PORTLAND GLOBAL DIVIDEND FUND

PORTLAND INVESTMENT COUNSEL®
OWNERS. OPERATORS. AND INVESTORS.

(as at December 31, 2017)

	Series Start Date	MER (after absorptions as at September 30, 2017)[4]	Net Asset Value Per Unit (as at December 31, 2017)	PERFORMANCE (as at December 31, 2017)					
				3 Months	6 Months	Calendar Year-to-Date	1 Year	3 Year[4]	Since Inception[4]
Portland Global Dividend Fund - Series F	May 29, 2014	1.69%	$10.1867	6.5%	10.1%	15.6%	15.6%	9.0%	6.6%
MSCI World Total Return Index	-	-	-	5.9%	6.7%	14.0%	14.0%	12.1%	12.3%

FUND FACTS

Fund Net Assets	$6.2 million
CIFSC* Asset Class	Global Equity
Risk Tolerance	Medium

HOW THE FUND IS MANAGED

- Focused primarily on a portfolio of global dividend paying equities
- Common shares of large global companies with attractive dividend-paying ratios and a strong pedigree of increasing dividends over the long term; selection includes from the members of the S&P Europe 350 Dividend Aristocrats, the S&P 500® Dividend Aristocrats, the S&P Pan Asia Dividend Aristocrats and the S&P /TSX Dividend Aristocrats
- Selective use of options to generate additional returns towards distributions
- Currency hedging of the Fund's non-Canadian Dollar exposure

KEY REASONS TO INVEST

- Income generation and capital growth
- The power of dividend investing combined with the benefits of global investing and sector diversification for reduced volatility
- Monthly distributions targeting 5.0%** per annum which are intended to be funded and characterized as mostly return of capital
- Tax-efficient structure, currently housing tax losses of approximately $27 million

PORTFOLIO MANAGER

Chris Wain-Lowe, BA, MBA
Chief Investment Officer, Executive Vice President and Portfolio Manager

Geographic Mix

United Kingdom	37.4%
Switzerland	20.3%
United States	10.6%
Australia	8.2%
France	7.6%
Other Net Assets (Liabilities)[1]	5.8%
Germany	5.3%
Netherlands	2.7%
Canada	2.2%
Currency Forwards	-0.1%

Sector Mix

Consumer Discretionary	17.7%
Energy	15.9%
Financials	15.6%
Materials	15.4%
Consumer Staples	12.5%
Industrials	8.8%
Other Net Assets (Liabilities)[1]	5.8%
Health Care	5.0%
Utilities	3.4%
Exchange Traded Funds	0.1%
Currency Forwards	-0.1%
Short Positions - Derivatives	-0.1%

Top Holdings[2]

Dufry AG	7.7%
Royal Dutch Shell PLC	7.4%
BHP Billiton PLC	6.9%
GEA Group AG	5.3%
Cash	4.7%
Total SA	4.6%
Aryzta AG	4.0%
Barclays PLC	4.0%
Prudential PLC	3.6%
Dignity PLC	3.5%
Mondelez International Inc.	3.5%
Amcor Limited	3.4%
BP PLC	3.4%
AusNet Services	3.4%
JPMorgan Chase & Co.	3.2%
Nestlé SA	3.1%
Compass Group PLC	3.1%
Rentokil Initial PLC	3.0%
LVMH Moet Hennessy Louis Vuitton SE	3.0%
NN Group NV	2.7%
Roche Holding AG	2.5%
Novartis AG	2.5%
Oaktree Strategic Income Corporation	2.1%
Johnson Matthey PLC	1.9%
Canfor Corporation	1.8%

Option Positions

Crescent Point Energy Corp., Put 13, 19/01/2018	-0.1%
Wal-Mart Stores, Inc., Call 105, 16/02/2018	0.0%
WPP PLC, Put 85, 16/02/2018	0.0%
Crescent Point Energy Corp., Put 7, 20/04/2018	0.0%
JPMorgan Chase & Co., Call 112, 19/01/2018	0.0%

FUND COMMENTARY (as at December 31, 2017)

For the period September 30, 2017 to December 31, 2017, while the Series F units of the Fund had a return of 6.5%, the Fund's benchmark index, the MSCI World Total Return Index rose 5.9%. For the full period since the launch of the Fund on May 29, 2014 to December 31, 2017, the benchmark had an annualized return of 12.3%. For the same period the Fund's Series F units had an annualized return of 6.6%. Unlike the benchmark, the Fund's return is after the deduction of its fees and expenses.

During the period, the Fund's exposure to consumer staples, energy and materials were the top contributing sectors (notably Aryzta AG, BHP Billiton PLC, Wal-Mart Stores, Inc., Royal Dutch Shell PLC and Canfor Corporation) whereas exposure to consumer discretionary detracted (notably Dufry AG and Dignity PLC). Currently, the Fund hedges approximately 31% of its non-Canadian dollar exposure, predominantly reflecting its exposure to the Australian dollar, Swiss franc, Euro, British pound, and U.S. dollar.

The Fund has a target of approximately 5% distribution per annum per unit which it has met since inception. The Fund's earnings from dividends, derivatives and net realized gains exceed the paid distributions. An indicator that the Fund may continue to meet its 5% distribution target includes the dividend yield (a financial ratio that shows how much a company pays out in dividends relative to its share price) of the equities of the Fund. Sourced from Thomson Reuters, the equity component's trailing weighted average dividend yield as at December 31, 2017 was 3.0%, compared to the benchmark's 2.3%.

The Fund's current investment themes place emphasis on:

- Food and Agriculture: Aryzta AG, Compass Group PLC, GEA Group AG, Nestlé SA, Wal-Mart Stores, Inc.;
- Hard Assets and Resources: BHP Billiton PLC, Canfor Corporation, Royal Dutch Shell PLC, South32 Limited, Total SA;
- Rise of emerging markets' consumers: Amcor Limited, Diageo PLC, Dufry AG, Mondelez International Inc., The Walt Disney Company;
- Industrial Efficiency and business services: ABB Ltd, Johnson Matthey PLC, Rentokil Initial PLC;
- Infrastructure: AusNet Services; and
- Healthcare: Novartis AG and Roche Holdings AG.

The Fund's net assets increased from $6.1 million to $6.2 million during the period.

RECENT DEVELOPMENTS

As the west's Central Bankers begin to withdraw the liquidity measures which eased their economies through the global financial crisis, we appear, at a glacial pace, to be returning to more normalized economies where rising interest rates are applied to slowly gently the pace of growth but seek to maintain modest levels of inflation mostly targeted at around 2%.

We believe the U.S. has engaged in a long-term recovery plan and its economic prospects for the medium term remain bright. For the U.K. and Eurozone, we are hopeful that the U.K. decision to exit the E.U. will be the catalyst that starts the E.U. on a path of implementing the structural reforms that are so vital if it is to break out of the cycle of consistently poor economic performance that stretches back many years. However, divorces generally tend to be expensive and as such we continue to believe the impact of 'Brexit' will create uncertainties, and quite possibly a period of recession as the U.K. adjusts to amended trading relationships and banks domiciled in the U.K. determine how best to do business in the rest of the E.U. Globally, we hope mature companies adopt bolder agendas to assimilate and integrate workforces around large-scale investment and infrastructure and initiate dramatic reforms of education and training. Energy prices and geopolitical events may engender elevated levels of volatility.

This period since the Great Recession is the third longest stretch of rising markets. Cyclically and inflationary adjusted earnings over the last ten years compared to prices suggests in our view that the current market is fully valued. Therefore, while we do not see a near-term catalyst to initiate a market correction, such as recession or weakening confidence, such a correction is, at least statistically, due in our view and vulnerable to geopolitical events. At such times, we believe a pivot towards 'value' rather than 'growth' criteria is likely to predominate as investors seek businesses that are attractively or reasonably priced particularly in a reflationary environment.

The Fund's focus is on value and stable, growing companies – those firms able to deliver more consistent and visible (albeit slower) earnings and cash flows. While this theme has recently lagged the overall market, we believe it should reassert leadership and that overall, the Fund is currently well positioned to meet its investment objective for the medium to long term. We will continue to evaluate opportunities that we believe may generate income, enhance returns and/ or reduce risk wherever possible.

POTENTIAL RISKS

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

	CANADIAN DOLLAR			
	SERIES A		SERIES A2	SERIES F[3]
Fund Name	DSC	LL	Initial Sales Charge	
Portland Global Dividend Fund	PTL522	PTL523	PTL521	PTL009

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* Canadian Investment Funds Standards Committee

**The portfolio is expected to generate income from dividends, interest and option writing income , which after deduction of expenses, will be distributed by the Fund to unitholders. The targeted monthly distribution amount is reset at the beginning of each calendar year to provide an approximate yield of 5% per annum based on the NAV per Series A Unit as at December 31 of the prior year. Assuming the expected level of income is received, the portfolio would not be required to appreciate. If the level of income is less than the amount necessary to meet the target distribution, the Manager may either pay out a lower distribution or supplement the amount needed through net realized capital gains from the portfolio or may return a portion of the capital of the Fund to unitholders in which case the distribution would not have been fully funded as the net asset value would be reduced. Distributions are reinvested automatically in additional units of the Fund. No commissions are payable upon automatic reinvestment of distributions.

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 long and short 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.

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