



Portland Investment Counsel Inc.

**Fund Update: Portland Private Income Fund Decreases Distribution rates of Preferred Units by 0.75%**

March 18, 2020

As a result of the Manager's quarterly review, Portland Private Income Fund (the "Fund") is decreasing the distributions on its two series of preferred units, Series AP and Series FP, both of which are priced at a fixed NAV per unit of \$10.00 on each valuation date. The preferred shares are expected to pay a monthly distribution ranging from the Royal Bank of Canada Prime Rate (the "Prime Rate") to no more than the cost of unsecured debt available to the Fund.

Since October 1, 2018, the annual distribution rate was 3.70% for Series AP and 4.70% (Prime Rate + 1%) for Series FP based on a Prime Rate of 3.70% from July 2018.

In March 2020, the Prime Rate has decreased from 3.95% to 2.95%. As a result, effective April 1, 2020, the Manager has decided to adjust the annual distribution rate for both series of preferred units to 2.95% and 3.95%, for Series AP and Series FP respectively. The monthly distribution rate will decrease from \$0.03083 to \$0.02458 per month for Series AP and from \$0.03916 to \$0.03292 per month for Series FP.

The Fund's distribution policy is to reflect changes in the distribution rate based on the Prime Rate. The preferred return will be adjusted quarterly after the Prime Rate changes by 50 basis points or more on an absolute basis. The Manager may, at its discretion change the preferred return quarterly after the Prime Rate changes by less than 50 basis points on an absolute basis. The Manager will post the current preferred return on the Fund's website at [www.portlandic.com/privateincome.html](http://www.portlandic.com/privateincome.html).

If you have any questions regarding this notice, please contact one of the following at 905-331-4250 or [info@portlandic.com](mailto:info@portlandic.com).

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*The Fund is not publicly offered. It is only available under Offering Memorandum and other exemptions to investors who meet certain eligibility or minimum purchase requirements such as “accredited investors”. You will only be permitted to purchase Units if your purchase qualifies for one of these exemptions. A list of criteria to qualify as an accredited investor is set out in the subscription agreement delivered with the Offering Memorandum and generally includes individuals who have net assets of at least \$5,000,000, or financial assets of at least \$1,000,000, or personal income of at least \$200,000, or combined spousal income of at least \$300,000 in the previous two years with reasonable prospects of same in the current year. Information herein pertaining to the Fund is solely for the purpose of providing information and is not to be construed as a public offering in any jurisdiction of Canada.*

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