Counsel Fixed Income Series I

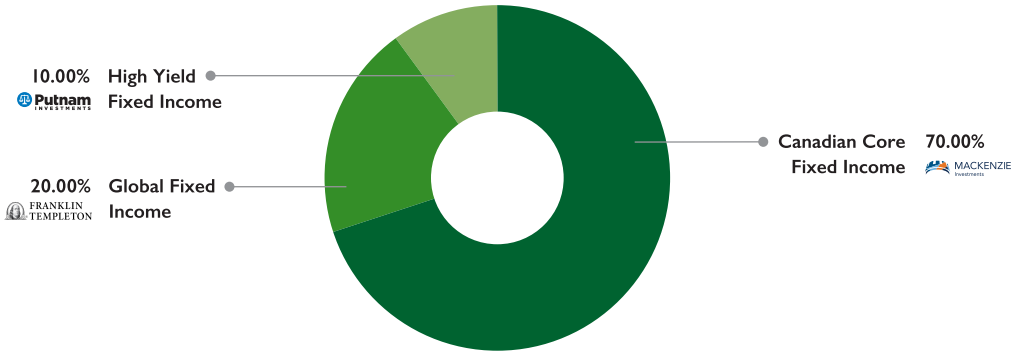
September 30, 2026

The fund seeks to provide a high level of income by investing in money market instruments, primarily Canadian high-quality government and corporate bonds, convertibles, income trusts, mortgage securities, as well as dividend-paying common and preferred shares.

Is this portfolio right for you?

- Provides the opportunity for reliable income by investing primarily in Canadian high-quality government and corporate bonds, North American high yield bonds and selected global bonds and currencies.
- Monthly distributions.

Neutral portfolio allocation



Annualized performance (%)

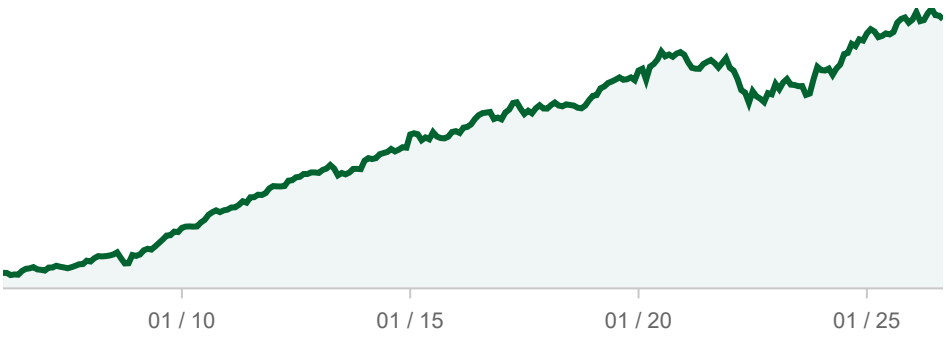
Period	1 mth	3 mths	6 mths	1 yr	3 yr	5 yr	10 yr	Inception return
Series I	-0.8	-2.2	0.4	0.7	6.2	2.0	2.3	4.0

Performance (%) calendar year returns

Period	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
Series I	4.1	2.5	2.2	5.3	7.0	-1.4	-8.6	7.1	6.4	4.1	0.8

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

$22,232



Key data

Fund type	Global Core Plus Fixed Income
Fund code	CGF510
Inception date	March 1, 2006
Mgmt. fee	0.60%
Admin. fee	0.15%
MER (March 31, 2026)	0.17%
Net assets (million)	$652.6
Number of holdings	877

Sub-advisor

Mackenzie Investments, Putnam Investments and Franklin Advisers, Inc.

Distribution frequency

Income	Monthly
Capital gains	Annual
Distributions	$0.07

Distributions represent the annual distributions paid during 2025

Risk tolerance

Low

Investment

Min.	Subsq.	RRSP eligible
$500	$100	Yes

Counsel Fixed Income Series I

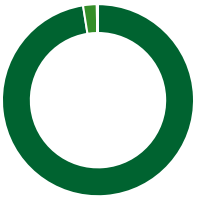
How the fund is invested as at Jul 31, 2026



Asset allocation	(%)
Domestic Bonds	72.5
Foreign Bonds	25.1
Cash and Equivalents	2.3
US Equity	0.1



Geographic allocation	(%)
Canada	73.4
United States	13.1
Brazil	1.3
Korea, Republic Of	1.3
Malaysia	1.3
Australia	1.2
South Africa	1.2
India	0.9
Mexico	0.8
Other	5.4



Sector allocation	(%)
Fixed Income	97.5
Cash and Cash Equivalent	2.3
Financial Services	0.1
Other	0.1

Top holdings

Effective holdings	(%) of NAV
Canada Government 1.50% 01-Jun-2031	4.4
Canada Government 3.50% 01-Dec-2057	4.3
Canada Government 2.75% 01-Sep-2030	3.2
Canada Government 3.25% 01-Jun-2035	3.0
Province of Ontario 3.90% 02-Jun-2036	2.5
Quebec Province 4.40% 01-Dec-2055	2.5
Ontario Province 3.95% 02-Dec-2035	1.9
CPPIB Capital Inc 4.30% 02-Jun-2034	1.6
British Clmbia Invst Mgmt Corp 4.00% 02-Jun-2035	1.4
United States Treasury 2.38% 15-Feb-2055	1.2
Total	**26.0**

Portfolio characteristics	
Dividend yield	4.3%
Yield to maturity	4.4%
Duration (years)	6.8
Average credit rating	A-
Average coupon	4.3%

Credit Rating

AAA	AA	A	BBB	BB	B and below
5.1	52.8	13.9	18.6	7.4	2.2

Term to maturity: Bonds only (%) in years

< 1	1 - 5	5 - 10	10 - 20	> 20
4.0	32.7	39.4	4.0	20.0

Contact us

Customer service number 1-844-730-1633

Corporate website counselportfolios.ca

Counsel Fixed Income Series I

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.

Q2 2026 Fund Commentary

Commentary and opinions are provided by Franklin Advisers, Inc., Putnam Investments Canada, and Mackenzie Financial Corporation

Market Commentary

Global growth data over the quarter painted a generally resilient picture despite the ongoing conflict in the Middle East, although the euro area remained a pocket of weakness. Inflation rates were mostly higher, partly as higher energy prices related to the conflict fed into the data. The U.S. dollar rose modestly, supported by a more aggressive view of U.S. policy interest rates. The U.S. Federal Reserve Board (Fed) kept its policy interest rate unchanged but turned more aggressive in tone late in the quarter, while several other developed-market central banks, including the European Central Bank and the Bank of Japan, raised interest rates. Emerging market central banks were more mixed. In bond markets, developed market sovereign bond yields were mixed, while emerging market sovereign bond yields generally fell across most regions.

Fixed income markets gained over the quarter. Markets began on uncertain footing, with volatility around artificial intelligence (AI)-related headlines and their impact on software, as well as heightened geopolitical risk in the Middle East. Sentiment improved as the quarter progressed, supported by resilient fundamentals, strong corporate earnings and better macroeconomic conditions after a ceasefire was reached. U.S. Treasury yields were volatile over the quarter and ended modestly higher. In this environment, high-yield corporate credit generated positive returns as credit spreads narrowed. The U.S. high-yield default rate stayed below its long-term average, new-issue supply was healthy and high-yield funds attracted inflows.

Canada spent the second quarter of 2026 debating whether it was in recession. The Bank of Canada (BoC) held its policy interest rate at 2.25% in April and June, with core inflation near 2% and little energy pass-through. Gross domestic product (GDP) rose 0.5% in April month over month, taking some air out of the recession narrative, though May’s GDP flash reading was just 0.1% month over month.

Weaker economic data drove Canadian yields lower across the yield curve. Risk assets shrugged off the earlier rise in yields, with equities remaining resilient and focusing on the AI, hyperscaler and microchip manufacturer trade. Investment-grade credit stayed extremely tight by historical standards despite heavy issuance, including a Canadian record issue by Alphabet Inc. that was immediately eclipsed by an Amazon.com Inc. issue. Attractive all-in yields and asset-mix rebalancing tied to strong equity markets continued to drive positive fund flows into both Canadian and U.S. fixed-income markets, helping the market absorb heavy bond supply. First-half 2026 supply in Canada and the U.S. rose roughly 33% and 58%, respectively, from the first half of 2025.

Counsel Fixed Income Series I

Performance

Interest-rate strategies contributed most to performance, followed by currency positions and sovereign-credit exposures.

Overweight duration (sensitivity to interest rate changes) exposure in South Africa and Kazakhstan contributed to performance. Among currencies, overweight positions in the Colombian peso, South African rand and Egyptian pound contributed to performance, as did U.S.-dollar-denominated sovereign credit exposures.

Underweight duration exposure to the euro area detracted from performance.

Security selection in the information technology sector, the gaming, lodging and leisure industry, and the food and beverages industry contributed to performance. Security selection in non-rated securities such as convertible bonds and in issuers domiciled in the Cayman Islands also contributed to performance.

Seagate Technology Holdings plc contributed to the Fund's performance because the overweight position benefited as the underlying equity rose on continued momentum. Overweight exposure to Viking Cruises Ltd. and out-of-benchmark exposure to The Chef's Warehouse, Inc. also contributed to performance.

Security selection in the broadcasting and health care industries detracted from performance, as did security selection in CCC-rated securities and the Fund's cash positioning.

An overweight exposure to Crescent Energy Co. detracted from performance because the underlying equity fell on lower energy prices. Overweight exposure to Charter Communications, Inc. and EW Scripps Company also detracted from performance.

Government of Canada (3.5%, due 2057/12/01) contributed to the Fund’s performance. In the sub-advisor’s view, the bond added high-quality, long-duration (sensitivity to interest rates) exposure at a comparatively attractive yield and stands to benefit if slower growth or moderating inflation lowers long-term interest rates.

An allocation to and selection within government bonds contributed to performance.

Government of Canada (3.5% 2029/09/01) detracted from the Fund’s performance on a benchmark-relative basis. Its shorter duration captured less upside than longer-maturity bonds when long-term Canadian yields eased. In the sub-advisor’s view, the result reflected yield-curve positioning rather than any concern about Canada’s credit quality.

Portfolio Activity

The sub-advisor added a position in Hungary and sold the position in Ghana.

The sub-advisor added Edged Compute LLC, increased Oak Eagle AcquireCo Inc., sold QXO, Inc. and reduced Nexstar Media Group, Inc.

The sub-advisor increased CU Inc. (4.085%, 2044/09/02) to capture additional income from a highly rated regulated utility. In the sub-advisor’s view, the company’s diversified electricity and natural-gas networks generate relatively predictable cash flows, while supportive regulation and prudent financing underpin its capacity to service long-term debt.

The sub-advisor sold Government of Canada (3.0% 2027/02/01) because the bond’s approaching maturity offered limited remaining income and price-appreciation potential. Proceeds were redeployed into longer-dated government securities offering higher yields and greater sensitivity to a potential decline in Canadian interest rates.

The sub-advisor reduced Province of Ontario (3.95%, 2035/12/02) to manage Ontario concentration and redeploy capital toward longer-dated securities offering greater yield and duration potential. In the sub-advisor’s view, the decision reflected relative value and sizable provincial borrowing requirements rather than any material deterioration in Ontario’s creditworthiness.

Outlook

In the sub-advisor's view, uncertainty about growth and inflation stemming from the conflict in the Middle East has dominated the global economic outlook, and the sub-advisor is monitoring developments closely. Global growth is expected to slow modestly, with emerging markets, particularly in emerging Asia, expected to grow faster than advanced economies. The sub-advisor emphasises that the conflict's effects on emerging markets aren't uniform and need to be assessed country by country, considering factors such as the energy intensity of production, initial macroeconomic conditions and policy responses.

The sub-advisor maintains the view that the U.S. dollar is broadly overvalued and could depreciate over the medium term, although some shorter-term strength may persist around the conflict. The sub-advisor believes the shift into non-U.S. assets may be a sustainable trend and looks to carry as a source of return, seeing select opportunities in non-dollar emerging market assets. Core regional views are largely unchanged. The sub-advisor sees value in parts of the Asia-Pacific region, including Australia, and in Latin America, favouring countries with sound macroeconomic policies, relatively high yields and undervalued currencies. The sub-advisor also sees opportunities in select emerging and frontier markets in both local-currency and hard-currency assets, including some African countries where reform efforts have improved fundamentals.

Recent developments in countries the Fund invests in include the removal of Greece from the European Commission's macroeconomic-imbalance monitoring as its vulnerabilities have declined, a credit-rating upgrade for South Africa reflecting progress on fiscal consolidation, and a set of measures in India aimed at attracting foreign inflows and stabilising markets. Most Mexican exports to the U.S. are also expected to remain exempt from new tariffs following trade consultations.

In the sub-advisor's view, corporate fundamentals have been resilient and market technicals supportive, and these trends may persist alongside bouts of volatility tied to U.S. policy and geopolitical tensions. The sub-advisor notes continued uncertainty around the re-establishment of regular trade flows for oil, gas and other raw materials through the Strait of Hormuz. On valuations, credit spreads remain historically rich but, in the sub-advisor's view, appropriate given a low-default environment and open capital markets. The sub-advisor expects the Fed to remain data-dependent.

The sub-advisor stays focused on company fundamentals, balance-sheet health, free cash flow and the resilience of credits to slower growth, and remains cautious on deeply distressed names. Market technicals remain solid, with steady demand and consistent new issuance, and yields and sub-par dollar prices remain attractive even as spreads sit at levels the sub-advisor views as fair rather than compelling. Risks the sub-advisor is watching include higher-than-expected inflation, policy missteps, a more severe slowdown and heightened geopolitical tension.

There are differing opinions in the market on whether the Fed may raise interest rates over the coming months. Some participants read recent hawkish comments from Fed Chair Kevin Warsh as a signal, while others view the hawkishness as inevitable given the need to demonstrate independence from a U.S. administration that has been pushing for lower interest rates. In the sub-advisor’s view, the outlook for the Fed is therefore unclear.

Counsel Fixed Income Series I

There is more consensus in Canada, where the weaker economy has begun to show some stabilization despite falling into a technical recession. In the sub-advisor's view, the April bounce is a correction rather than a recovery. The labour market is soft, business investment keeps falling on tariff and Canada-United States-Mexico Agreement uncertainty, the mortgage reset cycle grinds on and core inflation gives the BoC room to ease monetary policy. The sub-advisor believes the BoC could cut it policy interest rate before year-end, likely by 25 basis points.

Disclaimer

The commentaries on the company specific information and purchases and sales were provided by the fund manager. Canada Life Investment Management Ltd. will not be liable for any loss, or damages whatsoever, whether directly or indirectly incurred, arising out of the use or misuse of errors or omissions in any information contained in this commentary. The data provided in this commentary is for information purposes only and, except where otherwise indicated, is current as of June 30, 2026.

The views expressed in this commentary are those of fund manager as at the date of publication and are subject to change without notice. This commentary is presented only as a general source of information and is not intended as a solicitation to buy or sell specific investments, nor is it intended to provide tax or legal advice. Prospective investors should review the offering documents relating to any investment carefully before making an investment decision and should ask their Advisor for advice based on their specific circumstances.

The content of this commentary (including facts, views, opinions, recommendations, descriptions of or references to, products or securities) is not to be used or construed as investment advice, as an offer to sell or the solicitation of an offer to buy, or an endorsement, recommendation or sponsorship of any entity or security cited. Although we endeavour to ensure its accuracy and completeness, we assume no responsibility for any reliance upon it.

This document may contain forward-looking information which reflect our or third-party current expectations or forecasts of future events. Forward-looking information is inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed herein. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors, interest and foreign exchange rates, the volatility of equity and capital markets, business competition, technological change, changes in government regulations, changes in tax laws, unexpected judicial or regulatory proceedings and catastrophic events. Please consider these and other factors carefully and not place undue reliance on forward-looking information. The forward-looking information contained herein is current only as of June 30, 2026. There should be no expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.

There can be no assurance that the Fund's return or volatility targets will be met, or met over any particular time horizon. Targeted returns and volatility should be evaluated over the time period indicated and not over shorter periods. Targeted returns are not actual performance and should not be relied upon as an indication of actual or future performance.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated.

Counsel Portfolios are managed by Canada Life Investment Management Ltd. Counsel Portfolios are distributed by IPC Securities Corporation and IPC Wealth Inc. and may also be available through other authorized dealers in Canada.

Counsel Fixed Income Series I

For neutral portfolio allocations that may be shown, the asset allocation weights depicted above represent the neutral allocations for the fund and may differ from the current allocation. The neutral allocation may comprise a combination of investments in equities, fixed income securities, securities that are designed to track a market index or other securities. Canada Life Investment Management Ltd., the fund manager, has the discretion to change the allocation without prior notice.

For effective holdings of the fund that may be shown, those are held either directly or through an underlying mutual fund. Asset allocations reflected are as a percentage of the fund's net asset value. Individual securities held by ETFs are not reflected in the Fund's Top holdings listings. Due to rounding and the potential for the inclusion of short positions in cash holdings, the total holdings value at times may exceed 100%. 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.

For information on the fund or any underlying Counsel funds, please read the Fund Facts, Simplified Prospectus and/or other reporting documents before investing, available at www.counselportfolios.ca.

Commissions, trailing commissions, management fees, and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The performance data provided assumes reinvestment of distributions only and does not take into account sales, redemption, distribution, or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Counsel Portfolios are managed by Canada Life Investment Management Ltd. Counsel Portfolios are distributed by IPC Wealth Inc. and IPC Securities Corporation and may also be available through other authorized dealers in Canada. Other marks displayed are trademarks of their respective owners and used under licence or with permission.