

# Counsel High Yield Fixed Income Series I

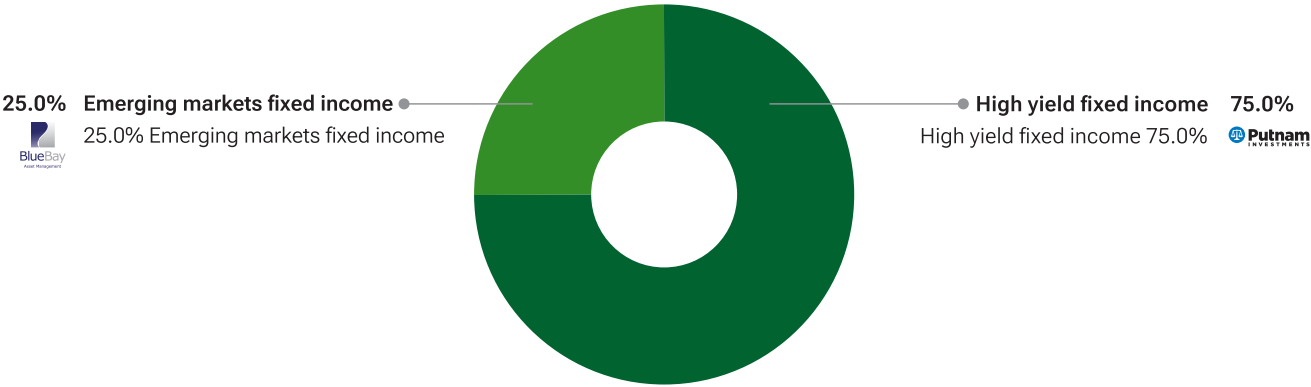
July 31, 2025

A globally diversified fund that seeks to provide a high level of income with the potential for long term capital growth by investing primarily in global fixed income securities, as well as mortgage-backed securities, equity and equity-like securities that are expected to produce income, either directly or through securities of other mutual funds.

## Is this portfolio right for you?

- Provides access to a potentially high level of income and long-term capital growth.
- Features a disciplined investment process for selecting investments utilizing a top-down market outlook.
- Monthly distributions.

## Neutral portfolio allocation<sup>1</sup>



## Annualized performance (%)

Period	1 mth	3 mths	6 mths	1 yr	3 yr	5 yr	10 yr	Inception return
Series I	2.5	4.8	-0.9	9.2	11.0	5.8	5.5	6.7

## Performance (%) calendar year returns

Period	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
Series I	12.3	10.5	4.3	0.4	10.6	3.1	4.1	-4.3	9.8	17.4	1.6

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



## Key data

Fund type	High Yield Fixed Income
Fund code	CGF155
Inception date	July 20, 2012
Mgmt. fee	0.70%
Admin. fee	0.15%
MER	0.17%

## Distribution frequency

Income	Monthly
Capital gains	Annual
Distributions	\$0.50

Distributions represent the annual distributions paid during 2024

## Risk tolerance

Low to Medium

## Portfolio characteristics

Dividend yield	6.7%
Yield to maturity	6.7%
Duration (years)	3.5
Average credit rating	B+

## Investment

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

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How the fund is invested<sup>2</sup> as at May 31, 2025



Asset allocation	(%)	Geographic allocation	(%)	Sector allocation	(%)
Foreign Bonds	93.4	United States	94.9	Fixed Income	93.4
Cash and Equivalents	5.9	Europe	1.4	Cash and Cash Equivalent	5.9
US Equity	0.4	Colombia	0.8	Consumer Services	0.3
Income Trust Units	0.2	Turkey	0.7	Financial Services	0.2
Canadian Equity	0.1	United Arab Emirates	0.4	Utilities	0.2
		Hong Kong	0.4	Industrial Services	0.1
		Mexico	0.4		
		Argentina	0.3		
		United Kingdom	0.2		
		Other	0.5		

## Top holdings

Effective holdings	(%) of NAV
Counsel North American High Yield Bond	77.8
BlueBay Emerging Markets Corporate Bond Fd	22.2

## Credit Rating

AAA	AA	A	BBB	BB	B and below
-	3.7	1.6	11.3	47.5	35.8

## Term to maturity: Bonds only (%) in years

< 1	1 - 5	5 - 10	10 - 20	> 20
0.8	48.1	44.4	2.6	4.1

## 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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## Q2 2025 Fund Commentary

### Market Commentary

Fixed income markets rose over the second quarter of 2025. Financial markets were volatile following the U.S. administration's early April tariff announcements. However, investors were encouraged by a pause on the announced tariffs and improving macroeconomic conditions. The U.S. Federal Reserve Board (Fed) kept interest rates unchanged amid caution around U.S. trade policy uncertainty.

U.S. Treasury yields declined because of volatility but remained range-bound as markets reacted to an uncertain environment. Ten-year U.S. Treasury yields fell, ending June at 4.23%, only 2 basis points lower than where they began the quarter. In this environment, high-yield corporate bonds performed well, with the default rate ending the quarter below long-term averages. High-yield funds generally reported inflows to the asset class during the quarter.

### Performance

The Fund's relative exposure to New Fortress Energy Inc., Seagate Technology Holdings PLC and Saks Global Enterprises LLC was positive for performance. At the issuer level, lack of exposure to New Fortress Energy was positive for performance, as the company reported lower-than-expected quarterly results. Overweight exposure to Seagate Technology and lack of exposure to Saks Global also had a positive impact.

Relative exposure to Nabors Industries Ltd., The Hertz Corp. and American Securities LLC was negative for performance. Overweight exposure to Nabors Industries was negative as the energy sector underperformed because of falling energy prices. Lack of exposure to Hertz and overweight exposure to American Securities also had a negative impact.

Security selection among B-rated bonds was positive for the Fund's performance, while security selection among BBB-rated bonds was negative. The Fund's cash position had a negative impact on performance.

At the sector level, security selection within the cable and satellite industry was positive for performance. Security selection in utilities was negative for performance.

At the regional level, security selection within the U.S. was positive for performance.

### Portfolio Activity

The sub-advisor added a new holding in Opal LLC and increased an existing holding in Jefferson Capital Holdings LLC. A holding in Diamondback Energy Inc. was sold, while Matador Resources Co. was reduced.

### Outlook

So far in 2025, corporate fundamentals like balance sheet health and free cash flows have been resilient, in the sub-advisor's view. The sub-advisor believes technical factors, such as supply and demand, have also been supportive. The sub-advisor expects these trends to persist, with periods of volatility surrounding the implementation of U.S. policies.

Following a series of interest-rate cuts in 2024, the Fed has held interest rates steady in 2025. The sub-advisor believes the Fed is likely to proceed with caution.

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As of quarter end, the sub-advisor was focused on industry and company fundamentals, including balance sheet health and free cash flows. The sub-advisor was cautious of deeply distressed issuers. The U.S. high-yield default rate rose in June but remained well below long-term averages. Technical factors are solid, in the sub-advisor's view, with strong demand and supply that remains low by historical standards.

Risks to the sub-advisor's outlook include higher-than-expected inflation, policy missteps, a severe economic slowdown or recession, and heightened geopolitical tensions.

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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.

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<sup>1</sup>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 portfolio manager of the fund, has the discretion to change the allocation without prior notice. <sup>2</sup>Effective holdings of the fund 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. For money market fund reports: The current yield is an annualized historical yield based on the seven-day period ended on the date noted above and does not represent an actual one-year return. 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](http://www.counselportfolios.ca). All third-party marks are used with permission.

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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