

COUNSEL | PORTFOLIO SERVICES

June 28, 2018

Dear Investor,

We are sending you this information package because you hold securities of one or more Counsel funds that will be merged into other Counsel funds on or about September 7, 2018. The funds to be merged are "Corporate Class" funds. Each will be merged into its corresponding mutual fund trust fund, which has substantially similar investment objectives and investment portfolios.

The mergers are happening because of changes to tax rules which have recently diminished the overall tax efficiency of the Corporate Class structure. The changes proposed have been carefully considered and reviewed by us, and have been approved by Counsel Portfolio Services Inc. and the Counsel funds' Independent Review Committee.

No action is required on your part. On the effective date of a merger, if you are an investor of record in a fund that merges into another fund, you will automatically become an investor in the other fund. You will pay no fees or charges in connection with this event. The mergers will occur on a tax deferred basis, and the fees you pay will be the same or lower than those of the current fund you hold.

We encourage you to read the enclosed notice, which provides details of these changes. If you have any questions, we encourage you to speak to your financial advisor or with our Client Relations Team at 1-877-625-9885, or to visit www.counsel services.com.

You may switch or redeem your securities of the Counsel fund to be merged at any time before the close of business on the effective date of the merger. If you do this, you may be subject to fees or redemption charges as described in the most recent simplified prospectus for your fund(s), or, if applicable, in your agreement with Counsel, and the tax consequences for you will be as described in that simplified prospectus.

Thank you for continuing to make Counsel a part of your long-term investment plan.

Sincerely,

COUNSEL PORTFOLIO SERVICES INC.

MANAGER OF THE COUNSEL FUNDS AND PORTFOLIOS



Nick Westlind
Secretary

Investor Notice

June 28, 2018

Part One

The Mergers

Counsel Portfolio Services Inc. (“**Counsel**”), the manager of the Counsel fund(s) identified in the second part of this notice, is writing to notify you of the merger (each a “**Merger**”) of certain Counsel funds (each, a “**Terminating Fund**”) into other Counsel funds (each, a “**Continuing Fund**”, and together with a Terminating Fund, a “**Fund**”). Each Fund is structured as a unit trust or as a class of shares of Counsel Portfolio Corporation (“**Counselcorp**”). If a Fund’s name ends with the word *Class*, it is a corporate class fund; otherwise, it is a trust fund. Counselcorp qualifies as a mutual fund corporation and the Continuing Fund(s) qualify as a mutual fund trust under the *Income Tax Act* (Canada) (“**Tax Act**”).

Each Merger is being proposed to reflect Counsel’s desire to structure its funds as effectively as possible, in order to maximize potential returns for investors. It will also make Counsel’s product offering smaller and simpler, and therefore easier for investors to navigate.

In each Merger, on or about September 7, 2018 (the “**Merger Date**”), a Terminating Fund will be merged into a Continuing Fund. As a result, when the Merger is completed, you will no longer hold securities of the Terminating Fund (the “**Terminating Fund Securities**”). Instead, you will hold securities of the Continuing Fund (the “**Continuing Fund Securities**”).

In each Merger, the investment objectives, valuation procedures and fee structure of the Continuing Fund are substantially similar to those of the Terminating Fund.

Counsel believes that each Merger is in the best interests of investors of each Terminating Fund.

This notice is divided into two parts. The first part contains general information that is applicable to all Mergers. The second part provides you with specific

information about each Merger affecting the Fund(s) whose securities you now hold.

Counsel will bear all of the expenses incurred in connection with each Merger. No charges will be payable by you in this regard.

Independent Review Committee

Each Merger has been reviewed and approved by the Independent Review Committee of the Counsel funds (the “**IRC**”) on behalf of the Terminating Fund. The IRC has determined that:

- in proposing the Mergers, Counsel is acting free from any influence by an entity related to it and without taking into account any consideration relevant to an entity related to it;
- the Mergers represent the business judgment of Counsel uninfluenced by considerations other than the best interests of the Terminating Funds;
- the Mergers comply with Counsel’s written policies and procedures; and
- the Mergers achieve a fair and reasonable result for the Terminating Funds.

Procedures for the Mergers

The procedures for a Merger are described below.

If you participate in a pre-authorized chequing (“**PAC**”) plan, dollar cost averaging service, systematic withdrawal plan, or other systematic plan (all as described in the applicable simplified prospectus) in connection with the Terminating Fund(s), this plan will be continued with the applicable Continuing Fund

following the Merger Date, unless otherwise noted in this notice.

Fees and expenses

Generally, the Funds pay management fees, administration fees and fund costs. The management fees and any administration fees are paid to Counsel as manager of the Funds. The annual management fees and administration fees for each Fund vary by series.

Fund costs that the Funds may be subject to include interest and borrowing costs, brokerage commissions and related transaction fees, taxes (including, but not limited to G.S.T./H.S.T. and income tax, and withholding tax), all fees and expenses of the Counsel Funds' IRC, costs of complying with the regulatory requirement to produce Fund Facts, fees paid to external service providers associated with tax reclaims, refunds or the preparation of foreign tax reports on behalf of the Counsel managed mutual funds, new fees related to external services that were not commonly charged in the Canadian mutual fund industry and introduced after October 27, 2017, fees and expenses of holding or transacting in securities directly or indirectly in foreign markets, and the costs of complying with any new regulatory requirements including, without limitation, any new fees introduced after October 27, 2017. Interest and borrowing costs and taxes will be charged to each series directly based on usage. Costs of complying with new regulatory requirements will be assessed based on the extent and nature of these requirements. The remaining fund costs will be allocated to each series of each Fund based on their net assets relative to the net assets of all series of the Counsel managed mutual funds. We may allocate fund costs among each series of a Counsel managed mutual fund based on such other method of allocation as we consider fair and reasonable to the Counsel managed mutual fund.

The fees and expenses applicable to each Fund are described in the simplified prospectus for that Fund.

Implementation of the Merger

Prior to the Merger Date, you may receive ordinary dividends and/or capital gains dividends from the applicable Terminating Fund, but only to the extent required to ensure that the applicable Terminating Fund will not have to pay any income tax. Any such dividend will be automatically reinvested in applicable Terminating Fund Securities.

As of the date of this notice, we expect that the Terminating Funds will pay ordinary dividends and/or capital gains dividends in advance of the Merger Date. This expectation may change between the date of this notice and the Merger Date due to market activity, portfolio manager activity and/or securityholder activity.

After the close of business on the Merger Date, the exchange of your Terminating Fund Securities for Continuing Fund Securities will occur on a tax-deferred basis:

- Counselcorp will transfer all of the net assets that are referable to the Terminating Fund to the Continuing Fund in exchange for Continuing Fund Securities. The value of the Continuing Fund Securities received by the Terminating Fund will equal the value of the net assets that Counselcorp transferred to the Continuing Fund;
- Counselcorp will then redeem your Terminating Fund Securities. You will receive your *pro rata* share of the Continuing Fund Securities that were held by the Terminating Fund.

Counselcorp will then cancel the Terminating Fund Securities and each Terminating Fund will then cease to exist.

Canadian federal income tax considerations

This is a general summary of certain Canadian federal income tax considerations applicable to you as a holder of Terminating Fund Securities. It is based on the current provisions of the Tax Act. This summary assumes that

you are an individual resident in Canada and that you hold your Terminating Fund Securities as capital property. **This summary is not intended to be legal advice or tax advice and it is not exhaustive of all possible tax consequences. Accordingly, you should consult your own tax advisor, having regard to your own particular circumstances.**

The tax consequences of a Merger are described below and depend on whether you hold Terminating Fund Securities inside or outside an account that is one of the following (each a “Registered Plan”):

- a registered retirement savings plan (“RRSP”);
- a registered retirement income fund (“RRIF”);
- a registered education savings plan (“RESP”);
- a deferred profit-sharing plan;
- a life income fund;
- a locked-in retirement account;
- a locked-in retirement income fund;
- a locked-in retirement savings plan;
- a prescribed retirement income fund;
- a restricted life income fund;
- a restricted locked-in savings plan;
- a registered disability savings plan (“RDSP”); or
- a tax-free savings account (“TFSA”).

If you hold Terminating Fund Securities inside a Registered Plan

All Terminating Fund Securities are qualified investments for Registered Plans.

Generally, you will not pay tax on distributions or dividends paid by a Terminating Fund or a Continuing Fund, and you will not be subject to tax on capital gains from redeeming or switching Terminating Fund

Securities before the Merger Date or Continuing Fund Securities after the Merger Date.

All Continuing Fund Securities are qualified investments for Registered Plans. Annuitants of RRSPs and RRIFs, holders of TFSA and RDSPs and subscribers of RESPs should consult with their own tax advisors as to whether Continuing Fund Securities would be a “prohibited investment” under the Tax Act if held in their particular RRSP, RRIF, TFSA, RDSP or RESP.

If you hold Terminating Fund Securities outside a Registered Plan

The tax consequences of redeeming or switching Terminating Fund Securities before the Merger Date will be the same as described in the simplified prospectus for each Terminating Fund.

The Terminating Fund(s) may pay dividends prior to the merger of any ordinary dividends received from Canadian sources and/or net-capital gains realized during the current tax year.

The tax consequences of any ordinary dividends and/or capital gains dividends that you receive from a Terminating Fund will be the same as the tax consequences of the regular annual dividends paid by the Terminating Fund. These consequences are described in the simplified prospectus for each Terminating Fund.

On the Merger Date, the exchange of your Terminating Fund Securities for Continuing Fund Securities will occur on a tax-deferred basis:

- You will be deemed to dispose of your Terminating Fund Securities for an amount equal to their adjusted cost base (“ACB”), so that you will not realize a capital gain or capital loss on the disposition.
- The cost of the Continuing Fund Securities that you receive as a result of the Merger will equal the ACB of the Terminating Fund Securities that were exchanged for these Continuing Fund Securities.

Key tax differences between Corporate Class Funds and Trust Funds

Each trust fund computes the income from its investment activities separately. In contrast, because each corporate class fund is part of Counselcorp, the tax consequences of investing in a particular corporate class fund may be affected by both the investment activities of that corporate class Fund and the investment activities of Counselcorp's other corporate funds (including those not offered under the Funds' simplified prospectus). For example, any net loss or net capital loss realized on the investments of a particular corporate class fund in a year will be applied to reduce the income or net realized capital gains of Counselcorp as a whole in that year; accordingly, the losses will not be available to shelter subsequent income or capital gains of the particular corporate class fund.

While a trust fund may pay taxable distributions of particular types of income and can generally eliminate its liability for tax by distributing all of its income, a corporate class fund cannot. This has two principal consequences to you:

- taxable distributions paid to investors in a corporate class fund will consist of ordinary dividends (i.e., eligible and/or non-eligible dividends from a taxable Canadian corporation) or capital gains dividends, but not other sources of income such as interest or foreign-source income; and
- if Counselcorp's income exceeds its deductible expenses and non-capital losses, it will be subject to income tax. In a trust fund, this net income would be distributed to investors and taxed in their hands at their marginal tax rates.

Counselcorp's Board of Directors, in consultation with us, determines the allocation of any tax liability and any taxable dividends of Counselcorp among its corporate funds (including those not offered under the Funds' simplified prospectus) in a fair and reasonable manner. If you are invested in a particular corporate class fund, this may produce different returns and tax consequences than if that fund had been established as a trust fund

If you do not wish to participate in the Merger

If you do not wish to participate in the Merger, you may instead redeem your securities or switch to any other mutual fund offered under the applicable simplified prospectus at any time up to the close of business on the effective date of the Merger. In this case, you may be subject to redemption charges or switch fees as outlined in the applicable simplified prospectus, unless otherwise specified in this notice. The tax consequences of any such redemption or switch will be as described in the applicable simplified prospectus.

For more information

More information about the Fund(s) is contained in the simplified prospectus, annual information form, the most recently filed fund facts, the most recent annual and interim financial statements and the most recent management reports of fund performance. You can obtain copies of these documents at no cost in any of the following ways:

- by accessing Counsel's website at www.counselservices.com
- by accessing the SEDAR website at www.sedar.com
- by emailing Counsel at info@counselservices.com
- by calling Counsel toll-free during normal business hours at 1-877-625-9885
- by faxing a request to Counsel at 1-844-378-6247
- by mailing a request to Counsel at 5015 Spectrum Way, Suite 300 Mississauga, Ontario L4W 0E4.

Part Two

Fund details

Terminating Fund Counsel Canadian Dividend Class (the “**Terminating Fund**”)

Merger details

Continuing Fund to merge into Counsel Canadian Dividend (the “**Continuing Fund**”)

Merger Date on or about September 7, 2018

Type of Merger tax-deferred merger of a Corporate Class Fund into a Trust Fund

Reason(s) for Merger The investment objectives of the Continuing Fund are substantially similar to those of the Terminating Fund. In addition, both Funds are managed by the same lead portfolio manager and both Funds fall within the Canadian Dividend category of the Canadian Investment Funds Standards Committee. Given these factors and recent changes to tax rules, the Merger is being proposed to deploy its portfolio managers as effectively as possible and to reduce duplication.

If the merger occurs, holders of certain securities of the Terminating Fund will benefit from lower fees on the corresponding series of securities of the Continuing Fund received in the merger as set out below.

Consequences of Merger The series of Continuing Fund Securities that you will receive as a result of this merger will be the same as the series of Terminating Fund Securities that you hold.

| Terminating Fund Securities that you hold | Continuing Fund Securities that you will receive |
|---|--|
| A | A ¹ |
| F | F ¹ |
| I | I ¹ |
| Private Wealth | Private Wealth |
| T | T |

¹ This series makes quarterly distributions of net income, whereas the Terminating Fund series distributed net income on an annual basis. Please refer to the applicable simplified prospectus for more information.

You will pay the same fees on Continuing Fund Securities that you receive in the Merger as you currently pay on the Terminating Fund Securities that you hold.

Capital Gain Allocations - Continuing Fund The Continuing Fund may have material net unrealized capital gains as at the Merger Date. Upon completion of the Merger, such gains, if and when realized, would be allocated to all of the securityholders of the Continuing Fund, including the former securityholders of the Terminating Fund.

Fund details

Terminating Fund Counsel Canadian Growth Class (the “**Terminating Fund**”)

Merger details

Continuing Fund to merge into Counsel Canadian Growth (the “**Continuing Fund**”)

Merger Date on or about September 7, 2018

Type of Merger tax-deferred merger of a Corporate Class Fund into a Trust Fund

Reason(s) for Merger The investment objectives of the Continuing Fund are substantially similar to those of the Terminating Fund. In addition, both Funds are managed by the same lead portfolio manager and both Funds fall within the Canadian Equity category of the Canadian Investment Funds Standards Committee. Given these factors and recent changes to tax rules, the Merger is being proposed to deploy its portfolio managers as effectively as possible and to reduce duplication.

If the merger occurs, holders of certain securities of the Terminating Fund will benefit from lower fees on the corresponding series of securities of the Continuing Fund received in the merger as set out below.

Consequences of Merger The series of Continuing Fund Securities that you will receive as a result of this merger will be the same as the series of Terminating Fund Securities that you hold.

| Terminating Fund Securities that you hold | Continuing Fund Securities that you will receive |
|---|--|
| A | A |
| F | F |
| I | I |
| Private Wealth | Private Wealth |

You will pay the same or lower fees on Continuing Fund Securities that you receive in the Merger as you currently pay on the Terminating Fund Securities that you hold.

Capital Gain Allocations - Continuing Fund The Continuing Fund may have material net unrealized capital gains as at the Merger Date. Upon completion of the Merger, such gains, if and when realized, would be allocated to all of the securityholders of the Continuing Fund, including the former securityholders of the Terminating Fund.

Fund details

Terminating Fund Counsel Canadian Value Class (the “**Terminating Fund**”)

Merger details

Continuing Fund to merge into Counsel Canadian Value (the “**Continuing Fund**”)

Merger Date on or about September 7, 2018

Type of Merger tax-deferred merger of a Corporate Class Fund into a Trust Fund

Reason(s) for Merger The investment objectives of the Continuing Fund are substantially similar to those of the Terminating Fund. In addition, both Funds are managed by the same lead portfolio manager and both Funds fall within the Canadian Equity category of the Canadian Investment Funds Standards Committee. Given these factors and recent changes to tax rules, the Merger is being proposed to deploy its portfolio managers as effectively as possible and to reduce duplication.

If the merger occurs, holders of certain securities of the Terminating Fund will benefit from lower fees on the corresponding series of securities of the Continuing Fund received in the merger as set out below.

Consequences of Merger The series of Continuing Fund Securities that you will receive as a result of this merger will be the same as the series of Terminating Fund Securities that you hold.

| Terminating Fund Securities that you hold | Continuing Fund Securities that you will receive |
|---|--|
| A | A |
| F | F |
| I | I |
| Private Wealth | Private Wealth |

You will pay the same or lower fees on Continuing Fund Securities that you receive in the Merger as you currently pay on the Terminating Fund Securities that you hold.

Capital Gain Allocations - Continuing Fund The Continuing Fund may have material net unrealized capital gains as at the Merger Date. Upon completion of the Merger, such gains, if and when realized, would be allocated to all of the securityholders of the Continuing Fund, including the former securityholders of the Terminating Fund.

Fund details

Terminating Fund Counsel Conservative Portfolio Class (the “**Terminating Fund**”)

Merger details

Continuing Fund to merge into Counsel Conservative Portfolio (the “**Continuing Fund**”)

Merger Date on or about September 7, 2018

Type of Merger tax-deferred merger of a Corporate Class Fund into a Trust Fund

Reason(s) for Merger The investment objectives of the Continuing Fund are substantially similar to those of the Terminating Fund. In addition, both Funds are managed by the same lead portfolio manager and both Funds fall within the Global Fixed Income Balanced category of the Canadian Investment Funds Standards Committee. Given these factors and recent changes to tax rules, the Merger is being proposed to deploy its portfolio managers as effectively as possible and to reduce duplication.

If the merger occurs, holders of certain securities of the Terminating Fund will benefit from lower fees on the corresponding series of securities of the Continuing Fund received in the merger as set out below.

Consequences of Merger The series of Continuing Fund Securities that you will receive as a result of this merger will be the same as the series of Terminating Fund Securities that you hold.

| Terminating Fund Securities that you hold | Continuing Fund Securities that you will receive |
|---|--|
| A | A |
| F | F |
| I | I |
| T | T |

You will pay the same fees on Continuing Fund Securities that you receive in the Merger as you currently pay on the Terminating Fund Securities that you hold.

Capital Gain Allocations - Continuing Fund The Continuing Fund may have material net unrealized capital gains as at the Merger Date. Upon completion of the Merger, such gains, if and when realized, would be allocated to all of the securityholders of the Continuing Fund, including the former securityholders of the Terminating Fund.

Fund details

Terminating Fund Counsel Balanced Portfolio Class (the “**Terminating Fund**”)

Merger details

Continuing Fund to merge into Counsel Balanced Portfolio (the “**Continuing Fund**”)

Merger Date on or about September 7, 2018

Type of Merger tax-deferred merger of a Corporate Class Fund into a Trust Fund

Reason(s) for Merger The investment objectives of the Continuing Fund are substantially similar to those of the Terminating Fund. In addition, both Funds are managed by the same lead portfolio manager and both Funds fall within the Global Balanced category of the Canadian Investment Funds Standards Committee. Given these factors and recent changes to tax rules, the Merger is being proposed to deploy its portfolio managers as effectively as possible and to reduce duplication.

If the merger occurs, holders of certain securities of the Terminating Fund will benefit from lower fees on the corresponding series of securities of the Continuing Fund received in the merger as set out below.

Consequences of Merger The series of Continuing Fund Securities that you will receive as a result of this merger will be the same as the series of Terminating Fund Securities that you hold.

| Terminating Fund Securities that you hold | Continuing Fund Securities that you will receive |
|---|--|
| A | A |
| F | F |
| I | I |
| Private Wealth I | Private Wealth I |
| T | T |

You will pay lower fees on Continuing Fund Securities that you receive in the Merger as you currently pay on the Terminating Fund Securities that you hold.

Capital Gain Allocations - Continuing Fund The Continuing Fund may have material net unrealized capital gains as at the Merger Date. Upon completion of the Merger, such gains, if and when realized, would be allocated to all of the securityholders of the Continuing Fund, including the former securityholders of the Terminating Fund.

Fund details

Terminating Fund Counsel Growth Portfolio Class (the “**Terminating Fund**”)

Merger details

Continuing Fund to merge into Counsel Growth Portfolio (the “**Continuing Fund**”)

Merger Date on or about September 7, 2018

Type of Merger tax-deferred merger of a Corporate Class Fund into a Trust Fund

Reason(s) for Merger The investment objectives of the Continuing Fund are substantially similar to those of the Terminating Fund. In addition, both Funds are managed by the same lead portfolio manager and both Funds fall within the Global Balanced Equity category of the Canadian Investment Funds Standards Committee. Given these factors and recent changes to tax rules, the Merger is being proposed to deploy its portfolio managers as effectively as possible and to reduce duplication.

If the merger occurs, holders of certain securities of the Terminating Fund will benefit from lower fees on the corresponding series of securities of the Continuing Fund received in the merger as set out below.

Consequences of Merger The series of Continuing Fund Securities that you will receive as a result of this merger will be the same as the series of Terminating Fund Securities that you hold.

| Terminating Fund Securities that you hold | Continuing Fund Securities that you will receive |
|---|--|
| A | A |
| F | F |
| I | I |
| Private Wealth I | Private Wealth I |
| T | T |

You will pay the same fees on Continuing Fund Securities that you receive in the Merger as you currently pay on the Terminating Fund Securities that you hold.

Capital Gain Allocations - Continuing Fund The Continuing Fund may have material net unrealized capital gains as at the Merger Date. Upon completion of the Merger, such gains, if and when realized, would be allocated to all of the securityholders of the Continuing Fund, including the former securityholders of the Terminating Fund.

Fund details

Terminating Fund Counsel All Equity Portfolio Class (the “**Terminating Fund**”)

Merger details

Continuing Fund to merge into Counsel All Equity Portfolio (the “**Continuing Fund**”)

Merger Date on or about September 7, 2018

Type of Merger tax-deferred merger of a Corporate Class Fund into a Trust Fund

Reason(s) for Merger The investment objectives of the Continuing Fund are substantially similar to those of the Terminating Fund. In addition, both Funds are managed by the same lead portfolio manager and both Funds fall within the Global Equity category of the Canadian Investment Funds Standards Committee. Given these factors and recent changes to tax rules, the Merger is being proposed to deploy its portfolio managers as effectively as possible and to reduce duplication.

If the merger occurs, holders of certain securities of the Terminating Fund will benefit from lower fees on the corresponding series of securities of the Continuing Fund received in the merger as set out below.

Consequences of Merger The series of Continuing Fund Securities that you will receive as a result of this merger will be the same as the series of Terminating Fund Securities that you hold.

| Terminating Fund Securities that you hold | Continuing Fund Securities that you will receive |
|---|--|
| A | A |
| F | F |

You will pay the same fees on Continuing Fund Securities that you receive in the Merger as you currently pay on the Terminating Fund Securities that you hold.

Capital Gain Allocations - Continuing Fund The Continuing Fund may have material net unrealized capital gains as at the Merger Date. Upon completion of the Merger, such gains, if and when realized, would be allocated to all of the securityholders of the Continuing Fund, including the former securityholders of the Terminating Fund.