at month end.

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