

# PORTLAND CANADIAN BALANCED FUND

FUNDGRADE A+<sup>®</sup>  
ACHIEVED FOR THE YEAR 2019<sup>6</sup>



PORTLAND  
INVESTMENT COUNSEL<sup>®</sup>

OWNERS. OPERATORS. AND INVESTORS.

(as at February 29, 2020)

	Series Start Date	MER (after absorptions as at September 30, 2019) <sup>4</sup>	Net Asset Value Per Unit (as at February 29, 2020)	PERFORMANCE (as at February 29, 2020)					
				3 Months	6 Months	1 Year	3 Year <sup>4</sup>	5 Year <sup>4</sup>	Since Inception <sup>4</sup>
Portland Canadian Balanced Fund - Series A	Oct. 31, 2012	2.83%	\$14.3294	(6.7%)	(1.0%)	(1.1%)	2.7%	5.4%	7.4%
Portland Canadian Balanced Fund - Series F	Oct. 31, 2012	1.69%	\$14.7751	(6.4%)	(0.4%)	0.1%	3.9%	6.6%	8.6%
Blended Benchmark <sup>5</sup>	-	-	-	(1.4%)	0.8%	6.4%	4.7%	3.8%	5.5%

## FUND FACTS

Fund Net Assets	\$12.0 million
CIFSC* Asset Class	Canadian Equity Balanced
Risk Tolerance	Low to Medium

## HOW THE FUND IS MANAGED

- Active asset allocation
- Active management of equities to enhance returns
- Focused number of equity holdings
- Passive management of fixed income for diversification
- Willingness to hold cash and hedge currency
- Objectives (in Canadian Equity Balanced category):
  - Capital growth
  - Positive long-term total returns
  - Income generation

## KEY REASONS TO INVEST

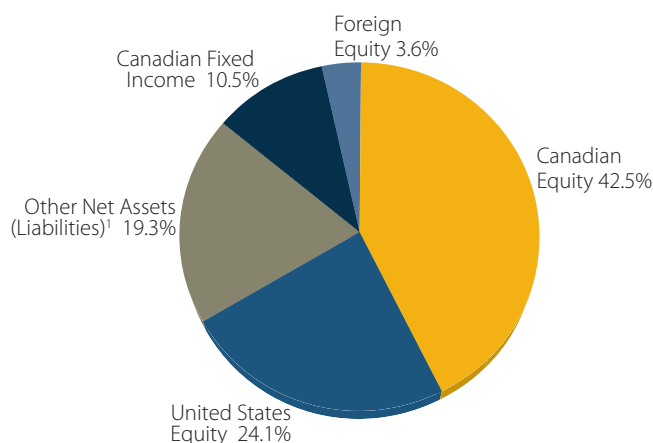
- Fund objectives are:
  - Positive long-term total returns
  - Capital growth
  - Income generation

## PORTFOLIO MANAGERS

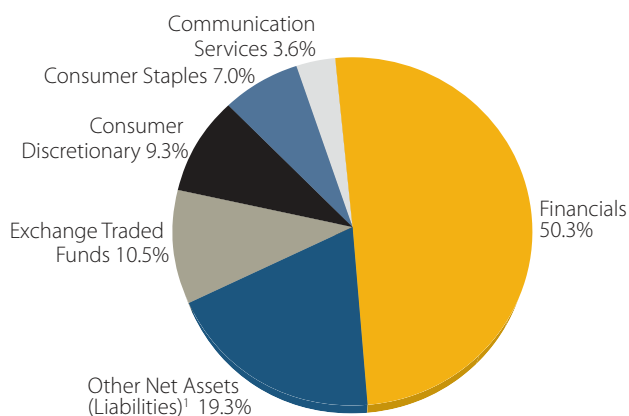
**James Cole**, BA, CFA  
Senior Vice President and Portfolio Manager

**Dragos Berbecel**, BComm., MBA, CFA  
Portfolio Manager

## Asset Mix



## Sector Mix



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## Top Holdings<sup>2</sup>

Cash & Cash Equivalents	27.1%
Magna International Inc.	9.3%
Citigroup Inc.	9.2%
Royal Bank of Canada	7.9%
The Bank of Nova Scotia	7.7%
The Toronto-Dominion Bank	7.7%
Canadian Imperial Bank of Commerce	7.6%
Walgreens Boots Alliance, Inc.	7.0%
The Goldman Sachs Group, Inc.	6.5%
SoftBank Group Corp.	3.6%
Horizons Active Preferred Share ETF	3.5%
iShares S&P/TSX Canadian Preferred Share Index ETF	3.5%
BMO Laddered Preferred Share Index ETF	3.5%
Bank of Montreal	2.3%
Berkshire Hathaway Inc.	1.4%

## FUND COMMENTARY (as at December 31, 2019)

For the quarter ended December 31, 2019, the Fund's Series F units had a return of 1.4%. For the same period, the Fund's Blended Benchmark (which is a composite consisting of 60% of the return of the S&P/TSX Composite Total Return Index and 40% of the return of the iShares Core Canadian Universe Bond Index ETF TR), had a return of 1.6%. For the full period since inception of the Fund on October 31, 2012 to December 31, 2019, the Fund's series F units had an annualized return of 9.7%. For the same period, the Blended Benchmark had an annualized return of 5.9%. Unlike the Index, the Fund's return is after the deduction of its fees and expenses. The Fund's net asset value at December 31, 2019 was \$12.6 million. On a cumulative basis since its inception, the Fund has experienced both positive net sales and positive investment performance. Asset mix as at December 31, 2019 was common equities, 57.9%; preferred share exchange-traded funds, 10.6%; and cash and other net assets, 31.5%. By geography, assets were invested in securities of issuers based in Canada, 82.6%; and the United States, 17.4%.

We believe that the Fund is well-positioned to continue to meet its investment objectives as outlined above. A distinguishing feature of the Fund is focused investing, i.e., holding a limited number of investments. Portland Investment Counsel Inc. has long held that the key to wealth creation is owning a few high quality businesses. We employ this approach in the management of the Fund. The concentration into our best investment ideas is expected to continue to aid the Fund in meeting its investment objective. Common shares in the Fund will generally be those of larger-capitalization companies domiciled in Canada, the United States and globally, which we believe have strong financial positions, superior track records and are undervalued. We place a particular emphasis on what we believe are excellent businesses with above-average dividend yields and satisfactory historic and prospective dividend growth.

## POTENTIAL RISKS

The Manager believes the following risks may impact performance of the Fund: concentration risk, currency risk, equity risk and debt securities risk. Please read the "Risk Factor" section in the Simplified Prospectus for a more detailed description of all the relevant risks.

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Fund Name	CANADIAN DOLLAR			
	SERIES A			SERIES F <sup>3</sup>
	Code - Initial Sales Charge	Code - DSC	Code - LL	
Portland Canadian Balanced Fund	PTL300	PTL305	PTL310	PTL002

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\* Canadian Investment Funds Standards Committee

1. Other Net Assets (Liabilities) refers to all other assets and liabilities in the Fund excluding portfolio investments.
2. Where the Fund holds less than 25 holdings, all investments have been disclosed. There may be other assets and liabilities which are not included, and therefore the summary does not add up to 100%.
3. Generally available through dealers who have entered into a Portland Series F Dealer Agreement.
4. Annualized
5. Effective April 30, 2018, the Fund's benchmark was changed from a broad-based benchmark, the S&P/TSX Composite Total Return Index to a blended benchmark of 60% S&P/TSX Composite Total Return Index and 40% iShares Core Canadian Universe Bond Index ETFTR. This change in benchmark is to align better our approach to rating the Fund's risk and return with its underlying investments.
6. Portland Canadian Balanced Fund won a FundGrade A+ Award in the Canadian Equity Balanced category for the period ending December 31, 2019, out of 308 funds considered. The FundGrade Start Date for Portland Canadian Balanced Fund is January 31, 2013. FundGrade A+<sup>®</sup> is used with permission from Fundata Canada Inc., all rights reserved. The annual FundGrade A+<sup>®</sup> Awards are presented by Fundata Canada Inc. to recognize the "best of the best" among Canadian investment funds. The FundGrade A+<sup>®</sup> calculation is supplemental to the monthly FundGrade ratings and is calculated at the end of each calendar year. The FundGrade rating system evaluates funds based on their risk-adjusted performance, measured by Sharpe Ratio, Sortino Ratio, and Information Ratio. The score for each ratio is calculated individually, covering all time periods from 2 to 10 years. The scores are then weighted equally in calculating a monthly FundGrade. The top 10% of funds earn an A Grade; the next 20% of funds earn a B Grade; the next 40% of funds earn a C Grade; the next 20% of funds receive a D Grade; and the lowest 10% of funds receive an E Grade. To be eligible, a fund must have received a FundGrade rating every month in the previous year. FundGrade ratings are subject to change monthly. The FundGrade A+<sup>®</sup> uses a GPA-style calculation, where each monthly FundGrade from "A" to "E" receives a score from 4 to 0, respectively. A fund's average score for the year determines its GPA. Any fund with a GPA of 3.5 or greater is awarded a FundGrade A+<sup>®</sup> Award. For more information, see [www.FundGradeAwards.com](http://www.FundGradeAwards.com). Although Fundata makes every effort to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Fundata.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions [dividends] and does not take into account sales, redemptions, distributions or optional charges or income taxes payable by any securityholder in respect of a participating fund that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Risk tolerance measures the degree of uncertainty that an investor can handle regarding fluctuations in the value of their portfolio. The amount of risk associated with any particular investment depends largely on your own personal circumstances including your time horizon, liquidity needs, portfolio size, income, investment knowledge and attitude toward price fluctuations. Investors should consult their Financial Advisor before making a decision as to whether this Fund is a suitable investment for them.

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PIC2315-E(03/20)