



Portland Investment Counsel®

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PORTLAND CONVENTIONAL MUTUAL FUNDS
ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2022

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Chairman's Message



The past year certainly has not lacked in major developments. Climate change, the world reaching a population of 8 billion, recovery from the COVID-19 pandemic, the war in Ukraine, the energy crisis, the passing of Queen Elizabeth II, the assassination of Shinzo Abe, inflation, and political turmoil; all have taken prominence in the news cycles. Among business developments, the concerted effort of the central banks to stave off rampant inflation, has led to an overall more challenging environment for households and businesses alike. Financial markets, while seemingly climbing the famous wall of worry for a while, were eventually subjected to meaningful volatility, marked notably by a down-rating of the tech companies and punctuated by what it appears to be, as I write, a broad-based implosion of the cryptocurrencies' infrastructure. Meanwhile, the businessperson most often in the news has been Elon Musk, the planet's wealthiest individual. During a period of upheaval, Elon has provided much needed communications support through Skylink to the embattled Ukrainian army in the face of the Russian invasion; has reinforced his commitment for a manned interplanetary expedition to Mars; continued to drive the push towards electrification of transportation through Tesla vehicles; and, is working to ensure that Twitter, "the public square", is free of bias, misinformation or wanton censorship. What does Elon see that others may be missing? Is his success entirely predicated by luck? Could this be replicated by other entrepreneurs? Let us examine.

Having been a student of wealth creation throughout my career, a commonality I found among wealthy people, is the fact that their behaviour is governed by an overarching framework. Success is created by predicting the future, planning for it, and persevering with your planning. I call this framework the "PPP" or the three P's. I will next enlist the help of Wayne Gretzky and Charlie Munger in further describing this framework. When asked to divulge the secret of his athletic success, Wayne famously said "I skate to where the puck is going to be, not where it has been." But, how do you predict in a way that you are confident it is not speculation? As Charlie Munger points out, "a few major opportunities, clearly recognizable as such, will usually come to one who continuously searches and waits, with a curious mind that loves diagnosis involving multiple variables." How about planning? "Our experience tends to confirm a long-held notion that being prepared, on a few occasions in a lifetime, to act promptly in scale, in doing some simple and logical thing, will often dramatically improve the financial results of that lifetime," Charlie reflects. Investment success also requires a patient yet decisive approach to capital allocation anchored by consistent behaviour over time: "And then all that is required is a willingness to bet heavily when the odds are extremely favourable, using resources available as a result of prudence and patience in the past." Insofar as Elon's success is concerned, would you agree that his open mindedness and curiosity allows him to predict trends in how people will travel or communicate? And that his assiduous work, learning and planning prepares him to take advantage of opportunities? While his consistent pursuit of execution excellence allows him to build on his past success?

Similarly, Portland Investment Counsel Inc. (Portland) and my other companies, including Portland Holdings Inc., have taken the PPP framework to heart. Starting with innate curiosity and execution of opportunities, Portland has been able to leverage knowledge, access and experience. Our early success was based on our ability to predict, plan and persevere with the buildout of an asset management business. We don't know what the future may hold, and we don't have a crystal ball, but we recognize that some of humankind's highest unmet needs, namely cancer care and clean energy, need to be tackled. During the year, we continued our work on identifying some of the most promising new approaches involving precision oncology, specifically geared towards developing cancer therapies using alpha-emitting radio-isotopes. Portland Holdings Inc. was also privileged to enter into a Memorandum of Understanding with the Canadian Nuclear Laboratories (CNL), a world leader in nuclear science, technology and creation of intellectual property of great importance for the global effort of achieving net zero emission targets over the next couple of decades. As I am sure you are aware, most countries worldwide have the ambition to become net zero before 2050. However, most countries lack the capabilities and are faced with exponential energy demand growth as populations continue to grow globally. It has become increasingly evident that the availability of nuclear initiatives becomes necessary to achieve their net zero goals. Canada and CNL's competencies in the field of clean energy, environmental remediation and medical radioisotopes, including expertise in hydrogen and alternative fuel sources, play an essential role in ensuring the transmission of critical technology and intellectual property to entities and countries with net zero aspirations.

We are humbled to have the opportunity to work towards tackling some of humankind's highest unmet needs, and honoured to have investors join us. In doing so, this will contribute to the alignment of your portfolios with the PPP framework.

Thank you,

"Michael Lee-Chin"

Director, Executive Chairman, CEO and Portfolio Manager
Portland Investment Counsel Inc.

Notes

Certain statements included in this message constitute forward-looking statements, including those identified by the expressions "may", "should", "will", "anticipate", "believe", "plan", "predict", "estimate", "expect", "intend" and similar expressions. These forward-looking statements are not historical facts, but reflect the current expectations of the Executive Chairman regarding future results or events. These forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that could cause actual results or events to differ materially from current expectations. There is no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, except as required by securities legislation.

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Management's Responsibility for Financial Reporting

The accompanying financial statements of Portland Canadian Balanced Fund and Portland Global Balanced Fund (collectively the Funds) have been prepared by Portland Investment Counsel Inc. (the Manager) in its capacity as manager of the Funds. The Manager of the Funds is responsible for the information and representations contained in these financial statements. The Board of Directors of the Manager, in its capacity as trustee of the Funds, have approved these financial statements.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies which management believes are appropriate for the Funds are described in note 3 to these financial statements.

KPMG LLP is the external auditor of the Funds. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the Unitholders, their opinion on the financial statements. Their report is attached.

"Michael Lee-Chin"

**Michael Lee-Chin,
Director
December 7, 2022**

"Robert Almeida"

**Robert Almeida,
Director
December 7, 2022**



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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of:

Portland Canadian Balanced Fund
Portland Global Balanced Fund
(Collectively, the "Funds")

Opinion

We have audited the financial statements of the Funds, which comprise:

- the statements of financial position as at September 30, 2022
- the statements of comprehensive income (loss) for the year then ended
- the statements of changes in net assets attributable to holders of redeemable units for the year then ended
- the statements of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at September 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Funds in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other Matter - Comparative Information

The financial statements for the year ended September 30, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on December 16, 2021.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in the Management Reports of Fund Performance filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits and remain alert for indications that the other information or appears to be materially misstated.

We obtained the Management Reports of Fund Performance filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Funds' ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

KPMG LLP

A handwritten signature in black ink that reads "KPMG LLP". The letters are slanted and connected in a cursive style. A horizontal line is drawn underneath the signature, extending from the left side of the "K" to the right side of the "P".

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

December 7, 2022

Statements of Financial Position

As at September 30,	2022		2021	
Assets				
Cash and cash equivalents	\$	13,190,756	\$	10,136,361
Subscriptions receivable		2,684		144,075
Receivable for investments sold		600,314		-
Dividends receivable		70,020		111,492
Investments (note 5)		28,247,559		36,024,817
		<u>42,111,333</u>		<u>46,416,745</u>
Liabilities				
Management fees payable		43,974		45,765
Expenses payable		20,177		21,465
Redemptions payable		53,860		17,371
Payable for investments purchased		410,214		-
Derivative liabilities		717,925		-
		<u>1,246,150</u>		<u>84,601</u>
Net Assets Attributable to Holders of Redeemable Units	\$	40,865,183	\$	46,332,144
Net Assets Attributable to Holders of Redeemable Units Per Series				
Series A		16,045,276		16,920,254
Series F		24,819,907		29,411,890
	\$	40,865,183	\$	46,332,144
Number of Redeemable Units Outstanding (note 6)				
Series A		1,149,665		980,278
Series F		1,680,130		1,634,736
Net Assets Attributable to Holders of Redeemable Units Per Unit				
Series A	\$	13.96	\$	17.26
Series F	\$	14.77	\$	17.99

Approved by the Board of Directors of Portland Investment Counsel Inc.

"Michael Lee-Chin"

Director

"Robert Almeida"

Director

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income (Loss)

For the years ended September 30,	2022	2021
Income		
Net gain (loss) on investments and derivatives		
Dividends	\$ 1,283,616	\$ 1,274,793
Interest for distribution purposes	103,501	77,952
Net realized gain (loss) on investments	(1,752,055)	4,375,898
Net realized gain (loss) on forward currency contacts	(185,808)	-
Change in unrealized appreciation (depreciation) on investments and derivatives	(5,175,494)	4,807,797
	<u>(5,726,240)</u>	<u>10,536,440</u>
Other income		
Foreign exchange gain (loss) on cash and other net assets	(22,144)	(20,628)
Total income (loss)	<u>(5,748,384)</u>	<u>10,515,812</u>
Expenses		
Management fees (note 8)	562,005	474,320
Unitholder reporting costs	185,692	160,813
Custodial fees	30,703	23,670
Withholding tax expense	27,813	46,571
Audit fees	25,636	18,239
Transaction costs	15,106	19,747
Legal fees	13,794	14,996
Independent review committee fees	2,552	3,394
Total operating expenses	<u>863,301</u>	<u>761,750</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>\$ (6,611,685)</u>	<u>\$ 9,754,062</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	\$ (2,722,594)	\$ 3,663,849
Series F	\$ (3,889,091)	\$ 6,090,213
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	\$ (2.49)	\$ 4.19
Series F	\$ (2.36)	\$ 4.28

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended September 30,	2022		2021	
Net Assets Attributable to Holders of Redeemable Units at Beginning of Year				
Series A	\$	16,920,254	\$	11,726,441
Series F		29,411,890		18,204,787
		<u>46,332,144</u>		<u>29,931,228</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units				
Series A		(2,722,594)		3,663,849
Series F		(3,889,091)		6,090,213
		<u>(6,611,685)</u>		<u>9,754,062</u>
Distributions to Holders of Redeemable Units				
From net investment income				
Series A		-		(103,766)
Series F		(249,088)		(342,583)
		<u>(249,088)</u>		<u>(446,349)</u>
From net realized gains on investments				
Series A		(948,789)		(1,046,987)
Series F		(1,158,349)		(1,578,963)
		<u>(2,107,138)</u>		<u>(2,625,950)</u>
Net Decrease from Distributions to Holders of Redeemable Units		<u>(2,356,226)</u>		<u>(3,072,299)</u>
Redeemable Unit Transactions				
Proceeds from redeemable units issued				
Series A		3,593,037		3,831,039
Series F		5,139,711		8,312,091
		<u>8,732,748</u>		<u>12,143,130</u>
Reinvestments of distributions				
Series A		896,309		1,088,505
Series F		1,202,912		1,884,197
		<u>2,099,221</u>		<u>2,972,702</u>
Redemptions of redeemable units				
Series A		(1,692,941)		(2,238,827)
Series F		(5,638,078)		(3,157,852)
		<u>(7,331,019)</u>		<u>(5,396,679)</u>
Net Increase (Decrease) from Redeemable Unit Transactions		<u>3,500,950</u>		<u>9,719,153</u>
Net Assets Attributable to Holders of Redeemable Units at End of Year				
Series A		16,045,276		16,920,254
Series F		24,819,907		29,411,890
	\$	<u>40,865,183</u>	\$	<u>46,332,144</u>

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended September 30,	2022		2021	
Cash Flows from Operating Activities				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$	(6,611,685)	\$	9,754,062
Adjustments for:				
Net realized (gain) loss on investments		1,752,055		(4,375,898)
Change in unrealized (appreciation) depreciation on investments and derivatives		5,175,494		(4,807,797)
Unrealized foreign exchange (gain) loss on cash		1,452		-
(Increase) decrease in dividends receivable		41,472		(43,403)
Increase (decrease) in management fees and expenses payable		(3,079)		22,486
Purchase of investments		(14,154,596)		(21,697,753)
Proceeds from sale of investments		15,532,130		18,722,762
Net Cash Generated (Used) by Operating Activities		1,733,243		(2,425,541)
Cash Flows from Financing Activities				
Distributions to holders of redeemable units, net of reinvested distributions		(257,005)		(99,597)
Proceeds from redeemable units issued (note 3)		8,451,042		11,171,200
Amount paid on redemption of redeemable units (note 3)		(6,871,433)		(4,568,452)
Net Cash Generated (Used) by Financing Activities		1,322,604		6,503,151
Net increase (decrease) in cash and cash equivalents		3,055,847		4,077,610
Unrealized foreign exchange gain (loss) on cash		(1,452)		-
Cash and cash equivalents - beginning of year		10,136,361		6,058,751
Cash and cash equivalents - end of year		13,190,756		10,136,361
Cash and cash equivalents comprise:				
Cash at bank	\$	1,217,499	\$	10,136,361
Short-term investments		11,973,257		-
	\$	13,190,756	\$	10,136,361
From operating activities:				
Interest received, net of withholding tax	\$	103,501	\$	77,952
Dividends received, net of withholding tax	\$	1,297,275	\$	1,184,819

The accompanying notes are an integral part of these financial statements.

Schedule of Investment Portfolio

As at September 30, 2022

No. of Shares	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES - Preferred				
Canada				
226,700	BMO Laddered Preferred Share Index ETF	\$ 1,964,364	\$ 2,169,519	
144,300	Horizons Active Preferred Share ETF	1,186,624	1,125,540	
100,000	iShares S&P/TSX Canadian Preferred Share Index ETF	1,108,118	1,138,000	
	Total equities - preferred	4,259,106	4,433,059	10.8%
EQUITIES - Common				
Canada				
28,272	Bank of Montreal	2,535,682	3,422,891	
56,300	Canadian Imperial Bank of Commerce	2,672,617	3,403,898	
26,000	Shaw Communications, Inc., Class B	874,877	873,340	
58,600	The Bank of Nova Scotia	3,891,144	3,850,020	
42,000	The Toronto-Dominion Bank	2,638,275	3,558,240	
		12,612,595	15,108,389	37.0%
Cayman Islands				
273,000	CK Hutchison Holdings Limited	2,315,915	2,084,999	5.1%
United Kingdom				
135,079	Vodafone Group PLC - Sponsored ADR	2,834,366	2,114,080	5.2%
United States				
7,500	Best Buy Co., Inc.	686,961	656,211	
66,900	Citigroup Inc.	4,375,403	3,850,821	
		5,062,364	4,507,032	11.0%
	Total equities - common	22,825,240	23,814,500	58.3%
	Total investment portfolio	27,084,346	28,247,559	69.1%
FORWARD CURRENCY CONTRACTS (Schedule 1)				
	Total unrealized gain on forward currency contracts	-	(717,925)	(1.7%)
	Net Investments	27,084,346	27,529,634	67.4%
	Transaction costs	(16,794)	-	-
		\$ 27,067,552	27,529,634	67.4%
	Other assets less liabilities		13,335,549	32.6%
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		\$ 40,865,183	100.0%

Schedule 1

Contract Price	Settlement Date	Purchased Currency			Sold Currency			Unrealized gain (loss) (\$)
		Currency	Amount (\$)	Value as at September 30, 2022 (\$)	Currency	Amount (\$)	Value as at September 30, 2022 (\$)	
0.764657529	Dec-13-22	Canadian Dollar	12,816,195	12,816,195	United States Dollar	9,800,000	13,534,120	(717,925)
							Unrealized loss	(717,925)

(a) OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table presents the gross amount of recognized financial assets and liabilities of the Fund that are offset under master netting or similar arrangements as at September 30, 2022. There were no similar arrangements as at September 30, 2021.

	September 30, 2022 (\$)
Gross derivative assets	-
Gross derivative liabilities	(717,925)
Net exposure	(717,925)

(b) RISK MANAGEMENT

Please see note 5 for a description of the various financial risks detailed below.

Price Risk

The Manager moderates price risk through diversification of securities and other financial instruments within the limits of the Fund's investment objectives and strategy.

If the price of investments held by the Fund on September 30, 2022 had been higher or lower by 10%, the net assets attributable to holders of redeemable units of the Fund would have been higher or lower by \$2,824,756 (September 30, 2021: \$3,602,482). Actual results may differ from the above sensitivity analysis and the difference could be material.

Concentration Risk

The following tables present the Fund's exposure as a percentage of its net assets attributable to holders of redeemable units by geographic region and industry sector as at September 30, 2022 and September 30, 2021:

By Geographic Sector	September 30, 2022	September 30, 2021
Canada	47.8%	52.6%
Cash & Other Net Assets (Liabilities)	32.6%	22.2%
United States	11.0%	11.6%
United Kingdom	5.2%	7.6%
Cayman Islands	5.1%	-
Japan	-	6.0%
Forward Currency Contracts	(1.7%)	-
Total	100.0%	100.0%

By Industry Sector	September 30, 2022	September 30, 2021
Financials	44.3%	31.9%
Cash & Other Net Assets (Liabilities)	32.6%	22.2%
Exchange Traded Funds	10.8%	10.4%
Communication Services	7.3%	22.3%
Industrials	5.1%	4.5%
Consumer Discretionary	1.6%	-
Energy	-	8.7%
Forward Currency Contracts	(1.7%)	-
Total	100.0%	100.0%

Currency Risk

The tables below indicate the foreign currencies to which the Fund had significant direct exposure at September 30, 2022 and September 30, 2021 in Canadian dollar terms. The tables also illustrate the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

September 30, 2022	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
Hong Kong Dollar	-	2,084,999	2,084,999	-	208,500	208,500
United States Dollar	(13,332,307)	6,621,112	(6,711,195)	(1,333,231)	662,111	(671,120)
Total	(13,332,307)	8,706,111	(4,626,196)	(1,333,231)	870,611	(462,620)
% of net assets attributable to holders of redeemable units	(32.6%)	21.3%	(11.3%)	(3.3%)	2.1%	(1.2%)

September 30, 2021	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
United States Dollar	1,367	11,646,477	11,647,844	137	1,164,648	1,164,785
Total	1,367	11,646,477	11,647,844	137	1,164,648	1,164,785
% of net assets attributable to holders of redeemable units	-	25.1%	25.1%	-	2.5%	2.5%

Interest Rate Risk

As at September 30, 2022 and September 30, 2021, the Fund did not have significant direct exposure to interest rate risk. The Fund has indirect exposure to interest rate risk through its investments in preferred share ETFs.

Credit Risk

The Fund had exposure to credit risk due to its holding of cash and forward currency contracts. The Fund's cash accounts are maintained at a financial institution with a Standard & Poor's credit rating of A and therefore credit risk is deemed minimal. As at September 30, 2022, the Fund had forward currency contracts with one counterparty with an unrealized loss of \$717,925. The counterparty, CIBC World Markets Inc., had a Standard & Poor's credit rating of A-1, which exceeds the minimum requirement outlined by securities legislation. The Fund also had indirect exposure to credit risk through its investment in preferred share ETFs.

Liquidity Risk

The Fund is exposed to liquidity risk on its obligations associated with financial liabilities.

The liquidity risk associated with issued redeemable units is managed by investing in a diversified portfolio with no more than 10% of its net assets in illiquid investments at the time of purchase. The Fund may also borrow temporarily to fund redemptions or settle trades. All other obligations were due within three months from the financial reporting date. Issued redeemable units are payable on demand.

(c) FAIR VALUE MEASUREMENTS

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at September 30, 2022 and September 30, 2021:

September 30, 2022	Assets (Liabilities)			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities - Long	28,247,559	-	-	28,247,559
Derivative Liabilities	-	(717,925)	-	(717,925)
Total	28,247,559	(717,925)	-	27,529,634

September 30, 2021	Assets (Liabilities)			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities - Long	36,024,817	-	-	36,024,817
Total	36,024,817	-	-	36,024,817

(d) STRUCTURED ENTITIES

The Fund's investments in ETFs are susceptible to market price risk arising from uncertainties about future values. The Manager makes investment decisions after its due diligence on the strategy and overall quality of the ETF's manager.

The Fund's investments in ETFs as September 30, 2022 and September 30, 2021 are summarized below:

September 30, 2022	Investment at Fair Value (\$)	Net Asset Value (\$ millions)	% of Net Asset Value
BMO Laddered Preferred Share Index ETF	2,169,519	1,772	0.1%
Horizons Active Preferred Share ETF	1,125,540	1,264	0.1%
iShares S&P/TSX Canadian Preferred Share Index ETF	1,138,000	1,075	0.1%

September 30, 2021	Investment at Fair Value (\$)	Net Asset Value (\$ millions)	% of Net Asset Value
BMO Laddered Preferred Share Index ETF	2,604,783	2,248	0.1%
Horizons Active Preferred Share ETF	933,156	1,826	0.1%
iShares S&P/TSX Canadian Preferred Share Index ETF	1,266,290	1,494	0.1%

Statements of Financial Position

As at September 30,	2022		2021	
Assets				
Cash and cash equivalents	\$	179,915	\$	101,603
Margin accounts (note 11)		1,937		307
Subscriptions receivable		250		-
Receivable for investments sold		-		94,321
Dividends receivable		6,711		9,927
Investments (note 5)		<u>2,386,261</u>		<u>2,865,845</u>
		<u>2,575,074</u>		<u>3,072,003</u>
Liabilities				
Management fees payable		3,219		4,168
Expenses payable		1,219		1,422
Redemptions payable		-		7,489
Payable for investments purchased		-		94,424
Distributions payable		<u>1,420</u>		<u>1,190</u>
		<u>5,858</u>		<u>108,693</u>
Net Assets Attributable to Holders of Redeemable Units	\$	<u>2,569,216</u>	\$	<u>2,963,310</u>
Net Assets Attributable to Holders of Redeemable Units Per Series				
Series A		1,990,955		2,708,282
Series F		<u>578,261</u>		<u>255,028</u>
	\$	<u>2,569,216</u>	\$	<u>2,963,310</u>
Number of Redeemable Units Outstanding (note 6)				
Series A		254,496		317,778
Series F		66,189		27,250
Net Assets Attributable to Holders of Redeemable Units Per Unit				
Series A	\$	7.82	\$	8.52
Series F	\$	8.74	\$	9.36

Approved by the Board of Directors of Portland Investment Counsel Inc.

"Michael Lee-Chin"

Director

"Robert Almeida"

Director

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income (Loss)

For the years ended September 30,	2022	2021
Income		
Net gain (loss) on investments		
Dividends	\$ 70,350	\$ 104,184
Interest for distribution purposes	2,142	2,069
Net realized gain (loss) on investments and options	32,689	204,834
Change in unrealized appreciation (depreciation) on investments	(103,368)	93,330
	<u>1,813</u>	<u>404,417</u>
Other income		
Foreign exchange gain (loss) on cash and other net assets	3,515	(2,108)
Total income (loss)	<u>5,328</u>	<u>402,309</u>
Expenses		
Unitholder reporting costs	148,189	135,592
Management fees (note 8)	44,870	57,510
Audit fees	25,546	18,210
Legal fees	13,746	13,766
Withholding tax expense	9,939	10,749
Custodial fees	2,544	3,517
Independent review committee fees	2,543	3,389
Transaction costs	332	1,716
Bank charges	30	294
Total operating expenses	<u>247,739</u>	<u>244,743</u>
Less: expenses absorbed by Manager	(176,648)	(154,625)
Net operating expenses	<u>71,091</u>	<u>90,118</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>\$ (65,763)</u>	<u>\$ 312,191</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	\$ (36,093)	\$ 278,060
Series F	\$ (29,670)	\$ 34,131
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	\$ (0.13)	\$ 0.73
Series F	\$ (0.71)	\$ 0.91

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended September 30,	2022		2021	
Net Assets Attributable to Holders of Redeemable Units at Beginning of Year				
Series A	\$	2,708,282	\$	3,733,020
Series F		255,028		489,403
		<u>2,963,310</u>		<u>4,222,423</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units				
Series A		(36,093)		278,060
Series F		(29,670)		34,131
		<u>(65,763)</u>		<u>312,191</u>
Distributions to Holders of Redeemable Units				
From net investment income				
Series A		(1,319)		(6,108)
Series F		(582)		(655)
		<u>(1,901)</u>		<u>(6,763)</u>
From return of capital				
Series A		(127,950)		(143,251)
Series F		(19,325)		(13,825)
		<u>(147,275)</u>		<u>(157,076)</u>
Net Decrease from Distributions to Holders of Redeemable Units		<u>(149,176)</u>		<u>(163,839)</u>
Redeemable Unit Transactions				
Proceeds from redeemable units issued				
Series A		1,450		18,490
Series F		370,515		2,584
		<u>371,965</u>		<u>21,074</u>
Reinvestments of distributions				
Series A		118,377		133,200
Series F		14,561		7,503
		<u>132,938</u>		<u>140,703</u>
Redemptions of redeemable units				
Series A		(671,792)		(1,305,129)
Series F		(12,266)		(264,113)
		<u>(684,058)</u>		<u>(1,569,242)</u>
Net Increase (Decrease) from Redeemable Unit Transactions		<u>(179,155)</u>		<u>(1,407,465)</u>
Net Assets Attributable to Holders of Redeemable Units at End of Year				
Series A		1,990,955		2,708,282
Series F		578,261		255,028
	\$	<u>2,569,216</u>	\$	<u>2,963,310</u>

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the years ended September 30,	2022		2021	
Cash Flows from Operating Activities				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$	(65,763)	\$	312,191
Adjustments for:				
Net realized (gain) loss on investments		(32,689)		(204,834)
Change in unrealized (appreciation) depreciation on investments		103,368		(93,330)
Unrealized foreign exchange (gain) loss on cash		(370)		158
(Increase) decrease in dividends receivable		3,216		(3,797)
Increase (decrease) in management fees and expenses payable		(1,152)		(2,027)
Purchase of investments		(191,977)		(810,276)
Proceeds from sale of investments		600,779		2,070,230
Net Cash Generated (Used) by Operating Activities		<u>415,412</u>		<u>1,268,315</u>
Cash Flows from Financing Activities				
Change in margin cash		(1,630)		5,747
Distributions to holders of redeemable units, net of reinvested distributions		(16,008)		(24,558)
Proceeds from redeemable units issued (note 3)		252,722		21,074
Amount paid on redemption of redeemable units (note 3)		(572,554)		(1,605,231)
Net Cash Generated (Used) by Financing Activities		<u>(337,470)</u>		<u>(1,602,968)</u>
Net increase (decrease) in cash and cash equivalents		77,942		(334,653)
Unrealized foreign exchange gain (loss) on cash		370		(158)
Cash and cash equivalents - beginning of year		101,603		436,414
Cash and cash equivalents - end of year		<u>179,915</u>		<u>101,603</u>
Cash and cash equivalents comprise:				
Cash at bank	\$	179,915	\$	101,603
From operating activities:				
Interest received, net of withholding tax	\$	2,139	\$	2,069
Dividends received, net of withholding tax	\$	63,630	\$	89,638

The accompanying notes are an integral part of these financial statements.

Schedule of Investment Portfolio

As at September 30, 2022

No. of Shares	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES - Preferred				
Bermuda				
2,150	Brookfield Infrastructure Partners L.P., Preferred, Series 9, Fixed-Reset	\$ 47,838	\$ 46,117	1.8%
Canada				
900	BMO Laddered Preferred Share Index ETF	9,925	8,613	
1,500	Brookfield Asset Management Inc., Preferred, Series 48, Fixed-Reset	37,500	34,950	
2,250	Brookfield Office Properties Inc., Preferred, Series GG, Fixed-Reset	56,250	47,228	
2,600	Emera Incorporated, Preferred, Series H, Fixed-Reset	65,000	58,630	
1,000	Horizons Active Preferred Share ETF	9,346	7,800	
750	iShares S&P/TSX Canadian Preferred Share Index ETF	10,010	8,535	
2,000	Pembina Pipeline Corporation, Preferred, Series 21, Fixed-Reset	50,000	45,700	
		238,031	211,456	8.2%
	Total equities - preferred	285,869	257,573	10.0%
EQUITIES - Common				
Canada				
240	Canadian National Railway Company	27,634	35,803	
300	Fortis, Inc.	16,011	15,744	
250	Royal Bank of Canada	21,437	31,093	
		65,082	82,640	3.2%
Denmark				
590	Coloplast A/S	100,408	83,342	3.2%
France				
440	Sanofi	59,667	46,700	1.8%
Germany				
1,900	Fresenius SE & Co KGaA	74,219	56,460	2.2%
Ireland				
132	Linde Public Limited Company	36,310	49,157	1.9%
Spain				
2,100	Red Electrica Corporacion S.A.	53,285	44,663	1.8%
Switzerland				
350	Nestle S.A.	49,995	52,468	
475	Novartis AG	59,764	50,226	
125	Roche Holding AG	60,210	56,603	
		169,969	159,297	6.2%
United Kingdom				
1,340	Bunzl PLC	43,815	57,042	
2,000	Compass Group PLC	46,742	55,678	
430	Croda International PLC	37,117	42,750	
835	Diageo PLC	40,322	48,906	
		167,996	204,376	8.0%
United States				
600	American States Water Company	68,421	64,606	
175	American Tower Corporation	54,822	51,901	
766	California Water Service Group	54,869	55,752	
500	Cincinnati Financial Corporation	44,605	61,864	
471	Colgate-Palmolive Company	41,930	45,706	
1,000	Consolidated Edison, Inc.	110,668	118,465	
411	Genuine Parts Company	56,789	84,774	
1,200	Hormel Foods Corporation	70,567	75,322	
385	iShares MSCI Japan ETF	26,388	25,979	
550	Johnson & Johnson	101,436	124,111	
232	Kimberly-Clark Corporation	41,889	36,066	
1,050	Leggett & Platt, Incorporated	67,532	48,183	
374	McCormick & Company, Incorporated	42,003	36,820	
260	McDonald's Corporation	67,281	82,870	
332	PepsiCo, Inc.	59,883	74,872	
1,000	SJW Group	90,585	79,566	
153	Target Corporation	25,301	31,362	

Schedule of Investment Portfolio (continued)

As at September 30, 2022

No. of Shares	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
208	The Clorox Company	41,808	36,889	
892	The Coca-Cola Company	61,071	69,026	
500	The Procter & Gamble Company	80,988	87,198	
618	Walmart Inc.	97,270	110,721	
		1,306,106	1,402,053	54.6%
	Total equities - common	2,033,042	2,128,688	82.9%
	Total investment portfolio	2,318,911	2,386,261	92.9%
	Transaction Costs	(1,709)	-	-
		\$ 2,317,202	2,386,261	92.9%
	Other assets less liabilities		182,955	7.1%
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		\$ 2,569,216	100.0%

(a) RISK MANAGEMENT

Please see note 5 for a description of the various financial risks detailed below.

Price Risk

The Manager moderates price risk through diversification of securities and other financial instruments within the limits of the Fund's investment objectives and strategy.

If the price of investments held by the Fund on September 30, 2022 had been higher or lower by 10%, the net assets attributable to holders of redeemable units of the Fund would have been higher or lower by \$238,626 (September 30, 2021: \$286,585). Actual results may differ from the above sensitivity analysis and the difference could be material.

Concentration Risk

The following tables present the Fund's exposure as a percentage of its net assets attributable to holders of redeemable units by geographic region and industry sector as at September 30, 2022 and September 30, 2021:

By Geographic Region	September 30, 2022	September 30, 2021
United States	54.6%	48.8%
Canada	11.4%	11.9%
United Kingdom	8.0%	9.1%
Cash & Other Net Assets (Liabilities)	7.1%	3.3%
Switzerland	6.2%	6.5%
Denmark	3.2%	4.0%
Germany	2.2%	2.1%
Ireland	1.9%	1.7%
France	1.8%	1.8%
Bermuda	1.8%	1.9%
Spain	1.8%	1.9%
Japan	-	7.0%
Total	100.0%	100.0%

By Industry Sector	September 30, 2022	September 30, 2021
Consumer Staples	26.2%	27.9%
Utilities	18.7%	18.6%
Health Care	16.3%	11.4%
Consumer Discretionary	11.8%	10.1%
Cash & Other Net Assets (Liabilities)	7.1%	3.3%
Financials	5.0%	4.9%
Real Estate	3.9%	4.3%
Industrials	3.6%	10.1%
Materials	3.6%	3.8%
Exchange Traded Funds	2.0%	-
Energy	1.8%	2.5%
Information Technology	-	1.6%
Communication Services	-	1.5%
Total	100.0%	100.0%

Currency Risk

The tables below indicate the foreign currencies to which the Fund had significant direct exposure at September 30, 2022 and September 30, 2021 in Canadian dollar terms. The tables also illustrate the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

September 30, 2022	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
British Pound	2,048	204,377	206,425	205	20,438	20,643
Danish Krone	-	83,342	83,342	-	8,334	8,334
Euro	-	147,822	147,822	-	14,782	14,782
Swiss Franc	1,485	159,297	160,782	148	15,930	16,078
United States Dollar	79,833	1,451,210	1,531,043	7,983	145,121	153,104
Total	83,366	2,046,048	2,129,414	8,336	204,605	212,941
% of net assets attributable to holders of redeemable units	3.2%	79.7%	82.9%	0.3%	8.0%	8.3%

September 30, 2021	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
British Pound	956	270,749	271,705	96	27,075	27,171
Danish Krone	-	117,157	117,157	-	11,716	11,716
Euro	1	173,012	173,013	-	17,301	17,301
Japanese Yen	3,410	207,571	210,981	341	20,757	21,098
Swiss Franc	1,748	193,006	194,754	174	19,301	19,475
United States Dollar	7,385	1,496,735	1,504,120	739	149,673	150,412
Total	13,500	2,458,230	2,471,730	1,350	245,823	247,173
% of net assets attributable to holders of redeemable units	0.3%	82.8%	83.1%	-	8.3%	8.3%

Interest Rate Risk

As at September 30, 2022 and September 30, 2021, the Fund did not have significant direct exposure to interest rate risk.

Credit Risk

As at September 30, 2022 and September 30, 2021, the Fund did not have significant direct exposure to credit risk.

Liquidity Risk

The Fund is exposed to liquidity risk on its obligations associated with financial liabilities.

The liquidity risk associated with issued redeemable units is managed by investing in a diversified portfolio with no more than 10% of its net assets in illiquid investments at the time of purchase. The Fund may also borrow temporarily to fund redemptions or settle trades. All other obligations were due within three months from the financial reporting date. Issued redeemable units are payable on demand.

(b) FAIR VALUE MEASUREMENTS

The following tables illustrate the classifications of the Fund's financial instruments within the fair value hierarchy as at September 30, 2022 and September 30, 2021:

September 30, 2022	Assets (Liabilities)			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Equities - Long	2,386,261	-	-	2,386,261
Total	2,386,261	-	-	2,386,261

September 30, 2021	Assets (Liabilities)			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Equities - Long	2,865,845	-	-	2,865,845
Total	2,865,845	-	-	2,865,845

(c) STRUCTURED ENTITIES

The Fund's investments in ETFs are susceptible to market price risk arising from uncertainties about the future values. The Manager makes investment decisions after its due diligence on the strategy and overall quality of the ETF's manager.

The Fund's investment in ETFs as at September 30, 2022 is summarized below. There were no investments in ETFs as at September 30, 2021.

September 30, 2022	Investment at Fair Value (\$)	Net Asset Value (\$ millions)	% of Net Asset Value
BMO Laddered Preferred Share Index ETF	8,613	1,772	-
Horizons Active Preferred Share ETF	7,800	1,264	-
iShares MSCI Japan ETF	25,979	11,020	-
iShares S&P/TSX Canadian Preferred Share Index ETF	8,535	1,075	-

1. GENERAL INFORMATION

Portland Canadian Balanced Fund and Portland Global Balanced Fund (each a Fund and collectively referred to as the Funds) are open-ended mutual funds created under the laws of Ontario in Canada and governed by a master declaration of trust as amended and restated from time to time. The Funds offer units to the public under a simplified prospectus dated April 11, 2022, as may be amended from time to time (the Prospectus). The formation date of the Funds and commencement of operations dates of each series of the Funds are as follows:

Name of Fund	Formation Date of Fund	Commencement of Operations	
		Series A	Series F
Portland Canadian Balanced Fund	October 1, 2012	October 31, 2012	October 31, 2012
Portland Global Balanced Fund	January 27, 2005	February 18, 2005	December 17, 2013

Portland Investment Counsel Inc. (the Manager) is the Investment Fund Manager, Portfolio Manager and Trustee of the Funds. The head office of the Fund is 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7. These financial statements are presented in Canadian dollars and were authorized for issue by the board of directors of the Manager on December 7, 2022. The Funds are authorized to issue an unlimited number of units in an unlimited number of series.

The statements of financial position of the Funds are as at September 30, 2022 and September 30, 2021. The statements of comprehensive income (loss), changes in net assets attributable to holders of redeemable units, and cash flows of the Funds are for the years ended September 30, 2022 and September 30, 2021.

The following table presents the investment objective of each Fund.

Name of Fund	Investment Objective
Portland Canadian Balanced Fund	Provide positive long-term total returns, consisting of both income and capital gains by investing primarily in a portfolio of fixed income securities and Canadian equities.
Portland Global Balanced Fund	Provide positive long-term total returns, consisting of both income and capital gains by investing primarily in a portfolio of global fixed income and equity securities.

2. BASIS OF PRESENTATION

These financial statements of the Funds have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss (FVTPL).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(a) Classification

The Funds classify financial assets based on the business model used for managing such financial assets and the contractual cash flow characteristics of those financial assets. Each Fund may be divided into sub-portfolios that have different business models. Where contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI test), the financial asset will be classified as a financial asset at amortized cost. The Funds classify their investment in equities, fixed income securities and derivatives as financial assets or financial liabilities at FVTPL.

The Funds' obligation for net assets attributable to holders of redeemable units does not meet the criteria for equity treatment and therefore is presented as a liability on the statement of financial position. The Funds have elected to classify their obligations for net assets attributable to holders of redeemable units as financial liabilities at FVTPL.

All remaining assets and liabilities of the Funds are classified as amortized cost and are reflected at the amount required to be paid, discounted to reflect the time value of money when appropriate.

The Funds' accounting policies for measuring the fair value of its investments and derivatives are similar to those used in measuring its net asset value (NAV) for unitholder transactions; therefore it is expected that net assets attributable to holders of redeemable units will be the same in all material respects as the NAV per unit used in processing unitholder transactions. There is a comparison of the NAV per unit and net assets attributable to holders of redeemable units per unit within note 12.

Financial assets and liabilities may be offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Funds may enter into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy, certain events of default or termination of the contracts.

(b) Recognition, de-recognition and measurement

Purchases and sales of financial assets are recognized on their trade date - the date on which the Funds commit to purchase or sell the investment. Financial assets and liabilities are initially recognized at fair value. Transaction costs incurred to acquire financial assets at FVTPL are expensed as incurred in the statements of comprehensive income (loss). Subsequent to initial recognition, all financial assets and liabilities at FVTPL are measured at fair value. Unrealized gains and losses arising from changes in fair value of the FVTPL category are presented in the statements of comprehensive income (loss) within 'Change in unrealized appreciation (depreciation) on investments' or if the Fund holds investments including options, forward currency contracts or other derivatives, under 'Change in unrealized appreciation (depreciation) on investments and derivatives' in the period in which they arise. Financial assets at amortized cost are subsequently measured at amortized cost, less any impairment losses. Transaction costs incurred on financial assets or liabilities at amortized cost are amortized over the life of the asset or liability.

Financial assets are de-recognized when the rights to receive cash flows have expired or the Funds have transferred substantially all the risks and rewards of ownership. Upon disposal, the difference between the amount received and the average cost to acquire the financial asset (for financial assets at FVTPL) or the amortized cost (for financial assets at amortized cost) is included within 'Net realized gain (loss) on investments' in the statements of comprehensive income (loss).

Amounts receivable or payable with respect to derivative transactions, including premiums or discounts received or paid, are included in the statements of financial position under 'Derivative assets' or 'Derivative liabilities'.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. If there has been no trade, the mid price (average bid and asking price) as of the close of the business on the reporting date is used to approximate fair value. Each Fund's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

Forward contracts are agreements to purchase or sell financial instruments at a specified future date. As forward contracts are not traded on an exchange, the agreements between counterparties are not standardized. Changes in value of forward contracts are settled only on termination of the contract. Open forward contracts are revalued to fair value in the statements of comprehensive income (loss) based on the difference between the contract rate and the applicable forward rate. Gains and losses associated with the valuation of open forward contracts are recorded in the statements of comprehensive income (loss) as 'Change in unrealized appreciation (depreciation) of investments and derivatives'. The cumulative change in value upon settlement is included in the statements of comprehensive income (loss) as 'Net realized gain (loss) on forward currency contracts'.

The fair value of bonds is based on closing bid quotations provided by independent security pricing services.

Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes:

- a) restricted activities;
- b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors;
- c) insufficient equity to permit the structured entity to finance its activities without subordinate financial support; and
- d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Funds consider all of their investments in exchange traded funds (ETFs) to be investments in unconsolidated structured entities. ETFs are bought and sold on the stock market on which they are traded and are valued at the last traded price as per above section on Fair Value Measurement.

The change in fair value of each ETF is included in the statements of comprehensive income (loss) in 'Change in unrealized appreciation (depreciation) of the investments' or 'Change in unrealized appreciation (depreciation) on investments and derivatives'.

Revenue recognition

'Interest for distribution purposes' shown on the statements of comprehensive income (loss) represents the stated rate of interest earned by the Funds on fixed income securities accounted for on an accrual basis, as applicable. The Funds do not amortize premiums paid or discounts received on the purchase of fixed income securities other than zero coupon debt securities. Interest receivable is shown separately in the statements of financial position based on the debt instruments' stated rates of interest. Dividends on equity investments are recognized as income on the ex-dividend date.

Foreign currency translation

The Funds' subscriptions and redemptions are denominated in Canadian dollars, which is also its functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates that transactions occur. Assets and

liabilities denominated in a foreign currency are translated into the functional currency using the exchange rate prevailing at the reporting date. Foreign exchange gains and losses related to assets and liabilities at amortized cost are recognized in profit and loss and are presented as 'Foreign exchange gain (loss) on cash and other net assets' on the statements of comprehensive income (loss). Realized foreign exchange gains and losses related to investments are recognized when incurred and are presented in the statements of comprehensive income (loss) within 'Net realized gain (loss) on investments'. Realized gains and losses on forward currency contracts are recognized when incurred and are presented in the statements of comprehensive income (loss) within 'Net realized gain (loss) on forward currency contracts'.

Unrealized exchange gains or losses on investments, options and forward currency contracts are included in 'Change in unrealized appreciation (depreciation) of investments' or 'Change in unrealized appreciation (depreciation) on investments and derivatives' in the statements of comprehensive income (loss).

'Foreign exchange gain (loss) on cash and other net assets' arise from sale of foreign currencies, currency gains or losses realized between trade and settlement dates on securities transactions, and the difference between the recorded amounts of dividend, interest and foreign withholding taxes and the Canadian dollar equivalent of the amounts actually received or paid.

Cash and cash equivalents

The Funds consider highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value to be cash equivalents. Cash is comprised of deposits with financial institutions.

Cost of investments

The cost of investments represents the cost for each security and amortization of premiums and discounts on fixed income securities with the exception of zero coupon bonds. The cost of each investment is determined on an average basis by dividing the total cost of such investment by the number of shares purchased. On the schedule of investment portfolio, transaction costs have been deducted in aggregate from the total cost of individual investments.

Redeemable units

The Funds issue multiple series of redeemable units, which are redeemable at the holder's option and do not have identical rights. Therefore, such units are classified as financial liabilities. Redeemable units can be put back to the Funds at any redemption date for cash equal to a proportionate share of the Funds' NAV attributable to the unit series. Units are redeemable daily.

Redeemable units are issued and redeemed at the holder's option at prices based on the Fund's NAV per unit at the time of issue or redemption. The NAV per unit is calculated by dividing the NAV of each series of redeemable units by the total number of outstanding redeemable units of each respective series.

Expenses

Expenses of the Funds, including management fees and other operating expenses, are recorded on an accrual basis.

Transaction costs associated with investment transactions for financial assets and liabilities at FVTPL, including brokerage commissions, have been expensed on the statements of comprehensive income (loss).

Increase (decrease) in net assets attributable to holders of redeemable units per unit

'Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit' in the statements of comprehensive income (loss) represents the Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series, divided by the daily average units outstanding of that series during the reporting period.

Distributions to the unitholders

Distributions will be made to unitholders only at such times and in such amounts as may be determined at the discretion of the Manager. The Funds are required to distribute enough net income and net realized capital gains so that they do not have to pay ordinary income taxes. All distributions by the Funds will be automatically reinvested in additional units of the Fund held by the investor at the NAV per unit thereof, unless the investor notifies the Manager in writing that cash distributions are preferred.

Allocation of income and expense, and realized and unrealized gains and losses

Management fees and other costs directly attributable to a series are charged to that series. Each Fund's shared operating expenses, income, and realized and unrealized gains and losses are generally allocated proportionately to each series based upon the relative NAV of each series.

Allocation of non-cash items on the statement of cash flows

The Funds include only the net cash flow impact and do not include non-cash switches between series of a Fund that occurred during the period in 'Proceeds from redeemable units issued' or 'Amount paid on redemption of redeemable units'. The below non-cash switches have been excluded from each Fund's operation and financing activities on the statements of cash flows for the years ended September 30, 2022 and September 30, 2021.

	September 30, 2022 (\$)	September 30, 2021 (\$)
Portland Canadian Balanced Fund	423,097	837,027
Portland Global Balanced Fund	118,993	-

Future accounting changes

There are no new accounting standards effective after January 1, 2022 which affect the accounting policies of the Funds.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates the Funds have made in preparing these financial statements.

Fair value of securities not quoted in an active market

The fair value of such securities not quoted in an active market may be determined by the Funds using reputable pricing sources (such as pricing agencies) or indicative prices. Such values may be indicative and not executable or binding. The Funds would exercise judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Funds may value positions using their own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The inputs into these models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The determination of what constitutes 'observable' requires significant judgment by the Funds. The Funds consider observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

5. FINANCIAL INSTRUMENTS**(a) Offsetting of Financial Assets and Financial Liabilities**

The Funds may have a master netting or similar arrangements in place with the counterparty for the execution of forward currency contracts. This means that in the event of default or bankruptcy, the Fund may set off the assets held with the counterparty against the liabilities it owes to the same counterparty. The contracts in place under these arrangements that settle on the same date have been offset and presented as a net figure in the statements of financial position of the Fund and the table below, where there is a legally enforceable right and an intention to settle the contracts on a net basis. There is no collateral associated with these arrangements.

(b) Risk Management

Each Fund's investment activities may be exposed to various financial risks, including market risk (which includes price risk, currency risk and interest rate risk), concentration risk, credit risk and liquidity risk. Each Fund's risk management goals are to ensure that the outcome of activities involving risk is consistent with the Funds' investment objectives and risk tolerance per the Prospectus. All investments result in a risk of loss of capital.

For a detailed discussion of risks associated with each Fund, refer to the 'Fund Specific Notes to the Financial Statements'.

Price risk

Price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk). Financial instruments held by the Funds are susceptible to market price risk arising from uncertainties about future prices of the instruments. Each Fund limits its exposure to any one security to 10% of NAV at the time of purchase, which is monitored on a daily basis.

Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type or industry sector.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Securities included in the Funds may be valued in or have exposure to currencies other than the Canadian dollar and when measured in Canadian dollars, be affected by fluctuations in the value of such currencies relative to the Canadian dollar.

The use of currency risk mitigation strategies such as forward currency contracts involves special risks including the possible default by the counterparty to the transaction, illiquidity and to the extent the Manager's assessment of certain market movements is incorrect, the risk that the use of such strategies could result in losses greater than if the strategy had not been used. The forward currency contracts may have the effect of limiting or reducing the total returns of the Fund if the Manager's expectations concerning future events or market conditions prove to be incorrect. In addition, costs associated with the forward currency contracts may outweigh the benefits of the arrangements in some circumstances.

The Manager may, from time to time, at its sole discretion, enter into forward currency contracts in relation to all or a portion of the value of the non-Canadian dollar currency exposure or the non-Canadian currency exposure of the issuers whose securities comprise the portfolio back, directly or indirectly, to the Canadian dollar. Forward currency contract amounts are based on a combination of trading currency of the Fund's holdings and an estimate of the currency to which their operations are exposed.

Interest rate risk

Interest rate risk arises on interest-bearing financial instruments having fixed interest rates held by the Funds, such as bonds and borrowings. The fair value and future cash flows of such instruments will fluctuate due to changes in market interest rates.

Credit risk

Credit risk is the risk that the issuer of a debt security (including preferred shares) or counterparty to a financial instrument will fail to pay the interest or to repay the principal or discharge an obligation of a commitment that it has entered into with the Fund.

A Fund may be exposed to credit risk from investments in forward currency contracts. The Fund limits its exposure to credit losses on forward currency contracts by ensuring there are netting arrangements with each counterparty to the forward currency contracts, such that any gains (amounts owing to the Fund) on individual contracts can be set off against any losses (amounts owing to the counterparty) in the event of default or bankruptcy. The maximum exposure to credit risk from these contracts is equivalent to the fair value of forward currency contracts that are in a net unrealized gain position as of the reporting date as outlined below including the effect of master netting or similar arrangements in place with all counterparties.

All transactions in listed securities are executed with approved brokers. The risk of default is considered minimal, as delivery of all securities sold is only made once the broker has received payment.

Liquidity risk

Liquidity risk is the risk that a Fund will encounter difficulty in meeting their obligations associated with financial liabilities. The Funds are exposed to daily cash redemptions. As a result, the Funds invest the majority of assets in investments that are traded in an active market and can be readily disposed of. There can be no assurance that an active trading market for the investments will exist at all times, or that the prices at which the securities trade accurately reflect their values. In accordance with securities regulations, each Fund must maintain at least 90% of assets in liquid investments at time of purchase. In addition, each Fund has the ability to borrow up to 5% of its net assets attributable to holders of redeemable units for the purposes of funding redemptions and settling portfolio transactions.

(c) Fair value of financial instruments

Financial instruments measured at fair value are classified according to a fair value hierarchy that reflects the importance of the inputs used to perform each valuation. The fair value hierarchy is made up of the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - inputs are unobservable for the asset or liability.

The fair value hierarchy requires the use of observable market data each time such data exists. A financial instrument is classified at the lowest level of the hierarchy for which significant input has been considered in measuring fair value. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. The Funds' policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

6. REDEEMABLE UNITS

The Funds are permitted to issue an unlimited number of series of units, having such terms and conditions as the Manager may determine. Additional series may be offered in the future on different terms. Each unit of a series represents an undivided ownership interest in the net assets of the Fund attributable to that series of units.

The Funds endeavor to invest capital in appropriate investments in conjunction with their investment objectives. The Funds maintain sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments, where necessary.

Units of the Funds are available in multiple series as outlined below. The principal difference between the series of units relates to the management fee payable to the Manager, the compensation paid to dealers, distributions and the expenses payable by the series. Units of each Fund are entitled to participate in its liquidation of assets on a series basis. Units are issued as fully paid and non-assessable and are redeemable at the NAV per unit of the applicable series of units being redeemed, determined at the close of business on the day the redemption request is submitted.

Series A Units are available to all investors.

Series F Units are available to investors who participate in fee-based programs through their dealer and whose dealer has signed a Series F Agreement with the Manager, investors for whom the Funds do not incur distribution costs, or individual investors approved by the Manager.

Series O Units are available to certain institutional investors. The Funds have not yet issued any Series O Units.

The number of units issued and outstanding for the periods ended September 30, 2022 and September 30, 2021 were as follows:

September 30, 2022	Beginning Balance	Units Issued Including Switches from Other Series	Units Reinvested	Units Redeemed Including Switches to Other Series	Ending Balance	Weighted Average Number of Units
Portland Canadian Balanced Fund						
Series A Units	980,278	218,638	55,193	104,444	1,149,665	1,093,253
Series F Units	1,634,736	298,082	70,597	323,285	1,680,130	1,646,326
Portland Global Balanced Fund						
Series A Units	317,778	167	13,959	77,409	254,495	284,604
Series F Units	27,250	38,652	1,577	1,290	66,189	41,708

September 30, 2021	Beginning Balance	Units Issued Including Switches from Other Series	Units Reinvested	Units Redeemed Including Switches to Other Series	Ending Balance	Weighted Average Number of Units
Portland Canadian Balanced Fund						
Series A Units	821,943	222,650	72,163	136,478	980,278	873,462
Series F Units	1,229,379	468,511	120,882	184,036	1,634,736	1,422,136
Portland Global Balanced Fund						
Series A Units	456,359	2,190	16,055	156,826	317,778	379,559
Series F Units	55,323	281	833	29,187	27,250	37,629

7. TAXATION

Each Fund qualifies as a mutual fund trust within the meaning of the Income Tax Act (Canada) (the Tax Act). The Funds calculate taxable and net capital gains/(losses) in accordance with the Tax Act and intend to distribute sufficient net income and net realized capital gains, if any, to ensure they do not pay ordinary income tax. As a result, the Funds do not record income taxes. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses, if any, has not been reflected in the statements of financial position as a deferred income tax asset.

The Funds currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statements of comprehensive income (loss). Withholding taxes are shown as a separate item in the statements of comprehensive income (loss).

The taxation year-end for the Funds is December 15.

The Funds do not have any unused non-capital loss carry-forwards as at December 31, 2021 and December 31, 2020. Portland Global Balanced Fund has unused gross capital losses of \$23,897,134 as at December 31, 2021, which can be carried forward indefinitely by the Fund (December 31, 2020: \$23,897,134).

8. MANAGEMENT FEES AND EXPENSES

Pursuant to the Prospectus, the Funds agree to pay management fees to the Manager, calculated and accrued daily based on a percentage of the average daily NAV of each series of each Fund and paid monthly. The annual management fees rate of the respective series of units are as follows:

	Series A Units	Series F Units
Portland Canadian Balanced Fund	1.75%	0.75%
Portland Global Balanced Fund	1.55%	0.55%

Management fees on Series O Units are negotiated with the Manager. Such fees are paid directly to the Manager and are not deducted from the NAV of Series O.

Certain Funds may invest in mutual funds, investment funds and ETFs (collectively referred to as an Underlying Fund), and the Underlying Fund may pay a management fee and other expenses in addition to the expenses payable by the Fund. The Fund will not pay a management fee on the portion of its assets that it invests in the Underlying Fund that, to a reasonable person, would duplicate a management fee payable by the Underlying Fund for the same service.

The Manager is reimbursed for any operating expenses it incurs on behalf of the Funds, including regulatory filing fees, custodian fees, legal and audit fees, costs associated with the independent review committee, bank charges, the costs of financial reporting, and all related sales taxes. The Manager also provides key management personnel to the Funds. The Manager may charge the Funds for actual time spent by its personnel (or those of its affiliates) in overseeing the day-to-day business affairs of the Funds. The amount charged for time spent by personnel is determined based on fully allocated costs and does not include a mark-up or administration fee. The Manager may absorb operating expenses of the Funds at its discretion but is under no obligation to do so.

All management fees and operating expenses payable by the Funds to the Manager are subject to GST and/or HST as applicable and will be deducted as an expense of the applicable series of units in the calculation of the NAV of such series of units.

9. SOFT DOLLARS

Allocation of business to brokers of the Funds is made on the basis of coverage, trading ability and fundamental research expertise. The Manager may choose to execute portfolio transactions with dealers who provide research, statistical and other similar services to the Funds or to the Manager at prices which reflect such services (termed proprietary research). The dealers do not provide the Manager with an estimate of the cost of the research, statistical and other similar services (referred to as soft dollars).

The Manager may use third party proprietary research, which is generally also available on a subscription basis, the value of which will be used to approximate the value of research and other similar services received from third parties through commission sharing arrangements with executing brokers. Portland Canadian Balanced Fund has not participated in any third party soft dollar arrangements to date. The ascertainable value of the third party soft dollar arrangements in connection with portfolio transactions for Portland Global Balanced Fund for the year ended September 30, 2022 was \$42 (September 30, 2021: \$232).

10. RELATED PARTY TRANSACTIONS

The following tables outline the management fees and operating expense reimbursements that were paid to the Manager by the Funds during the years ended September 30, 2022 and September 30, 2021. The tables include the amount of operating expense reimbursement that was paid to affiliates of the Manager for administrative services provided in managing the day-to-day operation of the Funds and the amount of additional absorbed operating expenses that the Manager chose not to charge to the Funds. All of the dollar amounts in the tables below exclude applicable GST or HST.

September 30, 2022	Management Fees (\$)	Operating Expense Reimbursement (\$)	Absorbed Operating Expenses (\$)	Operating Expenses Reimbursed to Affiliates of the Manager (\$)
Portland Canadian Balanced Fund	497,201	228,584	-	999
Portland Global Balanced Fund	39,836	14,133	156,830	999

September 30, 2021	Management Fees (\$)	Operating Expense Reimbursement (\$)	Absorbed Operating Expenses (\$)	Operating Expenses Reimbursed to Affiliates of the Manager (\$)
Portland Canadian Balanced Fund	420,216	195,890	-	802
Portland Global Balanced Fund	51,028	17,612	137,197	802

The Funds owed the following amounts to the Manager excluding applicable GST or HST:

As at September 30, 2022	Management Fees (\$)	Operating Expense Reimbursement (\$)
Portland Canadian Balanced Fund	38,899	17,829
Portland Global Balanced Fund	2,859	1,085

As at September 30, 2021	Management Fees (\$)	Operating Expense Reimbursement (\$)
Portland Canadian Balanced Fund	40,547	19,015
Portland Global Balanced Fund	3,698	1,262

The Manager and/or its affiliates and key management personnel of the Manager and their family (collectively referred to as Related Parties) may invest in units of the Funds from time to time in the normal course of business. The following tables present the number of shares of each of the Funds held by Related Parties on each reporting date.

	September 30, 2022	September 30, 2021
Portland Canadian Balanced Fund	3,070	2,705
Portland Global Balanced Fund	13,522	13,963

11. BROKERAGE FACILITY

Portland Global Balanced Fund has a Settlement Services Agreement with RBC Dominion Securities Inc. (RBCDS), and may place securities and cash on account with RBCDS as collateral for its option writing strategy. In the event of default, including failure to make any payment or delivery to RBCDS, RBCDS may freeze the collateral property and cease the provision of settlement services. In such circumstances, RBCDS had the right to set off the collateral property to reduce or eliminate the amount owed to them. RBCDS also has the right to sell or otherwise dispose of the collateral property held on account for the Fund in order to set off against amounts owing to them from the Fund. If applicable, non-cash collateral will be classified separately within the statements of financial position from other assets and identified as 'Investments - pledged as collateral'. Cash collateral will be classified separately on the statements of financial position as 'Margin accounts'.

12. RECONCILIATION OF NAV PER UNIT AND NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT

As at September 30, 2022 and September 30, 2021, there was no difference between the NAV per unit used for transactional purposes and the net assets attributable to holders of redeemable units per unit in these financial statements.

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