



Portland Investment Counsel®

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PORTLAND ALTERNATIVE MUTUAL FUNDS
INTERIM FINANCIAL REPORT

MARCH 31, 2021

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MARCH 31, 2021

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Management's Responsibility for Financial Reporting

The accompanying financial statements of Portland 15 of 15 Alternative Fund, Portland Global Alternative Fund and Portland North American Alternative 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.

"Michael Lee-Chin"

**Michael Lee-Chin,
Director
May 10, 2021**

"Robert Almeida"

**Robert Almeida,
Director
May 10, 2021**

These financial statements have not been reviewed by an independent auditor.

Statements of Financial Position (Unaudited)

| | As at | | As at | |
|--|----------------|-------------------|--------------------|------------------|
| | March 31, 2021 | | September 30, 2020 | |
| Assets | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | \$ | 6,586,099 | \$ | 2,180,584 |
| Subscriptions receivable | | 426,702 | | 41,715 |
| Dividends receivable | | 3,565 | | 3,879 |
| Investments (note 5) | | 8,842,534 | | 5,530,882 |
| | | <u>15,858,900</u> | | <u>7,757,060</u> |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Management fees payable | | 20,721 | | 10,500 |
| Performance fees payable | | 33,533 | | 5,223 |
| Expenses payable | | 7,423 | | 3,498 |
| Redemptions payable | | 95,762 | | 6,203 |
| | | <u>157,439</u> | | <u>25,424</u> |
| Net Assets Attributable to Holders of Redeemable Units | \$ | <u>15,701,461</u> | \$ | <u>7,731,636</u> |
| Net Assets Attributable to Holders of Redeemable Units Per Series | | | | |
| Series A | | 10,529,992 | | 5,965,937 |
| Series F | | 5,171,469 | | 1,765,699 |
| | \$ | <u>15,701,461</u> | \$ | <u>7,731,636</u> |
| Number of Redeemable Units Outstanding (note 6) | | | | |
| Series A | | 1,339,190 | | 851,881 |
| Series F | | 613,881 | | 236,257 |
| Net Assets Attributable to Holders of Redeemable Units Per Unit | | | | |
| Series A | \$ | 7.86 | \$ | 7.00 |
| Series F | \$ | 8.42 | \$ | 7.47 |

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 (Unaudited)

| For the periods ended March 31, | 2021 | 2020 |
|---|---------------------|---------------------|
| Income | | |
| Net gain (loss) on investments and derivatives | | |
| Dividends | \$ 11,921 | \$ 36,555 |
| Interest for distribution purposes | 4,404 | 3,898 |
| Net realized gain (loss) on investments and options | 78,571 | (140,448) |
| Net realized gain (loss) on forward currency contracts | - | (14,599) |
| Change in unrealized appreciation (depreciation) on investments and derivatives | 1,282,056 | (201,485) |
| | <u>1,376,952</u> | <u>(316,079)</u> |
| Other income | | |
| Foreign exchange gain (loss) on cash and other net assets | (341) | 22,079 |
| Total income (net) | <u>1,376,611</u> | <u>(294,000)</u> |
| Expenses | | |
| Performance fees (note 8) | 142,817 | - |
| Management fees (note 8) | 90,273 | 22,829 |
| Unitholder reporting costs | 26,015 | 57,378 |
| Audit fees | 9,170 | 11,573 |
| Custodial fees | 2,236 | 3,355 |
| Withholding tax expense (reclaims) | 1,920 | (3,388) |
| Independent review committee fees | 1,823 | 1,330 |
| Transaction costs | 1,720 | 1,832 |
| Legal fees | 1,198 | 1,044 |
| Interest expense and bank charges (note 11) | 43 | 106 |
| Total operating expenses | <u>277,215</u> | <u>96,059</u> |
| Less: expenses absorbed by Manager | (8,991) | (68,208) |
| Net operating expenses | <u>268,224</u> | <u>27,851</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | <u>\$ 1,108,387</u> | <u>\$ (321,851)</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | \$ 810,830 | \$ (6,094) |
| Series A2 (note 1(b)) | \$ - | \$ (294,062) |
| Series F | \$ 297,557 | \$ (21,695) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit | | |
| Series A | \$ 0.78 | \$ (0.71) |
| Series A2 (note 1(b)) | \$ - | \$ (1.09) |
| Series F | \$ 0.71 | \$ (0.89) |

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

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

| For the periods ended March 31, | 2021 | 2020 |
|--|----------------------|---------------------|
| Net Assets Attributable to Holders of Redeemable Units at Beginning of Period | | |
| Series A | \$ 5,965,937 | \$ 93,131 |
| Series A2 (note 1(b)) | - | 2,278,234 |
| Series F | 1,765,699 | 249,983 |
| | <u>7,731,636</u> | <u>2,621,348</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | | |
| Series A | 810,830 | (6,094) |
| Series A2 (note 1(b)) | - | (294,062) |
| Series F | 297,557 | (21,695) |
| | <u>1,108,387</u> | <u>(321,851)</u> |
| Distributions to Holders of Redeemable Units | | |
| From net investment income | | |
| Series A | - | (2,041) |
| Series A2 (note 1(b)) | - | (66,696) |
| Series F | - | (5,924) |
| Net Decrease from Distributions to Holders of Redeemable Units | <u>-</u> | <u>(74,661)</u> |
| Redeemable Unit Transactions | | |
| Proceeds from redeemable units issued | | |
| Series A | 4,096,895 | - |
| Series A2 (note 1(b)) | - | - |
| Series F | 3,216,718 | 2,400 |
| | <u>7,313,613</u> | <u>2,400</u> |
| Reinvestments of distributions | | |
| Series A | - | 1,831 |
| Series A2 (note 1(b)) | - | 61,693 |
| Series F | - | 4,120 |
| | <u>-</u> | <u>67,644</u> |
| Redemptions of redeemable units | | |
| Series A | (343,670) | (47,069) |
| Series A2 (note 1(b)) | - | (439,416) |
| Series F | (108,505) | (99,295) |
| | <u>(452,175)</u> | <u>(585,780)</u> |
| Net Increase (Decrease) from Redeemable Unit Transactions | <u>6,861,438</u> | <u>(515,736)</u> |
| Net Assets Attributable to Holders of Redeemable Units at End of Period | | |
| Series A | 10,529,992 | 39,758 |
| Series A2 (note 1(b)) | - | 1,539,753 |
| Series F | 5,171,469 | 129,589 |
| | <u>\$ 15,701,461</u> | <u>\$ 1,709,100</u> |

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

Statements of Cash Flows (Unaudited)

| For the periods ended March 31, | 2021 | | 2020 | |
|---|------|--------------------|------|------------------|
| Cash Flows from Operating Activities | | | | |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | \$ | 1,108,387 | \$ | (321,851) |
| Adjustments for: | | | | |
| Net realized (gain) loss on investments and options | | (78,571) | | 140,448 |
| Change in unrealized (appreciation) depreciation on investments and derivatives | | (1,282,056) | | 201,485 |
| Unrealized foreign exchange (gain) loss on cash | | 274 | | (344) |
| (Increase) decrease in interest receivable | | - | | (203) |
| (Increase) decrease in dividends receivable | | 314 | | 476 |
| Increase (decrease) in management fees, performance fees, and expenses payable | | 42,456 | | (1,596) |
| Purchase of investments | | (2,132,474) | | (1,172,001) |
| Proceeds from sale of investments | | 181,449 | | 1,932,543 |
| Net Cash Generated (Used) by Operating Activities | | <u>(2,160,221)</u> | | <u>778,957</u> |
| Cash Flows from Financing Activities | | | | |
| Change in margin cash | | - | | 5,548 |
| Distributions to holders of redeemable units, net of reinvested distributions | | - | | (7,159) |
| Proceeds from redeemable units issued (note 3) | | 6,884,962 | | 2,400 |
| Amount paid on redemption of redeemable units (note 3) | | (318,952) | | (586,780) |
| Net Cash Generated (Used) by Financing Activities | | <u>6,566,010</u> | | <u>(585,991)</u> |
| Net increase (decrease) in cash and cash equivalents | | | | |
| | | 4,405,789 | | 192,966 |
| Unrealized foreign exchange gain (loss) on cash | | (274) | | 344 |
| Cash and cash equivalents - beginning of period | | <u>2,180,584</u> | | <u>185,259</u> |
| Cash and cash equivalents - end of period | | <u>6,586,099</u> | | <u>378,569</u> |
| Cash and cash equivalents comprise: | | | | |
| Cash at bank | \$ | 1,586,229 | \$ | 378,569 |
| Short-term investments | | 4,999,870 | | - |
| | \$ | <u>6,586,099</u> | \$ | <u>378,569</u> |
| From operating activities: | | | | |
| Interest received, net of withholding tax | \$ | 4,404 | \$ | 3,695 |
| Dividends received, net of withholding tax | \$ | 10,315 | \$ | 40,419 |
| From financing activities: | | | | |
| Interest paid | \$ | - | \$ | (107) |

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

Schedule of Investment Portfolio (Unaudited)

As at March 31, 2021

| No. of Shares/ (Contracts) | Security Name | Average Cost | Fair Value | % of Net Assets Attributable to Holders of Redeemable Units |
|-----------------------------------|---|--------------|---------------|--|
| EQUITIES | | | | |
| Australia | | | | |
| 586,065 | Telix Pharmaceuticals Limited | \$ 1,423,189 | \$ 2,394,293 | 15.3% |
| British Virgin Islands | | | | |
| 4,930 | Nomad Foods Ltd. | 140,209 | 170,129 | 1.1% |
| Canada | | | | |
| 5,077 | Brookfield Asset Management Inc. Class A | 240,663 | 283,922 | |
| 14,922 | Horizons Cash Maximizer ETF | 1,500,133 | 1,505,928 | |
| | | 1,740,796 | 1,789,850 | 11.4% |
| Guernsey | | | | |
| 4,185 | Pershing Square Holdings Ltd. | 115,639 | 186,705 | 1.2% |
| India | | | | |
| 490 | Reliance Industries Ltd. | 22,699 | 34,053 | 0.2% |
| Japan | | | | |
| 6,600 | SoftBank Group Corp. | 208,600 | 353,002 | 2.2% |
| South Korea | | | | |
| 105 | Samsung Electronics Co., Ltd. | 181,034 | 240,683 | 1.5% |
| Spain | | | | |
| 4,780 | Industria de Diseno Textil, S.A. | 178,482 | 197,949 | 1.3% |
| United States | | | | |
| 4,470 | Altice USA, Inc. | 164,982 | 182,736 | |
| 2,530 | Ares Management Corporation | 115,955 | 178,145 | |
| 6,534 | Berkshire Hathaway Inc. Class B | 1,925,107 | 2,097,735 | |
| 390 | D.R. Horton, Inc. | 21,294 | 43,679 | |
| 1,152 | Danaher Corporation | 249,011 | 325,852 | |
| 470 | Facebook, Inc. Class A | 118,084 | 173,964 | |
| 3,012 | Oracle Corporation | 228,575 | 265,606 | |
| 680 | Stryker Corporation | 175,680 | 208,153 | |
| | | 2,998,688 | 3,475,870 | 22.1% |
| | Total investment portfolio | 7,009,336 | 8,842,534 | 56.3% |
| | Transaction costs | (5,008) | - | - |
| | | \$ 7,004,328 | 8,842,534 | 56.3% |
| | Other assets less liabilities | | 6,858,927 | 43.7% |
| | NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS | | \$ 15,701,461 | 100.0% |

(a) OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Fund may borrow on margin for the purposes of making investments. Collateral in the form of securities is required to secure the borrowing. Securities pledged as collateral have not been offset against the borrowing but are presented separately on the statements of financial position as investments that are pledged as collateral. The broker holding the collateral has the right to sell or re-pledge such securities in order to pay back the loan. However, the Fund does not have the right of offset. As at March 31, 2021 and September 30, 2020, there was no borrowing in the Fund.

(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 March 31, 2021 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 \$884,253 (September 30, 2020: \$553,088). 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 by industry sector as at March 31, 2021 and September 30, 2020:

| By Geographic Region | March 31, 2021 | September 30, 2020 |
|---------------------------------------|----------------|--------------------|
| Cash & Other Net Assets (Liabilities) | 43.7% | 28.5% |
| United States | 22.1% | 31.3% |
| Australia | 15.3% | 6.1% |
| Canada | 11.4% | 22.3% |
| Japan | 2.2% | 3.5% |
| South Korea | 1.5% | - |
| Spain | 1.3% | 2.3% |
| Guernsey | 1.2% | 2.0% |
| British Virgin Islands | 1.1% | 2.1% |
| India | 0.2% | 1.9% |
| Total | 100.0% | 100.0% |

| By Industry Sector | March 31, 2021 | September 30, 2020 |
|---------------------------------------|----------------|--------------------|
| Cash & Other Net Assets (Liabilities) | 43.7% | 28.5% |
| Health Care | 18.6% | 12.8% |
| Financials | 17.5% | 20.7% |
| Exchange Traded Funds | 9.6% | 19.4% |
| Communication Services | 4.5% | 7.6% |
| Information Technology | 3.2% | 3.1% |
| Consumer Discretionary | 1.6% | 3.8% |
| Consumer Staples | 1.1% | 2.2% |
| Industrials | 0.2% | 1.9% |
| Total | 100.0% | 100.0% |

Currency Risk

The tables below indicate the foreign currencies to which the Fund had significant exposure at March 31, 2021 and September 30, 2020 in Canadian dollar terms, net of the notional amounts of forward currency contracts. 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.

| March 31, 2021 | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|---|---------------|-------------------|------------------|--|-------------------|----------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| Australian Dollar | 394 | 2,394,293 | 2,394,687 | 39 | 239,429 | 239,468 |
| British Pound | 1 | - | 1 | - | - | - |
| Euro | 1,988 | 197,950 | 199,938 | 199 | 19,795 | 19,994 |
| Swiss Franc | 1 | - | 1 | - | - | - |
| United States Dollar | 6,974 | 4,744,363 | 4,751,337 | 697 | 474,436 | 475,133 |
| Total | 9,358 | 7,336,606 | 7,345,964 | 935 | 733,660 | 734,595 |
| % of net assets attributable to holders of redeemable units | 0.1% | 46.7% | 46.8% | - | 4.7% | 4.7% |

| September 30, 2020 | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|---|---------------|-------------------|------------------|--|-------------------|----------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| Australian Dollar | - | 475,698 | 475,698 | - | 47,570 | 47,570 |
| British Pound | 1 | - | 1 | - | - | - |
| Euro | 184 | 177,607 | 177,791 | 18 | 17,761 | 17,779 |
| Swiss Franc | 1 | - | 1 | - | - | - |
| United States Dollar | 6,305 | 3,376,573 | 3,382,878 | 631 | 337,657 | 338,288 |
| Total | 6,491 | 4,029,878 | 4,036,369 | 649 | 402,988 | 403,637 |
| % of net assets attributable to holders of redeemable units | 0.1% | 52.1% | 52.2% | - | 5.2% | 5.2% |

Interest Rate Risk

As at March 31, 2021 and September 30, 2020, the Fund did not have significant direct exposure to interest rate risk.

Credit Risk

As at March 31, 2021 and September 30, 2020, 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 portfolio of highly liquid equity securities. Redeemable units are redeemed on demand at the holder's option. All other obligations were due within 3 months from the financial reporting date.

Leverage Risk

As at March 31, 2021 and September 30, 2020, the Fund did not have significant direct exposure to leverage risk as borrowing was nil.

(c) FAIR VALUE MEASUREMENTS

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at March 31, 2021 and September 30, 2020:

| March 31, 2021 | Assets (Liabilities) | | | |
|-----------------|----------------------|--------------|--------------|------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Equities - Long | 8,842,534 | - | - | 8,842,534 |
| Total | 8,842,534 | - | - | 8,842,534 |

| September 30, 2020 | Assets (Liabilities) | | | |
|--------------------|----------------------|--------------|--------------|------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Equities - Long | 5,530,882 | - | - | 5,530,882 |
| Total | 5,530,882 | - | - | 5,530,882 |

(d) 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 investments in ETFs as at March 31, 2021 and September 30, 2020 is summarized below:

| March 31, 2021 | Investment at Fair Value (\$) | Net Asset Value (\$) | % of Net Asset Value |
|-----------------------------|-------------------------------|----------------------|----------------------|
| Horizons Cash Maximizer ETF | 1,505,928 | 1,049,660,000 | 0.1% |

| September 30, 2020 | Investment at Fair Value (\$) | Net Asset Value (\$) | % of Net Asset Value |
|-----------------------------|-------------------------------|----------------------|----------------------|
| Horizons Cash Maximizer ETF | 1,501,004 | 623,720,000 | 0.2% |

Statements of Financial Position (Unaudited)

| | As at | | As at | |
|--|----------------|------------------|--------------------|------------------|
| | March 31, 2021 | | September 30, 2020 | |
| Assets | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | \$ | 25,967 | \$ | 907,296 |
| Dividends receivable | | 6,910 | | 4,518 |
| Investments (note 5) | | 1,864,348 | | 1,511,209 |
| Investments - pledged as collateral (note 5 and 11) | | 586,826 | | 59,675 |
| Derivative assets | | - | | 213 |
| | | <u>2,484,051</u> | | <u>2,482,911</u> |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Borrowing (note 11) | | 411,409 | | - |
| Management fees payable | | 3,435 | | 3,728 |
| Performance fees payable | | 9,043 | | 1,594 |
| Expenses payable | | 1,440 | | 1,096 |
| Redemptions payable | | 8,746 | | - |
| Derivative liabilities | | 588 | | 19,875 |
| | | <u>434,661</u> | | <u>26,293</u> |
| Net Assets Attributable to Holders of Redeemable Units | \$ | 2,049,390 | \$ | 2,456,618 |
| Net Assets Attributable to Holders of Redeemable Units Per Series | | | | |
| Series A | | 1,980,038 | | 2,335,368 |
| Series F | | 69,352 | | 121,250 |
| | \$ | 2,049,390 | \$ | 2,456,618 |
| Number of Redeemable Units Outstanding (note 6) | | | | |
| Series A | | 242,951 | | 301,470 |
| Series F | | 7,762 | | 14,363 |
| Net Assets Attributable to Holders of Redeemable Units Per Unit | | | | |
| Series A | \$ | 8.15 | \$ | 7.75 |
| Series F | \$ | 8.93 | \$ | 8.44 |

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 (Unaudited)

| For the periods ended March 31, | 2021 | 2020 |
|---|-------------------|---------------------|
| Income | | |
| Net gain (loss) on investments and derivatives | | |
| Dividends | \$ 22,773 | \$ 40,371 |
| Interest for distribution purposes | - | 7,922 |
| Net realized gain (loss) on investments and options | 26,520 | 442,875 |
| Net realized gain (loss) on forward currency contracts | - | (70,197) |
| Change in unrealized appreciation (depreciation) on investments and derivatives | 119,995 | (931,452) |
| | <u>169,288</u> | <u>(510,481)</u> |
| Other income | | |
| Foreign exchange gain (loss) on cash and other net assets | (15,052) | 2,348 |
| Total income (net) | <u>154,236</u> | <u>(508,133)</u> |
| Expenses | | |
| Unitholder reporting costs | 74,315 | 68,714 |
| Management fees (note 8) | 20,646 | 35,064 |
| Performance fees (note 8) | 12,935 | - |
| Audit fees | 8,972 | 11,638 |
| Withholding tax expense | 3,268 | 2,879 |
| Independent review committee fees | 1,784 | 1,338 |
| Legal fees | 1,642 | 1,050 |
| Custodial fees | 1,531 | 3,387 |
| Transaction costs | 1,288 | 1,968 |
| Interest expense and bank charges (note 11) | 1,301 | - |
| Total operating expenses | <u>127,682</u> | <u>126,038</u> |
| Less: expenses absorbed by Manager | (82,116) | (75,961) |
| Net operating expenses | <u>45,566</u> | <u>50,077</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | <u>\$ 108,670</u> | <u>\$ (558,210)</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | \$ 103,297 | \$ (41,849) |
| Series A2 (note 1(c)) | \$ - | \$ (488,668) |
| Series F | \$ 5,373 | \$ (27,693) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit | | |
| Series A | \$ 0.38 | \$ (1.63) |
| Series A2 (note 1(c)) | \$ - | \$ (1.51) |
| Series F | \$ 0.43 | \$ (1.53) |

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

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

| For the periods ended March 31, | 2021 | | 2020 | |
|--|------|-----------|------|-----------|
| Net Assets Attributable to Holders of Redeemable Units at Beginning of Period | | | | |
| Series A | \$ | 2,335,368 | \$ | 252,589 |
| Series A2 (note 1(c)) | | - | | 3,369,570 |
| Series F | | 121,250 | | 195,549 |
| | | 2,456,618 | | 3,817,708 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | | | | |
| Series A | | 103,297 | | (41,849) |
| Series A2 (note 1(c)) | | - | | (488,668) |
| Series F | | 5,373 | | (27,693) |
| | | 108,670 | | (558,210) |
| Distributions to Holders of Redeemable Units | | | | |
| From return of capital | | | | |
| Series A | | - | | (6,914) |
| Series A2 (note 1(c)) | | - | | (86,527) |
| Series F | | - | | (4,851) |
| Net Decrease from Distributions to Holders of Redeemable Units | | - | | (98,292) |
| Redeemable Unit Transactions | | | | |
| Proceeds from redeemable units issued | | | | |
| Series A | | - | | - |
| Series A2 (note 1(c)) | | - | | 949 |
| Series F | | - | | 7,316 |
| | | - | | 8,265 |
| Reinvestments of distributions | | | | |
| Series A | | - | | 5,851 |
| Series A2 (note 1(c)) | | - | | 82,763 |
| Series F | | - | | 3,566 |
| | | - | | 92,180 |
| Redemptions of redeemable units | | | | |
| Series A | | (458,627) | | (15,590) |
| Series A2 (note 1(c)) | | - | | (512,502) |
| Series F | | (57,271) | | (43,908) |
| | | (515,898) | | (572,000) |
| Net Increase (Decrease) from Redeemable Unit Transactions | | (515,898) | | (471,555) |
| Net Assets Attributable to Holders of Redeemable Units at End of Period | | | | |
| Series A | | 1,980,038 | | 194,087 |
| Series A2 (note 1(c)) | | - | | 2,365,585 |
| Series F | | 69,352 | | 129,979 |
| | \$ | 2,049,390 | \$ | 2,689,651 |

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

Statements of Cash Flows (Unaudited)

| For the periods ended March 31, | 2021 | | 2020 | |
|---|------|------------------|------|------------------|
| Cash Flows from Operating Activities | | | | |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | \$ | 108,670 | \$ | (558,210) |
| Adjustments for: | | | | |
| Net realized (gain) loss on investments and options | | (26,520) | | (442,875) |
| Change in unrealized (appreciation) depreciation on investments and derivatives | | (119,995) | | 931,452 |
| Unrealized foreign exchange (gain) loss on cash | | 87 | | (1,221) |
| (Increase) decrease in interest receivable | | - | | (17) |
| (Increase) decrease in dividends receivable | | (2,392) | | (17,061) |
| Increase (decrease) in management fees, performance fees, and expenses payable | | 7,500 | | (1,609) |
| Purchase of investments | | (1,130,498) | | (60,227) |
| Proceeds from sale of investments | | 377,649 | | 1,664,876 |
| Net Cash Generated (Used) by Operating Activities | | (785,499) | | 1,515,108 |
| Cash Flows from Financing Activities | | | | |
| Increase (decrease) in borrowing | | 411,409 | | - |
| Change in margin cash | | - | | 5,307 |
| Distributions to holders of redeemable units, net of reinvested distributions | | - | | (6,198) |
| Proceeds from redeemable units issued (note 3) | | - | | 1,550 |
| Amount paid on redemption of redeemable units (note 3) | | (507,152) | | (560,697) |
| Net Cash Generated (Used) by Financing Activities | | (95,743) | | (560,038) |
| Net increase (decrease) in cash and cash equivalents | | (881,242) | | 955,070 |
| Unrealized foreign exchange gain (loss) on cash | | (87) | | 1,221 |
| Cash and cash equivalents - beginning of period | | 907,296 | | 455,600 |
| Cash and cash equivalents - end of period | | 25,967 | | 1,411,891 |
| Cash and cash equivalents comprise: | | | | |
| Cash at bank | \$ | 25,967 | \$ | 330,408 |
| Short-term investments | | - | | 1,081,483 |
| | \$ | 25,967 | \$ | 1,411,891 |
| From operating activities: | | | | |
| Interest received, net of withholding tax | \$ | - | \$ | 7,905 |
| Dividends received, net of withholding tax | \$ | 17,113 | \$ | 20,431 |
| From financing activities: | | | | |
| Interest paid | \$ | (524) | \$ | (4) |

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

Schedule of Investment Portfolio (Unaudited)

As at March 31, 2021

| No. of Shares/ (Contracts) | Security Name | Average Cost | Fair Value | % of Net Assets Attributable to Holders of Redeemable Units |
|-------------------------------|--------------------------------------|--------------|------------|--|
| EQUITIES | | | | |
| Bermuda | | | | |
| 190 | Groupe Bruxelles Lambert S.A. | \$ 24,190 | \$ 24,714 | 1.2% |
| Canada | | | | |
| 460 | Canadian National Railway Company | 52,965 | 67,086 | |
| 754 | Fortis, Inc. | 40,509 | 41,116 | |
| 510 | Metro Inc. | 30,312 | 29,238 | |
| 610 | Royal Bank of Canada | 52,307 | 70,681 | |
| 1,300 | Shaw Communications, Inc., Class B | 43,160 | 42,836 | |
| | | 219,253 | 250,957 | 12.3% |
| Cayman Islands | | | | |
| 3,600 | CK Hutchison Holdings Limited | 31,771 | 36,052 | 1.8% |
| Denmark | | | | |
| 350 | Coloplast A/S | 66,198 | 66,137 | 3.2% |
| France | | | | |
| 250 | Sanofi | 33,902 | 31,041 | 1.5% |
| Germany | | | | |
| 330 | Fresenius Medical Care AG & Co. KGaA | 36,224 | 30,503 | 1.5% |
| Japan | | | | |
| 450 | Hitachi, Ltd. | 22,954 | 25,558 | |
| 333 | ITOCHU Corporation | 12,051 | 13,557 | |
| 1,500 | Marubeni Corporation | 11,765 | 15,676 | |
| 1,500 | Mitsubishi Corporation | 46,700 | 53,287 | |
| 490 | mitsui & co., LTD. | 11,404 | 12,802 | |
| 2,100 | Sumitomo Corporation | 34,724 | 37,587 | |
| | | 139,598 | 158,467 | 7.7% |
| Spain | | | | |
| 1,300 | Red Electrica Corporacion S.A. | 29,770 | 28,929 | 1.4% |
| Switzerland | | | | |
| 200 | Nestle S.A. | 29,910 | 28,013 | |
| 280 | Novartis AG | 35,230 | 30,070 | |
| 70 | Roche Holding AG | 31,668 | 28,429 | |
| | | 96,808 | 86,512 | 4.2% |
| United Kingdom | | | | |
| 1,050 | Bunzl PLC | 29,736 | 42,258 | |
| 2,000 | Compass Group PLC | 44,471 | 50,641 | |
| 1,050 | Diageo PLC | 47,486 | 54,382 | |
| 600 | Halma PLC | 24,072 | 24,678 | |
| 2,200 | Prudential PLC | 41,664 | 58,716 | |
| 1,500 | SSE PLC | 35,870 | 37,812 | |
| 28,500 | Vodafone Group PLC | 62,691 | 65,117 | |
| | | 285,990 | 333,604 | 16.3% |
| United States | | | | |
| 16 | Alphabet Inc. Class A | 26,350 | 41,472 | |
| 17 | Alphabet Inc. Class C | 30,457 | 44,194 | |
| 33 | Amazon.com, Inc. | 117,422 | 128,315 | |
| 150 | American Tower Corporation | 49,899 | 45,064 | |
| 310 | Berkshire Hathaway Inc. Class B | 81,238 | 99,525 | |
| 520 | Cincinnati Financial Corporation | 45,705 | 67,368 | |
| 300 | Colgate-Palmolive Company | 30,743 | 29,720 | |
| 820 | Consolidated Edison, Inc. | 89,501 | 77,081 | |
| 100 | Costco Wholesale Corporation | 43,518 | 44,296 | |
| 525 | Federal Realty Investment Trust | 56,784 | 66,933 | |
| 800 | Hormel Foods Corporation | 52,994 | 48,036 | |
| 800 | iShares MSCI World ETF | 114,952 | 119,125 | |
| 240 | Johnson & Johnson | 48,647 | 49,569 | |
| 400 | JPMorgan Chase & Co. | 15,741 | 76,523 | |
| 150 | Kimberly-Clark Corporation | 29,699 | 26,212 | |
| 180 | McDonald's Corporation | 47,075 | 50,702 | |

Schedule of Investment Portfolio (Unaudited) (continued)

As at March 31, 2021

| No. of Shares/ (Contracts) | Security Name | Average Cost | Fair Value | % of Net Assets Attributable to Holders of Redeemable Units |
|--|---|---------------------|---------------------|--|
| 360 | Microsoft Corporation | 85,907 | 106,665 | |
| 140 | Target Corporation | 25,018 | 34,848 | |
| 110 | The Clorox Company | 30,528 | 26,663 | |
| 675 | The Coca-Cola Company | 44,801 | 44,712 | |
| 270 | The Procter & Gamble Company | 45,286 | 45,953 | |
| 210 | The Walt Disney Company | 30,563 | 48,696 | |
| 150 | Visa Inc., Class A | 39,398 | 39,912 | |
| 250 | Walmart Inc. | 44,570 | 42,674 | |
| | Total equities | <u>1,226,796</u> | <u>1,404,258</u> | <u>68.5%</u> |
| | | <u>2,190,500</u> | <u>2,451,174</u> | <u>119.6%</u> |
| DERIVATIVES - OPTIONS¹ | | | | |
| Call Options | | | | |
| United States | | | | |
| USD (4) | JPMorgan Chase & Co., Call 160, 04/16/21 | (612) | (588) | - |
| | Total options | <u>(612)</u> | <u>(588)</u> | <u>-</u> |
| | Total investment portfolio | 2,189,888 | 2,450,586 | 119.6% |
| | Transaction costs | <u>(2,307)</u> | <u>-</u> | <u>-</u> |
| | | <u>\$ 2,187,581</u> | <u>2,450,586</u> | <u>119.6%</u> |
| | Other assets less liabilities | | <u>(401,196)</u> | <u>(19.6%)</u> |
| | NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS | | <u>\$ 2,049,390</u> | <u>100.0%</u> |

¹ The contract size of the options is 100 shares, except as otherwise noted

(a) OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Fund may borrow on margin for the purposes of making investments. Collateral in the form of securities is required to secure the borrowing. Securities pledged as collateral have not been offset against the borrowing but are presented separately on the statements of financial position as investments that are pledged as collateral. The broker holding the collateral has the right to sell or re-pledge such securities in order to pay back the loan. However, the Fund does not have the right of offset. As at March 31, 2021, the amount borrowed was \$411,409 (September 30, 2020: \$nil).

(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 March 31, 2021 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 \$245,059 (September 30, 2020: \$155,122). 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 by industry sector as at March 31, 2021 and September 30, 2020:

| By Geographic Region | March 31, 2021 | September 30, 2020 |
|---------------------------------------|----------------|--------------------|
| United States | 68.5% | 41.5% |
| United Kingdom | 16.3% | 6.2% |
| Canada | 12.3% | 7.9% |
| Japan | 7.7% | - |
| Switzerland | 4.2% | 3.9% |
| Denmark | 3.2% | - |
| Cayman Islands | 1.8% | - |
| France | 1.5% | 1.4% |
| Germany | 1.5% | - |
| Spain | 1.4% | 1.3% |
| Belgium | 1.2% | - |
| Bermuda | - | 0.9% |
| Cash & Other Net Assets (Liabilities) | (19.6%) | 36.9% |
| Total | 100.0% | 100.0% |

| By Industry Sector | March 31, 2021 | September 30, 2020 |
|---------------------------------------|----------------|--------------------|
| Consumer Staples | 23.8% | 14.6% |
| Financials | 19.5% | 15.0% |
| Industrials | 13.8% | 4.5% |
| Consumer Discretionary | 12.7% | 7.7% |
| Communication Services | 11.8% | 4.1% |
| Information Technology | 9.4% | 4.1% |
| Utilities | 9.0% | 6.4% |
| Health Care | 8.3% | 5.1% |
| Exchanged trades Funds | 5.8% | - |
| Real Estate | 5.5% | 2.4% |
| Cash & Other Net Assets (Liabilities) | (19.6%) | 36.9% |
| Short positions Derivatives | - | (0.8%) |
| Total | 100.0% | 100.0% |

Currency Risk

The tables below indicate the foreign currencies to which the Fund had significant exposure at March 31, 2021 and September 30, 2020 in Canadian dollar terms, net of the notional amounts of forward currency contracts. 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.

| March 31, 2021 | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|---|------------------|-------------------|------------------|--|-------------------|----------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| British Pound | 806 | 333,604 | 334,410 | 81 | 33,360 | 33,441 |
| Danish Krone | - | 66,137 | 66,137 | - | 6,614 | 6,614 |
| Euro | - | 115,187 | 115,187 | - | 11,519 | 11,519 |
| Hong Kong Dollar | - | 36,051 | 36,051 | - | 3,605 | 3,605 |
| Japanese Yen | 2,472 | 158,467 | 160,939 | 247 | 15,847 | 16,094 |
| Norwegian Krone | 788 | - | 788 | 79 | - | 79 |
| Swiss Franc | 1 | 86,513 | 86,514 | - | 8,651 | 8,651 |
| United States Dollar | (283,639) | 1,446,506 | 1,162,868 | (28,364) | 144,651 | 116,287 |
| Total | (279,572) | 2,242,465 | 1,962,894 | (27,957) | 224,247 | 196,290 |
| % of net assets attributable to holders of redeemable units | (13.6%) | 109.4% | 95.8% | (1.4%) | 10.9% | 9.6% |

| September 30, 2020 | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|---|----------------|-------------------|------------------|--|-------------------|----------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| British Pound | 887 | 152,596 | 153,483 | 89 | 15,260 | 15,349 |
| Euro | 180,256 | 65,807 | 246,063 | 18,026 | 6,581 | 24,607 |
| Hong Kong Dollar | 1,518 | 22,360 | 23,878 | 152 | 2,236 | 2,388 |
| Japanese Yen | 197,210 | - | 197,210 | 19,721 | - | 19,721 |
| Norwegian Krone | 1,178 | - | 1,178 | 118 | - | 118 |
| Swiss Franc | 663 | 95,854 | 96,517 | 66 | 9,585 | 9,651 |
| United States Dollar | 522,365 | 1,019,474 | 1,541,839 | 52,237 | 101,947 | 154,184 |
| Total | 904,077 | 1,356,091 | 2,260,168 | 90,409 | 135,609 | 226,018 |
| % of net assets attributable to holders of redeemable units | 36.8% | 55.2% | 92.0% | 3.7% | 5.5% | 9.2% |

Interest Rate Risk

The Fund may have direct exposure to interest rate risk from its use of borrowing. As at March 31, 2021, the Fund borrowed \$411,409 (September 30, 2020: \$nil). If interest rates had doubled during the period, interest expense would have been higher and ending net assets attributable to holders of redeemable units would have been lower by \$1,902.

Credit Risk

As at March 31, 2021 and September 30, 2020, 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 portfolio of highly liquid equity securities. Redeemable units are redeemed on demand at the holder's option. All other obligations were due within 3 months from the financial reporting date.

The main concentration of liquidity risk arises from the Fund's borrowing activities. Borrowings are repayable upon demand and are partially covered by collateral held on account at the broker with whom the borrowings are made.

The Fund may write cash secured put options in accordance with its investment objectives and strategies. There were no put option contracts held as at March 31, 2021. The value of the securities and/or cash required to satisfy the options if they were exercised, is presented in the table below.

| Value of securities or cash required to satisfy put options | Less than 1 month (\$) | 1 to 3 months (\$) | Greater than 3 months and less than one year (\$) | Total (\$) |
|---|------------------------|--------------------|---|------------|
| September 30, 2020 | (306,257) | (168,441) | - | (474,698) |

Leverage Risk

As at March 31, 2021, the amount borrowed was \$411,409 (September 30, 2020: \$nil). The lender nets the amount borrowed with any cash balances held by the Fund and includes the impact of any securities bought or sold that are not yet paid by or to the Fund. When calculated this way, the borrowing percentage as at March 31, 2021 was 16.7%. Interest expense for the six-month period ended was \$951.

(c) FAIR VALUE MEASUREMENTS

The following tables illustrate the classifications of the Fund's financial instruments within the fair value hierarchy as at March 31, 2021 and September 30, 2020:

| March 31, 2021 | Assets (Liabilities) | | | Total (\$) |
|------------------------|----------------------|--------------|--------------|------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Derivative Liabilities | - | (588) | - | (588) |
| Equities – Long | 2,451,174 | - | - | 2,451,174 |
| Total | 2,451,174 | (588) | - | 2,450,586 |

| September 30, 2020 | Assets (Liabilities) | | | Total (\$) |
|------------------------|----------------------|-----------------|--------------|------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Derivative Assets | - | 213 | - | 213 |
| Derivative Liabilities | - | (19,875) | - | (19,875) |
| Equities – Long | 1,570,884 | - | - | 1,570,884 |
| Total | 1,570,884 | (19,662) | - | 1,551,222 |

(d) 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 March 31, 2021 is summarized below. There was no investment in ETFs as at September 30, 2020.

| March 31, 2021 | Investment at Fair Value (\$) | Net Asset Value (\$) | % of Net Asset Value |
|------------------------|-------------------------------|----------------------|----------------------|
| iShares MSCI World ETF | 119,125 | 1,519,572,800 | - |

Statements of Financial Position (Unaudited)

| | As at | | As at | |
|--|----------------|------------------|--------------------|----------------|
| | March 31, 2021 | | September 30, 2020 | |
| Assets | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | \$ | 769,232 | \$ | 258,933 |
| Subscriptions receivable | | 32,375 | | - |
| Dividends receivable | | 8,524 | | 702 |
| Investments (note 5) | | 1,507,434 | | 211,436 |
| Investments - pledged as collateral (note 5 and 11) | | 25,782 | | - |
| | | <u>2,343,347</u> | | <u>471,071</u> |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Borrowing (note 11) | | 18,095 | | - |
| Management fees payable | | 2,321 | | 458 |
| Performance fees payable | | 6,789 | | - |
| Expenses payable | | 2,292 | | 211 |
| Redemptions payable | | 763 | | - |
| | | <u>30,260</u> | | <u>669</u> |
| Net Assets Attributable to Holders of Redeemable Units | \$ | <u>2,313,087</u> | \$ | <u>470,402</u> |
| Net Assets Attributable to Holders of Redeemable Units Per Series | | | | |
| Series A | | 826,035 | | 159,807 |
| Series F | | 1,487,052 | | 310,595 |
| | \$ | <u>2,313,087</u> | \$ | <u>470,402</u> |
| Number of Redeemable Units Outstanding (note 6) | | | | |
| Series A | | 67,937 | | 16,296 |
| Series F | | 121,036 | | 31,519 |
| Net Assets Attributable to Holders of Redeemable Units Per Unit | | | | |
| Series A | \$ | 12.16 | \$ | 9.81 |
| Series F | \$ | 12.29 | \$ | 9.85 |

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.

Statement of Comprehensive Income (Unaudited)

| For the period ended March 31, | 2021 |
|---|-------------------|
| Income | |
| Net gain (loss) on investments and derivatives | |
| Dividends | \$ 18,564 |
| Interest for distribution purposes | 2,875 |
| Net realized gain (loss) on investments | 97,414 |
| Change in unrealized appreciation (depreciation) on investments | 146,368 |
| | <u>265,221</u> |
| Other income | |
| Foreign exchange gain (loss) on cash and other net assets | (450) |
| Total income (net) | <u>264,771</u> |
| Expenses | |
| Performance fees (note 8) | 33,407 |
| Unitholder reporting costs | 32,806 |
| Audit fees | 9,271 |
| Management fees (note 8) | 7,642 |
| Independent review committee fees | 1,843 |
| Withholding tax expense | 1,788 |
| Minimum Tax | 1,235 |
| Transaction costs | 1,018 |
| Custodial fees | 675 |
| Legal fees | 459 |
| Interest expense and bank charges (note 11) | 121 |
| Total operating expenses | <u>90,265</u> |
| Less: expenses absorbed by Manager | <u>(41,610)</u> |
| Net operating expenses | <u>48,655</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | <u>\$ 216,116</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series | |
| Series A | \$ 73,486 |
| Series F | \$ 142,630 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit | |
| Series A | \$ 1.91 |
| Series F | \$ 2.10 |

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

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

| For the period ended March 31, | 2021 |
|--|---------------------|
| Net Assets Attributable to Holders of Redeemable Units at Beginning of Period | |
| Series A | \$ 159,807 |
| Series F | <u>310,595</u> |
| | <u>470,402</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | |
| Series A | 73,486 |
| Series F | <u>142,630</u> |
| | <u>216,116</u> |
| Distributions to Holders of Redeemable Units | |
| From net realized gains on investments | |
| Series A | (2,558) |
| Series F | <u>(5,020)</u> |
| Net Decrease from Distributions to Holders of Redeemable Units | <u>(7,578)</u> |
| Redeemable Unit Transactions | |
| Proceeds from redeemable units issued | |
| Series A | 615,747 |
| Series F | <u>1,060,462</u> |
| | <u>1,676,209</u> |
| Reinvestments of distributions | |
| Series A | 2,558 |
| Series F | <u>4,873</u> |
| | <u>7,431</u> |
| Redemptions of redeemable units | |
| Series A | (23,005) |
| Series F | <u>(26,488)</u> |
| | <u>(49,493)</u> |
| Net Increase (Decrease) from Redeemable Unit Transactions | <u>1,634,147</u> |
| Net Assets Attributable to Holders of Redeemable Units at End of Period | |
| Series A | 826,035 |
| Series F | <u>1,487,052</u> |
| | <u>\$ 2,313,087</u> |

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

Statement of Cash Flows (Unaudited)

| For the period ended March 31, | 2021 |
|--|--------------------|
| Cash Flows from Operating Activities | |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | \$ 216,116 |
| Adjustments for: | |
| Net realized (gain) loss on investments | (97,414) |
| Change in unrealized (appreciation) depreciation on investments | (146,368) |
| Unrealized foreign exchange (gain) loss on cash | 25 |
| (Increase) decrease in dividends receivable | (7,822) |
| Increase (decrease) in management fees, performance fees, and expenses payable | 10,733 |
| Purchase of investments | (1,444,672) |
| Proceeds from sale of investments | 366,674 |
| Net Cash Generated (Used) by Operating Activities | <u>(1,102,728)</u> |
| Cash Flows from Financing Activities | |
| Increase (decrease) in borrowing | 18,095 |
| Distributions to holders of redeemable units, net of reinvested distributions | (147) |
| Proceeds from redeemable units issued (note 3) | 1,617,346 |
| Amount paid on redemption of redeemable units (note 3) | (22,242) |
| Net Cash Generated (Used) by Financing Activities | <u>1,613,052</u> |
| Net increase (decrease) in cash and cash equivalents | 510,324 |
| Unrealized foreign exchange gain (loss) on cash | (25) |
| Cash and cash equivalents - beginning of period | 258,933 |
| Cash and cash equivalents - end of period | <u>769,232</u> |
| Cash and cash equivalents comprise: | |
| Cash at bank | \$ 769,232 |
| From operating activities: | |
| Interest received, net of withholding tax | \$ 2,875 |
| Dividends received, net of withholding tax | \$ 8,954 |
| From financing activities: | |
| Interest paid | \$ (63) |

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

Schedule of Investment Portfolio (Unaudited)

As at March 31, 2021

| No. of Shares | Security Name | Average Cost | Fair Value | % of Net Assets Attributable to Holders of Redeemable Units |
|-----------------------|---|---------------------|---------------------|--|
| EQUITIES | | | | |
| Canada | | | | |
| 11,300 | Shaw Communications, Inc., Class B | \$ 391,807 | \$ 369,284 | |
| 6,700 | TC Energy Corp | 357,649 | 385,987 | |
| | | <u>749,456</u> | <u>755,271</u> | <u>32.7%</u> |
| Japan | | | | |
| 4,170 | Mitsubishi Corporation | 128,466 | 148,138 | |
| 600 | SoftBank Group Corp. | 19,097 | 32,091 | |
| | | <u>147,563</u> | <u>180,229</u> | <u>7.8%</u> |
| United Kingdom | | | | |
| 1,204 | Liberty Global PLC | 31,896 | 38,644 | |
| 12,500 | Vodafone Group PLC | 272,116 | 289,512 | |
| | | <u>304,012</u> | <u>328,156</u> | <u>14.2%</u> |
| United States | | | | |
| 1,480 | Citigroup Inc. | 91,348 | 135,309 | |
| 3,893 | Lumen Technologies, Inc. | 48,998 | 65,313 | |
| 1,160 | The Bank of New York Mellon Corporation | 53,787 | 68,938 | |
| | | <u>194,133</u> | <u>269,560</u> | <u>11.7%</u> |
| | Total investment portfolio | 1,395,164 | 1,533,216 | 66.4% |
| | Transaction costs | (831) | - | - |
| | | <u>\$ 1,394,333</u> | <u>1,533,216</u> | <u>66.4%</u> |
| | Other assets less liabilities | | 779,871 | 33.6% |
| | NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS | | <u>\$ 2,313,087</u> | <u>100.0%</u> |

(a) OFFSETTING ASSETS AND LIABILITIES

The Fund may borrow on margin for the purposes of making investments. Collateral in the form of securities is required to secure the borrowing. Securities pledged as collateral have not been offset against the borrowing but are presented separately on the statements of financial position as investments that are pledged as collateral. The broker holding the collateral has the right to sell or re-pledge such securities in order to pay back the loan. However, the Fund does not have the right of offset. As at March 31, 2021, the amount borrowed was \$18,095 (September 30, 2020: \$nil)

(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 March 31, 2021 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 \$153,322 (September 30, 2020: \$21,144). 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 March 31, 2021 and September 30, 2020.

| By Geographic Region | March 31, 2021 | September 30, 2020 |
|---------------------------------------|----------------|--------------------|
| Cash & Other Net Assets (Liabilities) | 33.6% | 55.1% |
| Canada | 32.7% | 17.5% |
| United Kingdom | 14.2% | - |
| United States | 11.7% | 22.2% |
| Japan | 7.8% | 5.2% |
| Total | 100.0% | 100.0% |

| By Industry Sector | March 31, 2021 | September 30, 2020 |
|---------------------------------------|----------------|--------------------|
| Communication Services | 34.2% | 9.1% |
| Cash & Other Net Assets (Liabilities) | 33.6% | 55.1% |
| Energy | 16.9% | - |
| Financials | 8.8% | 18.3% |
| Industrials | 6.5% | - |
| Real Estate | - | 17.5% |
| Total | 100.0% | 100% |

Currency Risk

The tables below indicate the foreign currencies to which the Fund had significant exposure as at March 31, 2021 and September 30, 2020 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.

| March 31, 2021 | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|---|---------------|-------------------|----------------|--|-------------------|---------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| Japanese Yen | 2,695 | 148,138 | 150,833 | 270 | 14,814 | 15,084 |
| Unites States Dollar | 37,235 | 629,807 | 667,042 | 3,724 | 62,981 | 66,705 |
| Total | 39,930 | 777,945 | 817,875 | 3,994 | 77,795 | 81,789 |
| % of net assets attributable to holders of redeemable units | 1.7% | 33.6% | 35.4% | 0.2% | 3.4% | 3.6% |

| September 30, 2020 | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|---|---------------|-------------------|----------------|--|-------------------|---------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| Unites States Dollar | 692 | 129,213 | 129,905 | 69 | 12,921 | 12,990 |
| Total | 692 | 129,213 | 129,905 | 69 | 12,921 | 12,990 |
| % of net assets attributable to holders of redeemable units | 0.1% | 27.5% | 27.6% | - | 2.7% | 2.7% |

Interest Rate Risk

The Fund may have direct exposure to interest rate risk from its use of borrowing. As at March 31, 2021, the Fund borrowed \$18,095 (September 30, 2020: \$nil). If interest rates had doubled during the period, interest expense would have been higher and ending net assets attributable to holders of redeemable units would have been lower by \$158.

Credit Risk

As at March 31, 2021 and September 30, 2020, 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 portfolio of highly liquid equity securities. Redeemable units are redeemed on demand at the holder's option. All other obligations were due within 3 months from the financial reporting date.

The main concentration of liquidity risk arises from the Fund's borrowing activities. Borrowings are repayable upon demand and are partially covered by collateral held on account at the broker with whom the borrowings are made.

Leverage Risk

As at March 31, 2021, the amount borrowed was \$18,095 (September 30, 2020: \$nil). The lender nets the amount borrowed with any cash balances held by the Fund and includes the impact of any securities bought or sold that are not yet paid by or to the Fund. When calculated this way, the borrowing percentage as at March 31, 2021 was 1.2%. Interest expense for the six-month period ended was \$79.

(c) FAIR VALUE MEASUREMENTS

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at March 31, 2021 and September 30, 2020:

| March 31, 2021 | Assets (Liabilities) | | | |
|-----------------|----------------------|--------------|--------------|------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Equities - Long | 1,533,216 | - | - | 1,533,216 |
| Total | 1,533,216 | - | - | 1,533,216 |

| September 30, 2020 | Assets (Liabilities) | | | |
|--------------------|----------------------|--------------|--------------|----------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Equities - Long | 211,436 | - | - | 211,436 |
| Total | 211,436 | - | - | 211,436 |

(d) STRUCTURED ENTITIES

As at March 31, 2021 and September 30, 2020, the Fund did not have any investments in structured entities.

1. GENERAL INFORMATION

(a) Portland 15 of 15 Alternative Fund, Portland Global Alternative Fund and Portland North American Alternative Fund (each a Fund and collectively referred to as the Funds) are open-ended alternative 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 14, 2021, as may be amended from time to time (the Prospectus). The formation date of the Funds and inception dates of each series of the Funds are as follows:

| Name of Fund | Formation Date of Fund | Inception Date | |
|--|------------------------|-------------------|-------------------|
| | | Series A | Series F |
| Portland 15 of 15 Alternative Fund (note 1(b)) | April 27, 2007 | May 29, 2014 | May 29, 2014 |
| Portland Global Alternative Fund (note 1(c)) | June 25, 2007 | December 17, 2013 | December 17, 2013 |
| Portland North American Alternative Fund | April 17, 2020 | April 17, 2020 | April 17, 2020 |

Portland Investment Counsel Inc. (the Manager) is the Investment Fund Manager, Portfolio Manager and Trustee of the Funds. The head office of the Funds 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 May 10, 2021. The Funds are authorized to issue an unlimited number of units in an unlimited number of series.

Each 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 (NAV) in securities of a single issuer (rather than 10% for conventional mutual funds); the ability to invest up to 100% or more of its NAV in physical commodities either directly or through the use of specified derivatives; borrow, up to 50% of its NAV, cash to use for investment purposes; sell, up to 50% of its NAV, 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 NAV. The following table presents the investment objective of each Fund.

| Name of Fund | Investment Objective |
|--|--|
| Portland 15 of 15 Alternative Fund | Provide positive long-term total returns by investing primarily in a portfolio of global equities and debt-like securities. In selecting its investment, the Fund considers 15 principles/attributes, which the Manager believes, will result in successful wealth creation. |
| Portland Global Alternative Fund | Provide positive long-term total returns consisting of both income and capital gains by investing primarily in a portfolio of global equities and debt-like securities. |
| Portland North American Alternative Fund | Achieve, over the long-term, preservation of capital and a satisfactory return through focused investing in long security positions. |

The statements of financial position of the Funds are as at March 31, 2021 and September 30, 2020. The statements of comprehensive income, changes in net assets attributable to holders of redeemable units, and cash flows of the Funds are for the six-month periods ended March 31, 2021 and March 31, 2020 unless the Fund commenced operations during either year. The schedule of investment portfolio is as at March 31, 2021.

(b) Effective April 20, 2020, the Series A2 Units of Portland Global Dividend Fund were merged into Series A Units of Portland Global Dividend Fund and Portland Advantage Fund, Portland Value Fund and Portland 15 of 15 Fund (collectively the Terminated Funds) were merged into Portland Global Dividend Fund, which was then converted to an alternative mutual fund, and renamed Portland 15 of 15 Alternative Fund (the Continuing Fund). The Continuing Fund acquired all of the assets and assumed all of the liabilities of the Terminated Funds in exchange for units of the Continuing Fund. The financial statements of the Continuing Fund include the results of operations of the Terminated Funds from the date of the merger. In addition, effective April 20, 2020, the management fees decreased from 2.0% and 1.0% to 1.75% and 0.75% on Series A and Series F, respectively. The exchange ratios, total number of units issued by the Continuing Fund and the NAV acquired are summarized below:

| Merging Fund | Exchange Ratio | Continuing Fund | Number of Units Issued | Net Asset Value Acquired (\$) |
|-------------------------|----------------|------------------------------------|------------------------|-------------------------------|
| Portland Advantage Fund | | Portland 15 of 15 Alternative Fund | | 1,593,513 |
| Series A | 0.9968 | Series A | 164,321 | |
| Series F | 0.9835 | Series F | 75,513 | |
| Portland Value Fund | | Portland 15 of 15 Alternative Fund | | 352,879 |
| Series A | 0.7892 | Series A | 15,259 | |
| Series F | 0.7481 | Series F | 36,615 | |
| Portland 15 of 15 Fund | | Portland 15 of 15 Alternative Fund | | 999,855 |
| Series A | 1.4494 | Series A | 139,032 | |
| Series F | 1.3999 | Series F | 13,555 | |

(c) Effective April 20, 2020, the Series A2 Units of Portland Global Banks Funds were merged into Series A Units of Portland Global Bank Fund. In addition, effective April 20, 2020, the management fees decreased from 2.00% and 1.00% to 1.75% and 0.75% on Series A and Series F, respectively and the Fund was converted to an alternative mutual fund and been renamed Portland Global Alternative Fund.

2. BASIS OF PRESENTATION

These financial statements of the Funds have been prepared in compliance 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 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.

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 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. 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 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' or 'Net realized gain (loss) on investments and options' in the statements of comprehensive income.

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'.

When the Funds write an option, an amount equal to fair value which is based on the premium received by the Funds is recorded as a liability. When options are closed, the difference between the premium and the amount received, net of brokerage commissions, or the full amount of the premium if the option expires worthless, is recognized as a gain or loss and is presented in the statements of comprehensive income within 'Net realized gain (loss) on investments and options'. When a written call option is exercised, the amount of gain or loss realized from the disposition of the related investment at the exercise price, plus the premiums received at the time the option was written are included in the statements of comprehensive income within 'Net realized gain (loss) on investments and options'. When a written put option is exercised, the amount of premiums received is deducted from the cost to acquire the related investment.

Option premiums are paid when a Fund purchases an option recorded as an asset. Exchange traded options are valued at their last traded market price where the last traded market price falls within the day's bid-ask spread. In cases where the last traded price is not within the day's bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances.

Realized gains and losses relating to purchased options may arise from:

- i. Expiration of purchased options - realized losses will arise equal to the premium paid;
- ii. Exercise of the purchased options - realized gains will arise up to the intrinsic value of the option net of premiums paid; or

iii. Closing of the purchased options - realized gains or losses will arise equal to the proceeds from selling the options to close the position, net of any premium paid.

Realized gains and losses related to options are included in 'Net realized gain (loss) on investments and options' in the statements of comprehensive income.

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. 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.

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 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 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 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 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 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 which are amortized on a straight line basis. 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. Realized foreign exchange gains and losses related to investments and options are recognized when incurred and are presented in the statements of comprehensive income within 'Net realized gain (loss) on investments' or 'Net realized gain (loss) on investments and options'. Realized gains and losses on forward currency contracts are recognized when incurred and are presented in the statements of comprehensive income 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.

'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. Where cash and cash equivalents are in net bank overdraft positions, these are presented as current liabilities in the statements of financial position.

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. The premium received on a written put option is added to the cost of investments acquired when the written put option is exercised.

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, performance fees and other operating expenses, are recorded on an accrual basis. Interest charged on margin borrowing is 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.

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 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.

Management fee distributions are accounted for as distributions for financial reporting purposes and reinvested in additional units of the same series of a Fund. Management fee distributions are paid first out of net income or net realized capital gains and, thereafter, out of capital.

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.

Collateral

Cash collateral provided by the Funds is identified in the statements of financial position as ‘Margin accounts’ and is not included as a component of cash and cash equivalents.

Collateral other than cash is classified in the statements of financial position separately from other assets and liabilities as ‘Investments - pledged as collateral’ if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral.

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 six-month periods ended March 31, 2021 and March 31, 2020.

| | March 31, 2021 (\$) | March 31, 2020 (\$) |
|--|------------------------|------------------------|
| Portland 15 of 15 Alternative Fund | 43,664 | - |
| Portland Global Alternative Fund | - | 6,715 |
| Portland North American Alternative Fund | 26,488 | - |

Future accounting changes

New standards, amendments and interpretations effective after January 1, 2021 and that have not been early adopted

There are no new accounting standards effective after January 1, 2021 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.

Fair value of foreign securities

The Manager has procedures in place to determine the fair value of foreign securities traded in foreign markets to avoid stale prices and to take into account, among other things, any subsequent events occurring after the close of a foreign market. The Manager's fair value pricing techniques involve assigning values to the Funds' portfolio holdings that may differ from the closing prices on the foreign securities exchanges. The Manager will do this in circumstances where it has in good faith determined that to do so better reflects the market values of the securities in question.

Coronavirus (COVID-19) Impact

While the precise impact of the recent novel coronavirus COVID-19 outbreak remains unknown, it has introduced uncertainty and volatility in global markets and economies, resulting in an economic slowdown. The governments have designed significant monetary and fiscal interventions to stabilize the current economic conditions. This is a developing situation and might impact each Fund's ability to generate income. Currently, it is unknown as to the impact on each Fund's receivables and investments if COVID-19 persists for an extended period. The Funds may incur reductions in revenue relating to such events outside of their control, which could have a material adverse impact on each Fund's business, operating results, revenues and financial condition. The Manager is in the process of assessing the impact of COVID-19, however, given the fluidity and significant volatility of the situation, it is not possible to quantify the impact at this stage. No adjustments have been reflected in the financial statements at this time.

5. FINANCIAL INSTRUMENTS**(a) Risk Management**

The Funds' 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. The Funds' 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 Funds' 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.

Leverage risk

When a Fund makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on equities, fixed-income securities or other portfolio assets, leverage may be introduced into each Fund. Leverage occurs when a Fund borrows to invest or when a Fund's notional exposure to underlying assets is greater than the amount invested. It is an investment technique that can magnify gains and losses. Consequently, any adverse change in the value or level of the Fund's investments, or of the underlying assets, rate or index to which the Fund's investments relate, may amplify losses compared to those that would have been incurred if the Fund had not borrowed to invest or if the underlying asset had been directly held by a Fund. This may result in losses greater than if the Fund had not borrowed to invest, or, in the case of derivatives, losses greater than the amount invested in the derivative itself. The Funds may borrow, up to 50% of their NAV, cash to use for investment purposes and are subject to an aggregate exposure limit of 300% of their net asset values. The Fund pledges securities as collateral and is able to borrow up to limits imposed by the broker it has pledged the collateral to. The amount of borrowing allowed by the broker depends on the nature of the securities pledged. The Fund pays interest on the amounts borrowed. Interest is accrued daily and paid monthly.

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. The Funds are subject to increased concentration risk as they are permitted to invest up to 20% of their NAV in the securities of a single issuer.

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.

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 the Funds 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, the Funds may borrow, up to 50% of their NAV, cash to use for investment purposes and are subject to an aggregate exposure limit of 300% of their net asset values. The Funds may not invest more than 20% of its net assets at the time of purchase in securities of a single issuer nor invest in more than 10% of any issuer's outstanding voting securities at the time of purchase.

(b) 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 six-month periods ended March 31, 2021 and March 31, 2020 were as follows:

| March 31, 2021 | Beginning Balance | Units Issued Including Switches from Other Series | Units Reinvested | Units Redeemed Including Switches from Other Series | Ending Balance | Weighted Average Number of Units |
|--|-------------------|---|------------------|---|----------------|--|
| Portland 15 of 15 Alternative Fund | | | | | | |
| Series A Units | 851,881 | 532,448 | - | 45,139 | 1,339,190 | 1,035,420 |
| Series F Units | 236,257 | 390,508 | - | 12,884 | 613,881 | 421,473 |
| Portland Global Alternative Fund | | | | | | |
| Series A Units | 301,470 | - | - | 58,519 | 242,951 | 272,530 |
| Series F Units | 14,363 | - | - | 6,601 | 7,762 | 12,405 |
| Portland North American Alternative Fund | | | | | | |
| Series A Units | 16,296 | 53,494 | 229 | 2,082 | 67,937 | 38,387 |
| Series F Units | 31,519 | 91,228 | 433 | 2,144 | 121,036 | 68,015 |

| March 31, 2020 | Beginning Balance | Units Issued Including Switches from Other Series | Units Reinvested | Units Redeemed Including Switches from Other Series | Ending Balance | Weighted Average Number of Units |
|------------------------------------|-------------------|---|------------------|---|----------------|--|
| Portland 15 of 15 Alternative Fund | | | | | | |
| Series A Units | 11,979 | - | 262 | 5,906 | 6,315 | 8,579 |
| Series A2 Units (note 1 (b)) | 289,783 | - | 8,148 | 56,521 | 241,410 | 270,860 |
| Series F Units | 30,526 | 300 | 516 | 11,949 | 19,393 | 24,511 |
| Portland Global Alternative Fund | | | | | | |
| Series A Units | 26,623 | - | 616 | 1,563 | 25,676 | 25,608 |
| Series A2 Units (note 1 (c)) | 347,473 | 88 | 8,483 | 50,642 | 305,402 | 324,350 |
| Series F Units | 19,155 | 735 | 345 | 4,378 | 15,857 | 18,101 |

7. TAXATION

Portland 15 of 15 Alternative Fund and Portland Global Alternative Fund qualify as mutual fund trusts within the meaning of the Income Tax Act (Canada) (the Tax Act).

Portland North American Alternative Fund (the Unit Trust) has registered investment status and will qualify as a mutual fund trust once it has 150 qualifying unitholders. The Unit Trust could be subject to a 40% tax under Part XII.2 of the Tax Act and may incur Minimum Tax as defined in the Tax Act. Minimum Tax may arise if the unit trust retains capital gains by virtue of applying: a) expenses, b) non-capital loss carry forwards, or c) dividend tax credits against those gains. Minimum Tax may also arise in certain circumstances where dividend income is retained to utilize the dividend tax credit. Minimum Tax is reflected as an expense on the statements of comprehensive income, if applicable. The Unit Trust will be liable for tax under Part X.2 of the Tax Act if, at the end of any month, the Fund holds property that is not a "qualified investment" for an RRSP, RRIF or DPSP.

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. Withholding taxes are shown as a separate item in the statements of comprehensive income.

The taxation year-end for the Funds is December 15, except for the Unit Trust which has taxation year-ends of December 31.

The following chart presents the amount of non-capital loss carry forwards available to the Funds by year of expiry. There is no non-capital loss carry forwards for Portland 15 of 15 Alternative Fund or Portland North American Alternative Fund.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

| | 2030 (\$) | 2032 (\$) | 2033 (\$) | 2035 (\$) | 2038 (\$) | 2039 (\$) | 2039 (\$) | Total (\$) |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Portland Global Alternative Fund | 56,541 | 1,913 | 336,358 | 56,124 | 15,344 | - | 31,351 | 497,631 |

The following chart presents the amount of unused gross capital losses which can be carried forward indefinitely by the Funds. There is no unused gross capital losses for Portland North American Alternative Fund.

| | Total (\$) |
|------------------------------------|---------------|
| Portland 15 of 15 Alternative Fund | 26,620,208 |
| Portland Global Alternative Fund | 160,415,312 |

8. MANAGEMENT FEES, PERFORMANCE 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 15 of 15 Alternative Fund | 1.75% | 0.75% |
| Portland Global Alternative Fund | 1.75% | 0.75% |
| Portland North American Alternative Fund | 1.75% | 0.75% |

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.

Prior to April 20, 2020, the Manager offered a reduced management fee to selected unitholders who invest significant assets in the Funds or who have a certain account type such as a managed account. The reduced management fee is achieved by reducing the management fee charged by the Manager to a Fund based on the NAV of the units held by such unitholder and the Fund distributing the amount of the reduction as a special distribution to the particular unitholder (a management fee distribution), which is reinvested in additional units of the same series of a Fund.

The Manager is entitled to receive a performance fee (Performance Fee), calculated and accrued on each business day for each series of units and paid monthly. The Performance Fee is equal to: (a) 10% of the amount by which the NAV of the series of units on that business day (including the effect of any declared distributions on said business day and adjusted to exclude the accrual of the Performance Fee) exceeds the High Water Mark (as defined below); multiplied by (b) the number of units of that series outstanding on such business day, prior to giving effect to subscriptions, redemptions and distributions re-invested on such date. For each series of units that is subject to a Performance Fee, a high water mark (High Water Mark) will be calculated for use in the determination of the Performance Fee. The highest NAV on the last business day of the month (minus the effect of any declared distributions since the business day at which the last Performance Fee became payable) for each series of units, upon which a Performance Fee was paid, establishes a High Water Mark for each series of units which must be exceeded subsequently for the Performance Fee applicable to each series of units to be payable. At the inception of each series of a Fund to which a Performance Fee may be applicable, the High Water Mark will be the initial NAV of the series of units. Performance Fees will be accrued daily such that the NAV reflects such accrual. A separate Performance Fee is calculated for each series of units offered by a Fund.

Certain Funds may invest in mutual funds, investment funds, 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, Performance 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. The ascertainable value of the third party soft dollar arrangements in connection with portfolio transactions for the six-month periods ended March 31, 2021 and March 31, 2020 are presented in the table below:

| | March 31, 2021 (\$) | March 31, 2020 (\$) |
|--|------------------------|------------------------|
| Portland 15 of 15 Alternative Fund | 17 | 239 |
| Portland Global Alternative Fund | 46 | 270 |
| Portland North American Alternative Fund | - | - |

10. RELATED PARTY TRANSACTIONS

The following tables outline the management fees, Performance Fees and operating expense reimbursements that were paid to the Manager by the Funds during the six-month periods ended March 31, 2021 and March 31, 2020. 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.

| March 31, 2021 | Management Fees (\$) | Performance Fees (\$) | Operating Expense Reimbursement (\$) | Absorbed Operating Expenses (\$) | Operating Expenses Reimbursed to Affiliates of the Manager (\$) |
|--|-------------------------|--------------------------|---|-------------------------------------|--|
| Portland 15 of 15 Alternative Fund | 80,794 | 127,820 | 28,149 | 8,047 | 450 |
| Portland Global Alternative Fund | 18,885 | 11,832 | 5,606 | 75,113 | 450 |
| Portland North American Alternative Fund | 6,765 | 29,573 | 3,048 | 36,835 | 450 |

| March 31, 2020 | Management Fees (\$) | Operating Expense Reimbursement (\$) | Absorbed Operating Expenses (\$) | Operating Expenses Reimbursed to Affiliates of the Manager (\$) |
|------------------------------------|-------------------------|---|-------------------------------------|--|
| Portland 15 of 15 Alternative Fund | 20,975 | 5,947 | 62,675 | 633 |
| Portland Global Alternative Fund | 32,028 | 9,289 | 69,405 | 614 |

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

| As at March 31, 2021 | Management Fees (\$) | Performance Fees (\$) | Operating Expense Reimbursement (\$) |
|--|-------------------------|--------------------------|---|
| Portland 15 of 15 Alternative Fund | 18,497 | 29,878 | 6,614 |
| Portland Global Alternative Fund | 3,145 | 8,272 | 927 |
| Portland North American Alternative Fund | 2,054 | 5,998 | 918 |

| As at September 30, 2020 | Management Fees (\$) | Performance Fees (\$) | Operating Expense Reimbursement (\$) |
|--|-------------------------|--------------------------|---|
| Portland 15 of 15 Alternative Fund | 9,439 | 4,685 | 3,139 |
| Portland Global Alternative Fund | 3,410 | 1,456 | 1,003 |
| Portland North American Alternative Fund | 406 | - | 186 |

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 the Manager and Related Parties on each reporting date.

| As at March 31, 2021 | Manager | Related Parties |
|--|---------|-----------------|
| Portland 15 of 15 Alternative Fund | - | 97,371 |
| Portland Global Alternative Fund | - | 2,132 |
| Portland North American Alternative Fund | - | 15,102 |

| As at March 31, 2020 | Manager | Related Parties |
|------------------------------------|---------|-----------------|
| Portland 15 of 15 Alternative Fund | - | 988 |
| Portland Global Alternative Fund | - | 2,126 |

11. BROKERAGE FACILITY

The Funds have a Settlement Services Agreement with RBC Dominion Securities Inc. (RBCDS), and have placed securities and cash on account with RBCDS as collateral for their option writing strategy and/or borrowing. Such non-cash collateral has been classified separately within the statements of financial position from other assets and is identified as 'Investments - pledged as collateral'. Cash collateral has been classified separately on the statements of financial position as 'Margin accounts'. 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 Funds in order to set off against amounts owing to them from the Funds. The facility is replayable upon demand.

The rate of interest payable on borrowed money in Canadian dollars for Portland 15 of 15 Alternative and Portland Global Alternative Funds is Bank of Canada + 100bps and Canadian Dealer Offered Rate + 50bps for Portland North American Alternative Fund. The rate of interest payable in U.S. dollars is the Federal Funds + 100bps for Portland 15 of 15 Alternative and Portland Global Alternative Funds and LIBOR (London Interbank Offered Rate) + 50bps for Portland North American Alternative Fund.

The amount borrowed, minimum and maximum amounts borrowed and the amount of interest paid during the six-month periods ended March 31, 2021 are presented below. There was no borrowing as at March 31, 2020.

| March 31, 2021 | Amount Borrowed (\$) | Minimum Amount Borrowed (\$) | Maximum Amount Borrowed (\$) | Inter (\$) |
|--|-------------------------|------------------------------------|------------------------------------|---------------|
| Portland 15 of 15 Alternative Fund | - | - | - | - |
| Portland Global Alternative Fund | 411,409 | - | 415,974 | 951 |
| Portland North American Alternative Fund | 18,095 | - | 20,010 | 79 |

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

The NAV per unit of the Funds may be higher than the net assets attributable to holders of redeemable units per unit because of the difference in the date of the month end NAV and financial statement date. As a result, the NAV per unit is higher than net assets attributable to holders of redeemable units per unit. As at March 31, 2021 and September 30, 2020, 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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