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PORTLAND NORTH AMERICAN ALTERNATIVE FUND
ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

SEPTEMBER 30, 2022

PORTFOLIO
MANAGEMENT TEAM

James Cole
Senior Vice President and Portfolio Manager

Management Discussion of Fund Performance Portland North American Alternative Fund

This management report of fund performance contains financial highlights, but does not contain either interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-888-710-4242, by writing to us at info@portlandic.com or 1375 Kerns Road, Suite 100, Burlington, ON L7P 4V7 or visiting our website at www.portlandic.com or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

The views of Portland Investment Counsel Inc. (the Manager) contained in this report are as of September 30, 2022 and this report is not intended to provide legal, accounting, tax or specific investment advice. Views, portfolio holdings and allocations may have changed subsequent to this date. For current information, please contact us using the above methods. All references to performance relate to Series F units. The performance of other units may be different from that of the Series F units due to differing fees.

INVESTMENT OBJECTIVE AND STRATEGIES

The investment objective of the Portland North American Alternative Fund (the Fund) is to achieve, over the long term, preservation of capital and a satisfactory return through focused investing in long security positions. The Fund seeks to provide capital growth by primarily investing in a portfolio of equities, American Depository Receipts, and which may also invest in exchange traded funds (ETFs).

The Fund is considered an "alternative mutual fund" according to National Instrument 81-102, meaning it is permitted to use strategies generally prohibited by conventional mutual funds, such as the ability to invest up to 20% of its net asset value in securities of a single issuer (rather than 10% for conventional mutual funds); the ability to invest up to 100% or more of its net asset value in physical commodities either directly or through the use of specified derivatives; borrow, up to 50% of its net asset value, cash to use for investment purposes; sell, up to 50% of its net asset value, securities short (the combined level of cash borrowing and short selling is limited to 50% in aggregate); and aggregate exposure up to 300% of its net asset value.

RISK

The overall risk level has not changed for the Fund. Investors should be able to accept a medium level of risk and plan to hold for the medium to long term.

RESULTS OF OPERATIONS

For the year ended September 30, 2022, the Fund's Series F units had a return of (33.2%). For the same period, the MSCI Canada Index (the Index) had a return of (5.7%). For the full period since inception of the Fund on April 17, 2020 to September 30, 2022, the Fund's Series F units had an annualized return of (7.2%). For the same period, the Index had an annualized return of 12.8%. Unlike the Index, the Fund's return is after the deduction of its fees and expenses.

The Fund's net asset value at September 30, 2022 was \$1.5 million. Asset mix as at September 30, 2022 was common equities, 97.0%;

and cash and other net assets (liabilities), 3.0%. By geography, equities were invested in securities of issuers based in the United States, 30.3%; Canada, 30.0%; Cayman Islands, 22.4%; United Kingdom, 14.3%; and cash and other net assets (liabilities), 3.0%.

In the first nine months of calendar year 2022, interest rates rose substantially as central banks attempted to reduce undesirably high rates of inflation. These much higher interest rates contributed to much lower equity markets that fell sharply from their highs. In this environment, a number of the Fund's equity investments had negative returns. Three such businesses during the year ended September 30, 2022 were Altice USA, Inc. (Altice), SoftBank Group Corp. - ADR (SoftBank) and Citigroup Inc. (Citigroup). The share price of cable television company Altice declined as it lost subscribers and as companies with greater financial leverage fell out of favour. SoftBank declined together with the valuations of technology businesses in which the company is invested. Citigroup declined along with the share prices of other large U.S. banks. During the year, the Fund sold its former investments in Altice and SoftBank. In the case of Citigroup, we believe that the recent decline is temporary and that its shares are attractively valued.

RECENT DEVELOPMENTS

The impact of the COVID-19 pandemic has already been reflected in securities prices so it is not expected to have any material impact on the investments in the Fund. Similarly, the Fund has never had any investments in issuers based in Russia or Ukraine and the impact of Russia's invasion of Ukraine has already been reflected in securities prices. At September 30, 2022, the Fund's common equity investments comprised 97.0% of its net asset value. The Fund is permitted to have an equity weight as high as 150% of its net assets (facilitated by the use of margin borrowings). Subject to identifying suitably attractive investment opportunities, we are prepared to increase the Fund's common equity weight significantly through the use of additional margin borrowings. A higher common equity weighting, if implemented, would be expected to enhance future fund performance.

LEVERAGE

When a Fund makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on equities or other portfolio assets, leverage may be introduced into the Fund. Leverage occurs when the Fund's notional exposure to underlying assets is greater than the amount invested. It is an investment technique that magnifies gains and losses. Consequently, any adverse change in the value or level of the underlying asset, rate or index may amplify losses compared to those that would have been incurred if the underlying asset had been directly held by the Fund and may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair the Fund's liquidity and may cause the Fund to liquidate positions at unfavorable times.

To help achieve its investment objective, the Fund exercised leverage through borrowing. During the year ended September 30, 2022, the minimum amount of borrowing exercised by the Fund was \$nil and maximum was \$1,287,653 (September 30, 2021: minimum \$nil, maximum \$20,010).

RELATED PARTY TRANSACTIONS

The Manager is responsible for the day-to-day operation of and for providing investment management services to the Fund. The Manager receives a fee for providing these services. This is calculated daily based on the net asset value of the Fund and paid monthly. During the year ended September 30, 2022, the Manager received \$25,133 in management fees from the Fund, net of applicable taxes (September 30, 2021: \$23,118).

The Manager is entitled to receive a performance fee, calculated and accrued on each business day and paid monthly. The performance fee is equal to 10% of the amount by which the net asset value of the series of units on that business day exceeds the high water mark. During the year ended September 30, 2022, the Manager received \$nil performance fees from the Fund, net of applicable taxes (September 30, 2021: \$34,599).

Any administrative services paid for or provided by the Manager are charged to the Fund and are grouped and presented by expense type in the statements of comprehensive income (loss). Depending on their nature, some expenditures are allocated to the Fund based on a variety of methods including net asset value or actual costs incurred. During the year ended September 30, 2022, the Manager was reimbursed \$10,972 for operating expenses incurred on behalf of the Fund, including amounts paid to affiliates, net of applicable taxes (September 30, 2021: \$10,391). The Manager absorbed \$157,435 of operating expenses during the year ended September 30, 2022, net of applicable taxes (September 30, 2021: \$97,734). Affiliates of the Manager provide administrative services associated with the day-to-day operations of the Fund. These affiliates of the Manager were reimbursed \$833 during the year ended September 30, 2022 by the Fund for such services (September 30, 2021: \$775).

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 Fund from time to time in the normal course of business. Transactions to purchase or redeem units are made at net asset value per unit. Standing instructions from the independent review committee (IRC), as described below, were not required or obtained for such transactions. As at September 30, 2022, Related Parties owned 338 shares of the Fund (September 30, 2021: 325).

The Fund has received standing instructions from the Fund's IRC. The standing instructions constitutes a written recommendation from the IRC that permits the Manager to proceed with specific action(s) set out in the standing instructions on an ongoing basis as detailed in the annual IRC Report to Securityholders. The standing instructions are designed to ensure that the Manager's actions are carried out in accordance with National Instrument 81-107 - Independent Review Committee for Investment Funds and the Manager's policies and procedures in order to achieve a fair and reasonable result for the Fund. The IRC reviews reports periodically, at least annually, which assess compliance with applicable conflicts of interest policies and standing instructions.

Except as otherwise noted above, the Fund was not a party to any related party transactions during the year ended September 30, 2022.

The Board of Directors of the Manager is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities.

Notes

Certain statements included in this Management Discussion of Fund Performance constitute forward-looking statements, including those identified by the expressions "may," "should," "will," "anticipate," "believe," "plan," "predict," "estimate," "expect," "intend" and similar expressions to the extent they relate to the Fund. These forward-looking statements are not historical facts, but reflect the current expectations of the portfolio management team regarding future results or events that may impact the Fund. 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. The portfolio management team has 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.

Certain research and information about specific holdings in the Fund, including any opinion, is based upon various sources believed to be reliable, but it cannot be guaranteed to be current, accurate or complete. It is for information only, and is subject to change without notice.

Summary of Investment Portfolio as at September 30, 2022

Top 25 Investments*

	% of Net Asset Value
Citigroup Inc.	23.7%
CK Hutchison Holdings Limited	22.4%
The Bank of Nova Scotia	19.4%
Vodafone Group PLC - Sponsored ADR	14.3%
Bank of Montreal	7.4%
The Bank of New York Mellon Corporation	4.2%
Shaw Communications, Inc., Class B	3.2%
Best Buy Co., Inc.	2.4%
Cash & Cash Equivalents	1.1%
Grand Total	98.1%

Total net asset value **\$1,455,209**

* 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 may not add up to 100%.

The investment portfolio may change due to ongoing portfolio transactions of the investment fund. Quarterly updates are available within 60 days of each quarter end by visiting www.portlandic.com or contacting us at 1-888-710-4242.

Portfolio Composition

Sector

Financials	54.7%
Industrials	22.4%
Communication Services	17.5%
Cash & Other Net Assets (Liabilities)	3.0%
Consumer Discretionary	2.4%

Geographic Region

United States	30.3%
Canada	30.0%
Cayman Islands	22.4%
United Kingdom	14.3%
Cash & Other Net Assets (Liabilities)	3.0%

Cash & Other Net Assets (Liabilities) refers to cash on hand plus all other assets and liabilities in the Fund excluding portfolio investments

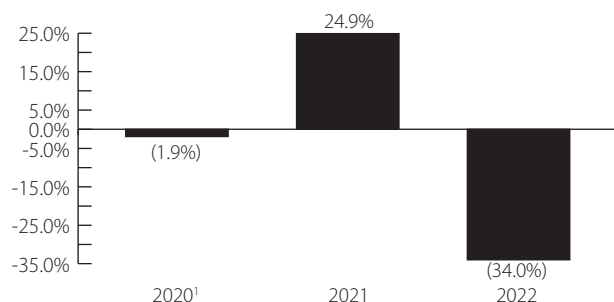
Past Performance

The past performance information shown in this section is calculated using the net asset value per unit and assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. The past performance information does not take into account sales, redemptions, distribution or other optional charges or income taxes payable by the unitholder that would have reduced returns or performance. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

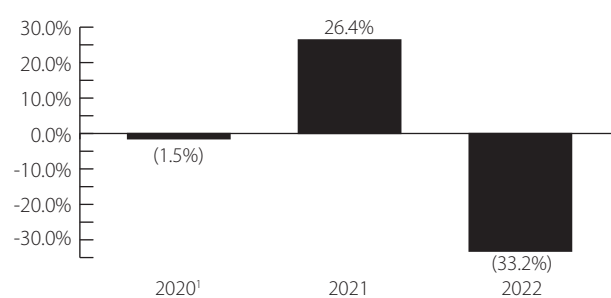
Year-By-Year Returns

The following bar charts show the performance of each series of the Fund for each of the financial years shown and illustrates how the investment fund's performance has changed from year to year. The charts show in percentage terms how an investment made on the first day of each financial year would have increased or decreased by the last day of each financial year.

Series A Units



Series F Units



1. Return for 2020 represents a partial year starting April 17, 2020 to September 30, 2020.

Annual Compound Returns

The table below shows the historical compound returns of the applicable series of units and MSCI Canada Index (the Index). The Index is designed to measure the performance of the large and mid cap segments of the Canada market. Performance will vary by series largely due to the extent that fees and expenses may differ between series.

Series of Units	Inception Date	Since Inception	One Year	Three Year	Five Year	Ten Year
Series A	April 17, 2020	(8.3%)	(34.0%)	-	-	-
Index		12.8%	(5.7%)	-	-	-
Series F	April 17, 2020	(7.2%)	(33.2%)	-	-	-
Index		12.8%	(5.7%)	-	-	-

Comparison to the Index: Since the Fund does not necessarily invest in the same securities as the Index or in the same proportion, the performance of the Fund is not expected to equal that of the Index. Please refer to Management Discussion of Fund Performance - Results of Operations for additional discussion of the Fund's performance compared to the Index.

Management Fees

The Manager is responsible for the day-to-day management and administration of the Fund. The Manager monitors and evaluates the performance of the Fund, pays for the investment management services of the portfolio adviser and arranges for the administrative services required to be provided to the Fund. As compensation for its service, the Manager is entitled to receive a fee, payable monthly, calculated based on the average daily net asset value of the Fund.

Series of Units	Management Fee (%)	Expenses Paid Out of the Management Fee (%)		
		Dealer compensation	General administration, investment advice and profit	Absorbed expenses
Series A	1.75%	44%	-	56%
Series F	0.75%	-	-	100%

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or if shorter, since inception of the Fund. The information is provided as at September 30 of the year shown.

Series A Units - Net Assets per unit¹

For the periods ended	2022	2021	2020
Net assets, beginning of the period	\$12.17	\$9.81	\$10.00 [†]
Increase (decrease) from operations:			
Total revenue	0.37	0.31	0.05
Total expenses	(0.33)	(0.56)	(0.14)
Realized gains (losses)	(2.82)	0.90	(0.01)
Unrealized gains (losses)	(1.32)	0.50	(0.32)
Total increase (decrease) from operations ²	(4.10)	1.15	(0.42)
Distributions to unitholders:			
From income	-	-	-
From dividends	-	-	-
From capital gains	(0.32)	(0.07)	-
Return of capital	-	-	-
Total annual distributions ³	(0.32)	(0.07)	-
Net assets, end of period ⁴	\$7.78	\$12.17	\$9.81

Series A Units - Ratios/Supplemental Data

For the periods ended	2022	2021	2020
Total net asset value	\$634,549	\$1,092,600	\$159,807
Number of units outstanding	81,560	89,743	16,296
Management expense ratio ⁵	2.54%	4.44%	1.29% *
Management expense ratio excluding performance fees ⁵	2.54%	2.62%	1.15% *
Management expense ratio before waivers or absorptions ⁵	10.65%	9.75%	17.73% *
Trading expense ratio ⁶	0.18%	0.09%	0.03% *
Portfolio turnover rate ⁷	84.46%	43.92%	-
Net asset value per unit	\$7.78	\$12.17	\$9.81

Series F Units - Net Assets per unit¹

For the periods ended	2022	2021	2020
Net assets, beginning of the period	\$12.37	\$9.85	\$10.00 [†]
Increase (decrease) from operations:			
Total revenue	0.38	0.33	0.04
Total expenses	(0.22)	(0.44)	(0.09)
Realized gains (losses)	(2.47)	0.94	(0.01)
Unrealized gains (losses)	(1.47)	0.53	(0.21)
Total increase (decrease) from operations ²	(3.78)	1.36	(0.27)
Distributions to unitholders:			
From income	-	-	-
From dividends	-	-	-
From capital gains	(0.43)	(0.08)	-
Return of capital	-	-	-
Total annual distributions ³	(0.43)	(0.08)	-
Net assets, end of period ⁴	\$7.92	\$12.37	\$9.85

Series F Units - Ratios/Supplemental Data

For the periods ended	2022	2021	2020
Total net asset value	\$820,660	\$2,083,750	\$310,595
Number of units outstanding	103,672	168,435	31,519
Management expense ratio ⁵	1.41%	3.39%	0.80% *
Management expense ratio excluding performance fees ⁵	1.41%	1.48%	0.64% *
Management expense ratio before waivers or absorptions ⁵	9.52%	8.70%	17.24% *
Trading expense ratio ⁶	0.18%	0.09%	0.03% *
Portfolio turnover rate ⁷	84.46%	43.92%	-
Net asset value per unit	\$7.92	\$12.37	\$9.85

[†] Initial Offering Price

* Annualized

Explanatory Notes

1. a) The information is derived from the Fund's audited annual financial statements prepared in accordance with International Financial Reporting Standards. The net assets per series presented in the financial statements may differ from the net asset value calculated for fund pricing purposes.
- b) The inception date of Series A and Series F units of the Fund was April 17, 2020.
2. Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted daily average number of units outstanding over the financial period.
3. Distributions are paid out in cash/reinvested in additional units of the Fund, or both.
4. This is not a reconciliation of the beginning and ending net assets per unit.
5. The management expense ratio (MER) is based on total expenses (excluding foreign withholding taxes, commissions and other portfolio transaction costs but including management fee distributions paid to certain unitholders in the form of additional units) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The Manager may absorb certain expenses otherwise payable by the Fund. The amount of expenses absorbed is determined annually at the discretion of the Manager.

The Fund may hold investments in ETFs and the MER is calculated taking into consideration the expenses of the Fund allocated to the series including expenses indirectly attributable to its investment in ETFs divided by the average daily net asset value of the series of the Fund during the period.

6. The trading expense ratio (TER) represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the daily average net asset value of the Fund during the period.

The TER is calculated taking into consideration the costs attributable to its investment in ETFs.

7. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to a fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Portfolio turnover rate is calculated based on the lesser of the cumulative cost of purchases or cumulative proceeds of sales divided by the average market value of the portfolio, excluding short-term investments.



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Portland Investment Counsel Inc., 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7 Tel:1-888-710-4242 • www.portlandic.com • info@portlandic.com
