PORTLAND
INVESTMENT COUNSEL®

Portland Focused Plus Fund LP

Portland Focused Plus Fund

Financial Statements

December 31, 2017

Portland Focused Plus Fund LP
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Financial Statements

December 31, 2017

Management's Responsibility for Financial Reporting

The accompanying financial statements of Portland Focused Plus Fund LP (the Partnership) have been prepared by Portland Investment Counsel Inc. in its capacity as manager (the Manager) of the Partnership. The Manager of the Partnership is responsible for the information and representations contained in these financial statements. The Board of Directors of the general partner of the Partnership, Portland General Partner (Alberta) Inc. (the General Partner) has 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 Partnership are described in Note 3 to these financial statements.

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

"Michael Lee-Chin"

Michael Lee-Chin
Director
March 5, 2018

"Robert Almeida"

Robert Almeida
Director
March 5, 2018

March 5, 2018

Independent Auditor's Report

To the Partners of:

Portland Focused Plus Fund LP (the Partnership)

We have audited the accompanying financial statements of the Partnership, which comprise the statements of financial position as at December 31, 2017 and 2016 and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years ended December 31, 2017 and 2016 and the related notes which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2017 and 2016 and its financial performance and its cash flows for the years ended December 31, 2017 and 2016 in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licenced Public Accountants
Toronto, Canada

Statements of Financial Position

as at December 31,		2017		2016
Assets				
Current Assets				
Cash and cash equivalents	$	993	$	1,277
Subscriptions receivable		267,300		1,423,500
Interest receivable		-		49
Dividends receivable		166,395		59,430
Investments (note 4)		23,612,999		15,531,152
Investments - pledged as collateral (note 4 and 10)		48,191,785		21,298,018
		72,239,472		38,313,426
Liabilities				
Current Liabilities				
Borrowing (note 10)		33,726,301		14,908,016
Management fees payable		23,375		15,461
Performance fees payable		-		54,055
Expenses payable		70,086		24,460
Redemptions payable		-		12,769
Organization expenses payable		-		12,795
		33,819,762		15,027,556
Net Assets Attributable to Holders of Redeemable Units	$	38,419,710	$	23,285,870
Equity				
General Partner's Equity		100		100
Net Assets Attributable to Holders of Redeemable Units Per Series				
Series A		925,484		464,211
Series F		12,592,124		7,523,814
Series M		12,504,293		9,629,518
Series P		12,397,709		5,668,227
	$	38,419,610	$	23,285,770
Number of Redeemable Units Outstanding (note 5)				
Series A		6,871		4,013
Series F		88,973		62,490
Series M		79,328		73,300
Series P		84,496		45,845
Net Assets Attributable to Holders of Redeemable Units per Unit				
Series A		134.69		115.68
Series F		141.53		120.40
Series M		157.63		131.37
Series P		146.72		123.64

Approved by the Board of Directors of Portland General Partner (Alberta) Inc.

"Michael Lee-Chin" *"James Cole"*

Director Director

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

Statements of Comprehensive Income

for the periods ended December 31,	2017	2016
Income		
Net gain (loss) on investments		
Dividends	$ 1,825,079	$ 869,379
Interest for distribution purposes	143,168	22,683
Net realized gain (loss) on investments	3,361,182	3,313,431
Change in unrealized appreciation (depreciation) on investments	718,205	3,958,443
	6,047,634	8,163,936
Other income		
Foreign exchange gain (loss) on cash and other net assets	612,082	(481,357)
Total income (net)	6,659,716	7,682,579
Expenses		
Performance fees (note 7)	442,639	384,234
Interest expense and bank charges (note 10)	390,405	115,645
Management fees (note 7)	235,399	156,538
General and administrative expenses	136,852	60,975
Withholding tax expense	22,239	40,354
Transaction costs	16,085	34,212
Audit fees	10,714	10,471
Legal and registration fees	4,090	9,353
Independent review committee fees	3,153	3,501
Custodial fees	142	-
Total operating expenses	1,261,718	815,283
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ 5,397,998	$ 6,867,296
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	106,210	104,142
Series F	1,527,111	1,875,377
Series M	2,035,195	3,410,550
Series P	1,729,482	1,477,227
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	19.74	32.83
Series F	20.78	35.89
Series M	26.26	39.81
Series P	23.22	34.25

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

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

for the periods ended December 31,	2017	2016
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period		
Series A	$ 464,211	$ 303,104
Series F	7,523,814	4,087,232
Series M	9,629,518	9,249,287
Series P	5,668,227	3,910,761
	23,285,770	17,550,384
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Series A	106,210	104,142
Series F	1,527,111	1,875,377
Series M	2,035,195	3,410,550
Series P	1,729,482	1,477,227
	5,397,998	6,867,296
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	444,729	299,501
Series F	4,722,102	2,370,822
Series M	1,095,940	-
Series P	5,000,000	4,000,000
	11,262,771	6,670,323
Redemptions of redeemable units		
Series A	(89,666)	(242,536)
Series F	(1,180,903)	(809,617)
Series M	(256,360)	(3,030,319)
Series P	-	(3,719,761)
	(1,526,929)	(7,802,233)
Net Increase (Decrease) from Redeemable Unit Transactions	9,735,842	(1,131,910)
Net Assets Attributable to Holders of Redeemable Units at End of Period		
Series A	925,484	464,211
Series F	12,592,124	7,523,814
Series M	12,504,293	9,629,518
Series P	12,397,709	5,668,227
	$ 38,419,610	$ 23,285,770

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

Statements of Cash Flows

for the periods ended December 31,	2017	2016
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ 5,397,998	$ 6,867,296
Adjustments for:		
Net realized (gain) loss on investments	(3,361,182)	(3,313,431)
Change in unrealized (appreciation) depreciation on investments	(718,205)	(3,958,443)
Unrealized foreign exchange (gain) loss on cash	(683,300)	(75,149)
(Increase) decrease in interest receivable	49	(49)
(Increase) decrease in dividends receivable	(106,965)	149,245
Increase (decrease) in management fees, performance fees, and expenses payable	(515)	74,288
Increase (decrease) in organization expenses payable	(12,795)	(15,353)
Purchase of investments	(51,804,004)	(59,153,264)
Proceeds from sale of investments	20,907,777	65,114,228
Net Cash Generated (Used) by Operating Activities	(30,381,142)	5,689,368
Cash Flow from Financing Activities		
Increase (decrease) in borrowing	18,818,285	(3,410,511)
Proceeds from redeemable units issued	11,823,031	5,307,764
Amount paid on redemption of redeemable units	(943,758)	(7,662,405)
Net Cash Generated (Used) by Financing Activities	29,697,558	(5,765,152)
Net increase (decrease) in cash and cash equivalents	(683,584)	(75,784)
Unrealized foreign exchange gain (loss) on cash	683,300	75,149
Cash and cash equivalents - beginning of period	1,277	1,912
Cash and cash equivalents - end of period	993	1,277
Cash and cash equivalents comprise:		
Cash at bank	993	1,277
From operating activities:		
Interest received, net of withholding tax	$ 143,217	$ 22,634
Dividends received, net of withholding tax	$ 1,695,875	$ 978,270
From financing activities:		
Interest paid	$ 351,598	$ 100,168

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

Schedule of Investment Portfolio
as at December 31, 2017

No. of Shares	Security Name	Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES				
Canada				
40,000	Canadian Imperial Bank of Commerce	$ 4,319,576	$ 4,901,600	
242,546	Emera Incorporated	10,885,099	11,394,811	
253,558	Fortis Inc.	10,302,283	11,691,560	
285,100	RioCan Real Estate Investment Trust	7,051,384	6,945,036	
102,400	The Bank of Nova Scotia	7,977,839	8,306,688	
108,500	The Toronto-Dominion Bank	7,066,104	7,991,025	
		47,602,285	51,230,720	133.3%
United States				
3,800	Berkshire Hathaway Inc. Class B	672,597	946,817	
82,500	Time Warner Inc.	10,248,665	9,485,668	
111,100	Walgreens Boots Alliance, Inc.	9,352,823	10,141,579	
		20,274,085	20,574,064	53.6%
	Total investment portfolio	67,876,370	71,804,784	186.9%
	Transaction costs	(16,458)	-	-
		$ 67,859,912	71,804,784	186.9%
	Liabilities less other assets		(33,385,174)	(86.9%)
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		$ 38,419,610	100.0%

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

(a) FINANCIAL INSTRUMENTS BY CATEGORY

The following tables present the carrying amounts of the Partnership's financial instruments by category as at December 31, 2017:

Assets	Financial assets at FVTPL Designated at Inception ($)	Financial assets at amortized cost ($)	Total ($)
Cash and cash equivalents	-	993	993
Subscriptions receivable	-	267,300	267,300
Dividends receivable	-	166,395	166,395
Investments	23,612,999	-	23,612,999
Investments - pledged as collateral	48,191,785	-	48,191,785
Total	**71,804,784**	**434,688**	**72,239,472**

Liabilities	Financial liabilities at FVTPL Designated at Inception ($)	Financial liabilities at amortized cost ($)	Total ($)
Borrowing	-	33,726,301	33,726,301
Management fees payable	-	23,375	23,375
Expenses payable	-	70,086	70,086
Total	**-**	**33,819,762**	**33,819,762**

The following tables present the carrying amounts of the Partnership's financial instruments by category as at December 31, 2016:

Assets	Financial assets at FVTPL Designated at Inception ($)	Financial assets at amortized cost ($)	Total ($)
Cash and cash equivalents	-	1,277	1,277
Subscriptions receivable	-	1,423,500	1,423,500
Interest receivable	-	49	49
Dividends receivable	-	59,430	59,430
Investments	15,531,152	-	15,531,152
Investments - pledged as collateral	21,298,018	-	21,298,018
Total	**36,829,170**	**1,484,256**	**38,313,426**

Liabilities	Financial liabilities at FVTPL Designated at Inception ($)	Financial liabilities at amortized cost ($)	Total ($)
Borrowing	-	14,908,016	14,908,016
Management fees payable	-	15,461	15,461
Performance fees payable	-	54,055	54,055
Expenses payable	-	24,460	24,460
Redemptions payable	-	12,769	12,769
Organization expenses payable	-	12,795	12,795
Total	**-**	**15,027,556**	**15,027,556**

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the years ending December 31, 2017 and December 31, 2016:

	Net gains (losses) ($)	
Category	2017	2016
Financial Assets at FVTPL:		
Designated at inception	6,047,609	8,163,936
Total	**6,047,609**	**8,163,936**

(b) RISK MANAGEMENT

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

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 Partnership are susceptible to market price risk arising from uncertainties about future prices of the instruments.

If the market prices of the Partnership's investments strengthened or weakened by 5%, net assets attributable to holders of redeemable units as at December 31, 2017 would have increased or decreased by approximately $3,590,239 (December 31, 2016: $1,841,459). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Concentration risk

The following tables present the Partnership's exposure as a percentage of the total carrying value of the investments by industry sector and geographic region as at December 31, 2017 and December 31, 2016.

By Industry Sector	December 31, 2017	December 31, 2016
Utilities	32.2%	55.6%
Financials	30.8%	28.5%
Consumer Staples	14.1%	-
Consumer Discretionary	13.2%	15.9%
Real Estate	9.7%	-
Total	**100.0%**	**100.0%**

By Geographic Region	December 31, 2017	December 31, 2016
Canada	71.3%	70.6%
United States	28.7%	29.4%
Total	100.0%	**100.0%**

Interest rate risk

Interest rate risk arises on interest-bearing financial instruments held by the Partnership, such as bonds and margin borrowings. The fair value and future cash flows of such instruments held by the Partnership will fluctuate due to changes in market interest rates. As at December 31, 2017 and December 31, 2016, the Partnership had exposure to interest rate risk due to its borrowings as described in note 10. If interest rates had doubled in 2017 and 2016, interest expense would have been higher and ending net assets attributable to holders of redeemable units would have been lower by $390,135 and $114,978 as at December 31, 2017 and December 31, 2016, respectively.

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 Partnership 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.

During the period, the Partnership made use of borrowings denominated in U.S. dollars, which in effect mitigated the currency risk of the Partnership being invested in U.S. denominated securities. The Manager may use either Canadian dollar or foreign currency denominated borrowings based on the interest cost differential and the Partnership's currency exposure, including the revenue and income sensitivity of the underlying investments.

The tables below indicate the foreign currencies to which the Partnership had significant exposure at December 31, 2017 and December 31, 2016 in Canadian dollar terms. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 5% in relation to each of the other currencies, with all other variables held constant.

December 31, 2017:

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
United States Dollar	(20,749,183)	20,574,064	(175,119)	(1,037,459)	1,028,703	(8,756)
Total	**(20,749,183)**	**20,574,064**	**(175,119)**	**(1,037,459)**	**1,028,703**	**(8,756)**
% of net assets attributable to holders of redeemable units	**(54.0%)**	**53.6%**	**(0.4%)**	**(2.7%)**	**2.7%**	**–**

December 31, 2016:

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
United States Dollar	(10,570,524)	10,826,665	256,141	(528,526)	541,333	12,807
Total	**(10,570,524)**	**10,826,665**	**256,141**	**(528,526)**	**541,333**	**12,807**
% of net assets attributable to holders of redeemable units	**(45.4%)**	**46.5%**	**1.1%**	**(2.3%)**	**2.3%**	**-**

Liquidity risk

Liquidity risk is the risk that the Partnership will encounter difficulty in meeting its obligations associated with financial liabilities. The Partnership is exposed to monthly cash redemptions and borrows on margin to make investments. As a result, the Partnership invests all of its 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.

The tables below analyze the Partnership's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

December 31, 2017	< 6 months ($)	> 6 months ($)	Total ($)
Borrowing	33,726,301	-	33,726,301
Management fees and expenses payable	93,461	-	93,461

December 31, 2016	< 6 months ($)	> 6 months ($)	Total ($)
Borrowing	14,908,016	-	14,908,016
Management fees and expenses payable	39,921	-	39,921
Performance fees payable	54,055	-	54,055
Redemptions payable	12,769	-	12,769
Organization expenses payable	-	12,795	12,795

Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Partnership. All transactions in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. The Partnership may hold minimal cash balances at large Canadian financial institutions.

As at December 31, 2017 and December 31, 2016, the Partnership did not have significant exposure to credit risk.

Leverage risk

The Partnership may generally borrow up to 70% of its total assets and was subject to leverage risk as at December 31, 2017 and December 31, 2016. The Partnership 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 Partnership pays interest on the amounts borrowed which is accrued daily and paid monthly.

As at December 31, 2017, the amount borrowed was $33,726,301 representing 47% of the total assets of the Partnership ($14,908,016 representing 39% as at December 31, 2016). Interest expense for the period ended December 31, 2017 was $390,135 ($114,978 for the period ended December 31, 2016).

(c) FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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.

The following tables illustrate the classification of the Partnership's financial instruments within the fair value hierarchy as at December 31, 2017 and December 31, 2016:

	Assets at fair value as at December 31, 2017			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	71,804,784	-	-	71,804,784
Total	**71,804,784**	**-**	**-**	**71,804,784**

	Assets at fair value as at December 31, 2016			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	36,829,170	-	-	36,829,170
Total	**36,829,170**	**-**	**-**	**36,829,170**

All liabilities of the Partnership are carried at amortized cost and therefore are not presented in the tables above.

Fair value is 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, the instrument is 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.

Management's Responsibility for Financial Reporting

The accompanying financial statements of Portland Focused Plus Fund (the Trust) have been prepared by Portland Investment Counsel Inc. in its capacity as manager (the Manager) of the Trust. The Manager of the Trust 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 Trust, has 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 Trust are described in Note 3 to these financial statements.

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

"Michael Lee-Chin"

Michael Lee-Chin
Director
March 5, 2018

"Robert Almeida"

Robert Almeida
Director
March 5, 2018

March 5, 2018

Independent Auditor's Report

To the Unitholders of:

Portland Focused Plus Fund (the Trust)

We have audited the accompanying financial statements of the Trust, which comprise the statement of financial position as at December 31, 2017 and 2016 and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the year ended December 31, 2017 and for the period from March 31, 2016 (commencement of operations) to December 31, 2016 and the related notes which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2017 and 2016 and its financial performance and its cash flows for the year ended December 31, 2017 and for the period from March 31, 2016 (commencement of operations) to December 31, 2016 in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licenced Public Accountants
Toronto, Canada

Statements of Financial Position

as at December 31,		2017		2016
Assets				
Current Assets				
Cash and cash equivalents	$	24,008	$	1,142
Subscriptions receivable		1,776,010		542,760
Interest receivable		-		12
Dividends receivable		78,298		20,343
Investments (note 4)		11,088,959		5,312,665
Investments - pledged as collateral (note 4 and 10)		22,717,284		7,309,813
		35,684,559		13,186,735
Liabilities				
Current Liabilities				
Borrowing (note 10)		15,898,359		5,116,693
Management fees payable		15,298		7,118
Performance fees payable		-		26,656
Expenses payable		33,368		8,465
Redemptions payable		73,176		-
Distributions payable		19,108		7,797
Organization expenses payable		1,430		1,429
		16,040,739		5,168,158
Non-current Liabilities				
Organization expenses payable		3,216		4,646
		16,043,955		5,172,804
Net Assets Attributable to Holders of Redeemable Units	$	19,640,604	$	8,013,931
Net Assets Attributable to Holders of Redeemable Units Per Series				
Series A		2,684,217		1,187,549
Series F		9,257,640		4,218,308
Series M		3,814,200		1,772,923
Series P		3,884,547		835,151
	$	19,640,604	$	8,013,931
Number of Redeemable Units Outstanding (note 5)				
Series A		40,179		19,786
Series F		136,055		68,303
Series M		54,349		28,449
Series P		55,861		13,382
Net Assets Attributable to Holders of Redeemable Units per Unit				
Series A		66.81		60.02
Series F		68.04		61.76
Series M		70.18		62.32
Series P		69.54		62.41

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

"Michael Lee-Chin" *"Robert Almeida"*

Director Director

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

Statements of Comprehensive Income

for the period ended December 31,	2017	2016*
Income		
Net gain (loss) on investments		
Dividends	$ 764,229	$ 135,702
Interest for distribution purposes	62,882	6,565
Net realized gain (loss) on investments	1,107,354	579,196
Change in unrealized appreciation (depreciation) of investments	630,197	1,014,569
	2,564,662	1,736,032
Other income		
Foreign exchange gain (loss) on cash and other net assets	243,997	(99,774)
Total income (net)	2,808,659	1,636,258
Expenses		
Performance fees (note 7)	251,568	129,141
Interest expense and bank charges (note 10)	163,410	19,995
Management fees (note 7)	139,125	37,220
General and administrative expenses	58,838	5,612
Audit fees	10,708	10,703
Withholding tax expense	9,598	6,253
Transaction costs	7,947	3,503
Independent review committee fees	3,317	2,670
Custodial fees	215	149
Organization expenses	-	7,124
Total operating expenses	644,726	222,370
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ 2,163,933	$ 1,413,888
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	278,254	105,626
Series F	1,022,241	735,615
Series M	391,277	377,496
Series P	472,161	195,151
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	9.66	18.10
Series F	10.46	16.47
Series M	12.51	17.94
Series P	11.80	15.24

* For the period from March 31, 2016 (commencement of operations) to December 31, 2016

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

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

for the period ended December 31,	2017	2016*
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period		
Series A	$ 1,187,549	$ -
Series F	4,218,308	-
Series M	1,772,923	-
Series P	835,151	-
	8,013,931	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Series A	278,254	105,626
Series F	1,022,241	735,615
Series M	391,277	377,496
Series P	472,161	195,151
	2,163,933	1,413,888
Distributions to Holders of Redeemable Units		
From net realized gains on investments		
Series A	(89,293)	(69,008)
Series F	(509,915)	(173,945)
Series M	(152,303)	(111,021)
Series P	(222,043)	(36,378)
Net Decrease from Distributions to Holders of Redeemable Units	(973,554)	(390,352)
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	1,689,756	1,087,988
Series F	4,152,596	3,490,490
Series M	1,650,000	1,395,427
Series P	2,577,235	640,000
	10,069,587	6,613,905
Reinvestments of distributions		
Series A	89,293	69,008
Series F	490,807	166,148
Series M	152,303	111,021
Series P	222,043	36,378
	954,446	382,555
Redemptions of redeemable units		
Series A	(471,342)	(6,065)
Series F	(116,397)	-
Series M	-	-
Series P	-	-
	(587,739)	(6,065)
Net Increase (Decrease) from Redeemable Unit Transactions	10,436,294	6,990,395
Net Assets Attributable to Holders of Redeemable Units at End of Period		
Series A	2,684,217	1,187,549
Series F	9,257,640	4,218,308
Series M	3,814,200	1,772,923
Series P	3,884,547	835,151
	$ 19,640,604	$ 8,013,931

* For the period from March 31, 2016 (commencement of operations) to December 31, 2016

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

Statements of Cash Flows

for the period ended December 31,		2017		2016*
Cash Flows from Operating Activities				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$	2,163,933	$	1,413,888
Adjustments for:				
Net realized (gain) loss on investments		(1,107,354)		(579,196)
Change in unrealized (appreciation) depreciation on investments		(630,197)		(1,014,569)
Unrealized foreign exchange (gain) loss on cash		(265,162)		56,142
(Increase) decrease in interest receivable		12		(12)
(Increase) decrease in dividends receivable		(57,955)		(20,343)
Increase (decrease) in management fees, performance fees and expenses payable		6,427		42,239
Increase (decrease) in organization expenses payable		(1,429)		6,075
Purchase of investments		(27,994,038)		(14,877,545)
Proceeds from sale of investments		8,547,824		3,848,832
Net Cash Generated (Used) by Operating Activities		(19,337,939)		(11,124,489)
Cash Flows from Financing Activities				
Increase (decrease) in borrowing		10,781,666		5,116,693
Distributions to holders of redeemable units, net of reinvested distributions		(7,797)		-
Proceeds from redeemable units issued		8,836,337		6,065,080
Amount paid on redemption of redeemable units		(514,563)		-
Net Cash Generated (Used) by Financing Activities		19,095,643		11,181,773
Net increase (decrease) in cash and cash equivalents		(242,296)		57,284
Unrealized foreign exchange gain (loss) on cash		265,162		(56,142)
Cash and cash equivalents - beginning of period		1,142		-
Cash and cash equivalents - end of period		24,008		1,142
Cash and cash equivalents comprise:				
Cash at bank		24,008		1,142
From operating activities:				
Interest received, net of withholding tax	$	62,894	$	6,553
Dividends received, net of withholding tax	$	696,676	$	109,106
From financing activities:				
Interest paid	$	142,592	$	14,490

* For the period from March 31, 2016 (commencement of operations) to December 31, 2016

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

Schedule of Investment Portfolio

as at December 31, 2017

No. of Shares	Security Name	Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES				
Canada				
18,800	Canadian Imperial Bank of Commerce	$ 2,016,170	$ 2,303,752	
114,254	Emera Incorporated	5,197,039	5,367,653	
119,411	Fortis Inc.	5,010,728	5,506,041	
134,300	RioCan Real Estate Investment Trust	3,298,062	3,271,548	
48,200	The Bank of Nova Scotia	3,748,684	3,909,984	
51,100	The Toronto-Dominion Bank	3,324,757	3,763,515	
		22,595,440	24,122,493	122.8%
United States				
1,800	Berkshire Hathaway Inc. Class B	355,824	448,493	
38,800	Time Warner Inc.	4,819,216	4,461,138	
52,300	Walgreens Boots Alliance, Inc.	4,398,421	4,774,119	
		9,573,461	9,683,750	49.3%
	Total investment portfolio	32,168,901	33,806,243	172.1%
	Transaction costs	(7,424)	-	-
		$ 32,161,477	33,806,243	172.1%
	Liabilities less other assets		(14,165,639)	(72.1%)
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		$ 19,640,604	100.0%

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

(a) FINANCIAL INSTRUMENTS BY CATEGORY

The following tables present the carrying amounts of the Trust's financial instruments by category as at December 31, 2017:

Assets	Financial assets at FVTPL Designated at Inception ($)	Financial assets at amortized cost ($)	Total ($)
Cash and cash equivalents	-	24,008	24,008
Subscriptions receivable	-	1,776,010	1,776,010
Dividends receivable	-	78,298	78,298
Investments	11,088,959	-	11,088,959
Investments - pledged as collateral	22,717,284	-	22,717,284
Total	**33,806,243**	**1,878,316**	**35,684,559**

Liabilities	Financial liabilities at FVTPL Designated at Inception ($)	Financial liabilities at amortized cost ($)	Total ($)
Borrowing	-	15,898,359	15,898,359
Management fees payable	-	15,298	15,298
Expenses payable	-	33,368	33,368
Redemptions payable	-	73,176	73,176
Distributions payable	-	19,108	19,108
Organization expenses payable	-	4,646	4,646
Total	**-**	**16,043,955**	**16,043,955**

The following tables present the carrying amounts of the Trust's financial instruments by category as at December 31, 2016:

Assets	Financial assets at FVTPL Designated at Inception ($)	Financial assets at amortized cost ($)	Total ($)
Cash and cash equivalents	-	1,142	1,142
Subscriptions receivable	-	542,760	542,760
Interest receivable	-	12	12
Dividends receivable	-	20,343	20,343
Investments	5,312,665	-	5,312,665
Investments - pledged as collateral	7,309,813	-	7,309,813
Total	**12,622,478**	**564,257**	**13,186,735**

Liabilities	Financial liabilities at FVTPL Designated at Inception ($)	Financial liabilities at amortized cost ($)	Total ($)
Borrowing	-	5,116,693	5,116,693
Management fees payable	-	7,118	7,118
Performance fees payable	-	26,656	26,656
Expenses payable	-	8,465	8,465
Distributions payable	-	7,797	7,797
Organization expenses payable	-	6,075	6,075
Total	**-**	**5,172,804**	**5,172,804**

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the period ending December 31, 2017 and December 31, 2016:

Category	Net gains (losses) ($) 2017	Net gains (losses) ($) 2016
Financial Assets at FVTPL:		
Designated at inception	2,564,634	1,736,032
Total	**2,564,634**	**1,736,032**

(b) RISK MANAGEMENT

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

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 Trust are susceptible to market price risk arising from uncertainties about future prices of the instruments.

If the market prices of the Trust's investments strengthened or weakened by 5%, net assets attributable to holders of redeemable units as at December 31, 2017 would have increased or decreased by approximately $1,690,312 (December 31, 2016: $631,124). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Concentration risk

The following tables present the Trust's exposure as a percentage of the total carrying value of the investments by industry sector and geographic region as at December 31, 2017 and December 31, 2016.

By Industry Sector	December 31, 2017	December 31, 2016
Utilities	32.2%	55.6%
Financials	30.8%	28.5%
Consumer Staples	14.1%	-
Consumer Discretionary	13.2%	15.9%
Real Estate	9.7%	-
Total	**100.0%**	**100.0%**

By Geographic Region	December 31, 2017	December 31, 2016
Canada	71.4%	70.6%
United States	28.6%	29.4%
Total	**100.0%**	**100.0%**

Interest rate risk

Interest rate risk arises on interest-bearing financial instruments held by the Trust, such as bonds and margin borrowings. The fair value and future cash flows of such instruments held by the Trust will fluctuate due to changes in market interest rates. As at December 31, 2017 and December 31, 2016, the Trust had exposure to interest rate risk due to its borrowings as described in note 10. If interest rates had doubled in 2017 and 2016, interest expense would have been higher and ending net assets attributable to holders of redeemable units would have been lower by $162,750 and $19,455 as at December 31, 2017 and December 31, 2016, respectively.

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 Trust 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.

During the period, the Trust made use of borrowings denominated in U.S. dollars, which in effect mitigated the currency risk of the Trust being invested in U.S. listed securities. The Manager may use either Canadian dollar or foreign currency denominated borrowings based on the interest cost differential and the Trust's currency exposure, including the revenue and income sensitivity of the underlying investments.

The tables below indicate the foreign currencies to which the Trust had significant exposure at December 31, 2017 and December 31, 2016 in Canadian dollar terms. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 5% in relation to each of the other currencies, with all other variables held constant.

December 31, 2017:

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
United States Dollar	(9,748,948)	9,683,749	(65,199)	(487,447)	484,187	(3,260)
Total	**(9,748,948)**	**9,683,749**	**(65,199)**	**(487,447)**	**484,187**	**(3,260)**
% of net assets attributable to holders of redeemable units	**(49.6%)**	**49.3%**	**(0.3%)**	**(2.5%)**	**2.5%**	**–**

December 31, 2016:

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
United States Dollar	(3,622,750)	3,709,582	86,832	(181,138)	185,479	4,341
Total	**(3,622,750)**	**3,709,582**	**86,832**	**(181,138)**	**185,479**	**4,341**
% of net assets attributable to holders of redeemable units	**(45.2%)**	**46.3%**	**1.1%**	**(2.3%)**	**2.3%**	**-**

Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting its obligations associated with financial liabilities. The Trust is exposed to monthly cash redemptions and borrows on margin to make investments. As a result, the Trust invests all of its 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.

The tables below analyze the Trust's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

December 31, 2017	< 6 months ($)	> 6 months ($)	Total ($)
Borrowing	15,898,359	-	15,898,359
Management fees and expenses payable	48,666	-	48,666
Redemptions payable	73,176	-	73,176
Distributions payable	19,108	-	19,108
Organization expenses payable	-	4,646	4,646

December 31, 2016	< 6 months ($)	> 6 months ($)	Total ($)
Borrowing	5,116,693	-	5,116,693
Management fees and expenses payable	15,583	-	15,583
Performance fees payable	26,656	-	26,656
Organization expenses payable	-	6,075	6,075

Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Trust. All transactions in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. The Trust may hold minimal cash balances at large Canadian financial institutions.

As at December 31, 2017 and December 31, 2016, the Trust did not have significant exposure to credit risk.

Leverage risk

The Trust may generally borrow up to 70% of its total assets and was subject to leverage risk as at December 31, 2017 and December 31, 2016. The Trust 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 Trust pays interest on the amounts borrowed. Interest is accrued daily and paid monthly.

As at December 31, 2017, the amount borrowed was $15,898,359 representing 45% of the total assets of the Trust ($5,116,693 representing 39% as at December 31, 2016). Interest expense for the period ended December 31, 2017 was $162,750 ($19,455 for the period ended December 31, 2016).

(c) FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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.

The following tables illustrate the classification of the Trust's financial instruments within the fair value hierarchy as at December 31, 2017 and December 31, 2016:

	Assets at fair value as at December 31, 2017			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	33,806,243	-	-	33,806,243
Total	**33,806,243**	**-**	**-**	**33,806,243**

	Assets at fair value as at December 31, 2016			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	12,622,478	-	-	12,622,478
Total	**12,622,478**	**-**	**-**	**12,622,478**

All liabilities of the Trust are carried at amortized cost and therefore are not presented in the tables above.

Fair value is 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, the instrument is 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.

1. GENERAL INFORMATION

Portland Focused Plus Fund LP and Portland Focused Plus Fund are collectively referred to as the Funds throughout the notes to these financial statements.

Establishment of the Partnership

Portland Focused Plus Fund LP (the Partnership) is a limited partnership established under the laws of the Province of Alberta on October 22, 2012 which commenced operations on October 31, 2012. The registered office of the Partnership is c/o Borden Ladner Gervais LLP, 1900, 520 – 3rd Avenue S.W. Calgary, Alberta T2P 0R3. These financial statements were authorized for issue by the General Partner on March 5, 2018. Pursuant to the partnership agreement, Portland General Partner (Alberta) Inc. (the General Partner) is responsible for the management of the Partnership.

The General Partner has engaged Portland Investment Counsel Inc. (the Manager) to direct the day-to-day business, operations and affairs of the Partnership, including management of the Partnership's portfolio on a discretionary basis and distribution of the units of the Partnership.

The Directors of the General Partner are Michael Lee-Chin, James Cole and Michael Perkins.

The investment objective of the Partnership is to achieve, over the long term, preservation of capital and a satisfactory return.

The statements of financial position of the Partnership are as at December 31, 2017 and December 31, 2016. The statements of comprehensive income, changes in net assets attributable to holders of redeemable units, and cash flows are for the twelve month period ended December 31, 2017 and December 31, 2016.

Establishment of the Trust

Portland Focused Plus Fund (the Trust) is an open end mutual fund trust 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 Trust was formed on March 1, 2016 and commenced operations on March 31, 2016. Portland Investment Counsel Inc. (the Trustee and Manager) is the Investment Fund Manager, Portfolio Manager and Trustee of the Fund. The Trustee is a corporation formed under the laws of Ontario. The registered office of the Trust is 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7. These financial statements were authorized for issue by the board of directors of the Manager on March 5, 2018.

The investment objective of the Trust is to achieve, over the long term, preservation of capital and a satisfactory return.

The statements of financial position of the Trust are as at December 31, 2017 and December 31, 2016. The statements of comprehensive income, changes in net assets attributable to holders of redeemable units, and cash flows are for the year ended December 31, 2017 and for the period from March 31, 2016 (commencement of operations) to December 31, 2016.

2. BASIS OF PRESENTATION

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(a) Classification

The Funds recognize financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. The Funds' investments are designated at fair value through profit or loss (FVTPL) at inception and are measured at fair value through profit and loss.

The Funds' obligations for net assets attributable to holders of redeemable units are presented at the redemption amount.

All other financial assets and liabilities are classified as loans and receivables or other financial liabilities and are measured at amortized cost using the effective interest method, which approximates fair value given their short term nature. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate.

The accounting policies for measuring the fair value of the financial assets and financial liabilities of the Funds are similar to those used in measuring net asset value (NAV) for unitholder transactions, except for the treatment of organization expenses. Such expenses are deductible from NAV over a five year period commencing in 2012 for the Partnership and 2016 for the Trust, but are fully deductible in the first year of operations under IFRS. Therefore, the NAV is higher than the net assets attributable to holders of redeemable units in these financial statements. There is a comparison of NAV per unit and net assets attributable to holders of redeemable units per unit within note 11.

Financial assets and liabilities may be offset and the net amount reported in the statement 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 statement of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy, certain events of default or termination of the contracts.

The Funds borrow using a borrowing facility for the purposes of making investments. Collateral in the form of cash and securities is required to secure the borrowing facility. Securities pledged as collateral 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.

(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 at FVTPL are initially recognized at fair value. Transaction costs are expensed as incurred in the statements of comprehensive income.

Financial assets are de-recognized when the rights to receive cash flows from the investments 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 cost to acquire the financial asset is included within "Net realized gain (loss) on investments" in the statements of comprehensive income.

Subsequent to initial recognition, all financial assets and liabilities at FVTPL are measured at fair value. Gains and losses arising from change in fair value of the financial assets and liabilities at FVTPL are presented in the statements of comprehensive income within "Change in unrealized appreciation (depreciation) of investments" in the period in which they arise.

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 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 closing 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.

Revenue recognition

"Interest for distribution purposes" shown on the statements of comprehensive income represents the coupon interest earned by the Funds on debt securities accounted for on an accrual basis. 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 statement 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 are recognized when incurred and are presented in the statements of comprehensive income within "Net realized gain (loss) on investments".

Unrealized exchange gains or losses on investments are included in "Change in unrealized appreciation (depreciation) of investments" in the statements of comprehensive income.

"Foreign exchange gain (loss) on cash and other net assets" arises from sale of foreign currencies, change in foreign currency denominated loans, 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 the Funds' custodians.

Cost of investments

The cost of investments represents the cost for each security excluding transaction costs 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 which includes transaction costs.

Redeemable units

Each of the Funds issues multiple series of redeemable units, which are redeemable at the holder's option and do not have identical rights. 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 monthly.

The redeemable units are carried at the redemption amount that is payable at the statement of financial position date if the holder exercises the right to put the units back to the Funds.

Redeemable units are issued and redeemed at the holder's option at prices based on each Funds' NAV per unit at the time of issue or redemption. Each Funds' NAV per unit is calculated by dividing the net assets attributable to the holders of each series of redeemable units by the total number of outstanding redeemable units for each respective series. In accordance with the provisions of the Funds' offering memorandum, investment positions are valued based on the last traded market price for the purpose of determining the NAV per unit for subscriptions and redemptions.

Expenses

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

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

Interest expense associated with margin borrowing is recorded on an accrual basis.

Organization expenses

Organization expenses include legal and registration fees associated with the formation of the Funds and are amortized over five years for tax purposes. For financial reporting purposes, these fees were expensed in their entirety in the first fiscal year of the Funds. Organization expenses are payable to the Manager and are being invoiced by the Manager. The Manager expects to invoice the entire amount of organization expenses within five years of the formation of each of the Funds.

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 weighted average units outstanding of that series during the reporting period.

Distribution to unitholders

Distributions will be made to unitholders of the Partnership only at such times and in such amounts as may be determined at the discretion of the Manager. All distributions by the Partnership on Series A, Series F, Series M and Series P units will be paid in cash.

The Trust will distribute sufficient net income and net realized gains to unitholders annually to ensure that the Trust is not liable for ordinary income taxes. All distributions by the Trust on Series A, Series F, Series M and Series P units will be automatically reinvested in additional units of the same series of the Trust held by the investor at the NAV per unit thereof, unless the investor notifies the Manager in writing that cash distributions are preferred.

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

Management fees and other costs directly attributable to a series are charged to that Series. 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 of the applicable Trust or Partnership.

Future accounting changes

New standards, amendments and interpretations effective after January 1, 2017 and that have not been early adopted

IFRS 9 'Financial Instruments' addresses the classification, measurement and derecognition of financial assets and liabilities. It replaces the multiple classification and measurement models in IAS 39 and is effective for reporting periods beginning on or after January 1, 2018. Classification and measurement of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest (SPPI). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognized at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. IFRS 9 also introduces a new expected credit loss (ECL) impairment model. On adoption of IFRS 9 the Funds' investment portfolio will continue to be classified as fair value through profit or loss. Other financial assets which are held for collection will continue to be measured at amortized cost with no material impact expected from application of the new impairment model. As a result, the adoption of IFRS 9 is not expected to have a material impact on the Funds' financial statements.

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.

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments under IAS 39, Financial Instruments - Recognition and Measurement, the Manager is required to make significant judgments about whether or not the investments of the Funds are considered held for trading or that the fair value option can be applied to those that are not. The Manager has concluded that the fair value option can be applied to the Funds' investments that are not considered held for trading. Such investments have been designated at FVTPL.

Functional and presentation currency

The Funds' investors are mainly from Canada, with subscriptions and redemptions of the redeemable units denominated in Canadian dollars. The primary activity of the Funds are to invest in a portfolio of Canadian and non-Canadian securities. The performance of the Funds are measured and reported to the investors in Canadian dollars. The Manager considers the Canadian dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Canadian dollars, which is the Funds' functional and presentation currency.

5. REDEEMABLE UNITS

The Funds are permitted to issue an unlimited number of redeemable units issuable in Series A, Series F, Series M and Series P, having such terms and conditions as the Manager may determine. The Partnership is also permitted to issue an unlimited number of redeemable units issuable in Series O, having such terms and conditions as the Manager may determine. Additional series may be offered in future on different terms, including different fee and dealer compensation terms and different minimum subscription levels. Each unit of a series represents an undivided ownership interest in the net assets of the Fund's 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 differences between the series of units relate to the management fee and performance fee payable to the Manager, minimum investment requirements and the compensation paid to dealers. All units are entitled to participate in the Funds 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 who meet eligibility requirements and who invest a minimum of $2,500.

Series F units are available to investors who meet eligibility requirements and who invest a minimum of $2,500, 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 M and Series P units are available to all investors who meet eligibility requirements and who invest a minimum of $500,000 in respect of the Trust and $1,000,000 in respect of the Partnership.

Series O units are available to certain institutional investors making a minimum investment of $500,000. Fees associated with Series O units are negotiated and paid directly from the investor to the Manager and are not an expense of the Fund.

The number of units issued and outstanding in the Partnership for the period ended December 31, 2017 was as follows:

Period ended December 31, 2017	Balance, Beginning of Period	Units Issued Including Switches from Other Series	Units Reinvested	Units Redeemed Including Switches to Other Series	Balance, End of Period
Series A Units	4,013	3,524	-	666	6,871
Series F Units	62,490	35,704	-	9,221	88,973
Series M Units	73,300	7,828	-	1,800	79,328
Series P Units	45,845	38,651	-	-	84,496

The number of units issued and outstanding in the Partnership for the period ended December 31, 2016 was as follows:

Period ended December 31, 2016	Balance, Beginning of Period	Units Issued Including Switches from Other Series	Units Reinvested	Units Redeemed Including Switches to Other Series	Balance, End of Period
Series A Units	3,646	2,979	-	2,612	4,013
Series F Units	47,703	23,206	-	8,419	62,490
Series M Units	102,556	-	-	29,256	73,300
Series P Units	44,841	35,845	-	34,841	45,845

The number of units issued and outstanding in the Trust for the period ended December 31, 2017 was as follows:

Period ended December 31, 2017	Balance, Beginning of Period	Units Issued Including Switches from Other Series	Units Reinvested	Units Redeemed Including Switches to Other Series	Balance, End of Period
Series A Units	19,786	25,916	1,336	6,859	40,179
Series F Units	68,303	62,254	7,212	1,714	136,055
Series M Units	28,449	23,730	2,170	-	54,349
Series P Units	13,382	39,286	3,193	-	55,861

The number of units issued and outstanding in the Trust for the period ended December 31, 2016 was as follows:

Period ended December 31, 2016	Balance, Beginning of Period	Units Issued Including Switches from Other Series	Units Reinvested	Units Redeemed Including Switches to Other Series	Balance, End of Period
Series A Units	-	18,735	1,149	98	19,786
Series F Units	-	65,615	2,688	-	68,303
Series M Units	-	26,669	1,780	-	28,449
Series P Units	-	12,800	582	-	13,382

6. TAXATION

The Partnership calculates its taxable income and net capital gains/(losses) in accordance with the Income Tax Act (Canada). The Partnership is not a taxable entity and is required to allocate its taxable income and net capital gains/(losses) to its limited partners in accordance with the Limited Partnership Agreement. Accordingly, the Partnership has not included a provision for taxes in the financial statements.

The taxation year-end for the Partnership is December 31.

The Trust qualifies as a mutual fund trust within the meaning of the Income Tax Act (Canada). The Trust is subject to tax on any income, including net realized capital gains, which is not paid or payable to its unitholders. The Trust's net income for tax purposes and sufficient net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Trust. As a result, the Trust does not record income taxes. Since the Trust does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the statements of financial position as a deferred income tax asset.

The taxation year-end for the Trust is December 31.

The Trust did not have any loss carry forward amounts as at December 31, 2017.

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.

7. MANAGEMENT FEES, PERFORMANCE FEES AND EXPENSES

The Funds' NAV per unit is determined on the last business day of each month at the close of regular trading on the Toronto Stock Exchange, (each, a Valuation Date) or on such other date as determined by the Manager (an Additional Pricing Date). Pursuant to the offering memorandum, the Funds' agreed to pay management fees to the Manager, calculated and accrued on each Valuation Date and paid monthly.

The annual management fees rate of the respective series of units are as follows:

Series A Units	2.00%
Series F Units	1.00%
Series M Units	1.00% for the Trust; 1.75% from commencement of operations to June 30, 2014 and 1.00% thereafter for the Partnership
Series P Units	nil for the Trust; 0.75% from commencement of operations to June 30, 2014 and nil thereafter for the Partnership

The Manager is entitled to receive a performance fee (Performance Fee) to be calculated and accrued on each Valuation Date and Additional Pricing Date for Series A, Series F and Series P units and paid monthly. For each series of units, a high water mark (High Water Mark) will be calculated for use in the determination of the Performance Fee. The highest NAV per unit (minus the effect of any declared distributions since the Valuation Date or Additional Pricing Date 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 inception of each series of units to which a Performance Fee may be applicable the High Water Mark will be the initial NAV per unit of the series of units.

The Performance Fee is equal to (a) 10% of the amount by which the NAV per unit of the series on the Valuation Date or Additional Pricing Date (including the effect of any declared distributions on said Valuation Date or Additional Pricing Date and adjusted to exclude the accrual of the Performance Fee) exceeds the High Water Mark, multiplied by (b) the number of units of that series Outstanding on such Valuation Date or Additional Pricing Date, prior to giving effect to subscriptions, redemptions and distributions re-invested on such date.

All Performance Fees 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.

In addition, the Manager will be 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 cost of financial reporting, and all related sales taxes. GST and/or HST paid by the Funds on its expenses is not recoverable. 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 fund operating expenses at its discretion but is under no obligation to do so.

8. 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 effect 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 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 Funds have not participated in any third party soft dollar arrangements in connection with portfolio transactions to date.

9. RELATED PARTY TRANSACTIONS

The following table outlines the management fees, performance fees and operating expense reimbursements that were paid to the Manager by the Funds during the periods ended December 31, 2017 and December 31, 2016. The table includes 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. All of the dollar amounts in the table below exclude applicable GST or HST.

Period ended December 31, 2017	Management Fees ($)	Performance Fees ($)	Operating and Organizational Expense Reimbursement ($)	Operating Expenses Reimbursed to Affiliates of the Manager ($)
Portland Focused Plus Fund LP	224,189	421,652	159,758	3,456
Portland Focused Plus Fund	125,947	227,768	67,421	2,589

Period ended December 31, 2016	Management Fees ($)	Performance Fees ($)	Operating and Organizational Expense Reimbursement ($)	Operating Expenses Reimbursed to Affiliates of the Manager ($)
Portland Focused Plus Fund LP	149,084	365,937	94,907	6,178
Portland Focused Plus Fund	33,697	116,920	18,273	1,605

The Funds owed the following amounts to the Manager as at December 31, 2017 and December 31, 2016, excluding the applicable HST or GST:

Period ended December 31, 2017	Management Fees ($)	Performance Fees ($)	Operating Expense Reimbursement ($)	Organizational Expenses ($)
Portland Focused Plus Fund LP	22,262	-	15,914	-
Portland Focused Plus Fund	13,762	-	2,848	4,646

Period ended December 31, 2016	Management Fees ($)	Performance Fees ($)	Operating Expense Reimbursement ($)	Organizational Expenses ($)
Portland Focused Plus Fund LP	14,724	51,481	9,153	12,795
Portland Focused Plus Fund	6,438	24,007	3,134	6,075

The Manager, its officers and directors (Related Parties) may invest in units of the Funds from time to time in the normal course of business. All such transactions are measured at NAV per unit. The following table presents the percentage ownership of each of the Funds by Related Parties on each reporting date.

	December 31, 2017	December 31, 2016
Portland Focused Plus Fund LP	29%	41%
Portland Focused Plus Fund	20%	26%

10. BORROWING FACILITIES

The Funds each have a Settlement Services Agreement (SSA) with a Canadian broker for margin borrowing. The rate of interest payable on borrowed money in Canadian dollars is the Canadian Dealer Offered Rate + 50bps and in U.S. dollars is the U.S. LIBOR + 50bps. Borrowing under the SSA is repayable on demand. The Funds have each placed securities on account with the broker as collateral for 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". The amount borrowed, the minimum and maximum amounts borrowed and the amount of interest incurred during the period ended December 31, 2017 and December 31, 2016 are presented below.

Borrowing as at December 31	2017 ($)	2016 ($)
Portland Focused Plus Fund LP	33,726,301	14,908,016
Portland Focused Plus Fund	15,898,359	5,116,693

Period ended December 31, 2017	Minimum Amount Borrowed ($)	Maximum Amount Borrowed ($)	Interest Incurred ($)
Portland Focused Plus Fund LP	nil	34,643,398	390,135
Portland Focused Plus Fund	nil	16,368,292	162,750

Period ended December 31, 2016	Minimum Amount Borrowed ($)	Maximum Amount Borrowed ($)	Interest Incurred ($)
Portland Focused Plus Fund LP	nil	15,455,016	72,882
Portland Focused Plus Fund	nil	5,151,316	19,455

During the period ended December 31, 2016, the Partnership used an additional margin and security agreement with another Canadian chartered bank for the operation of a loan facility (Loan Facility). The rate of interest payable on borrowed money was a floating rate based on either the London Interbank Offered Rate or the Canadian Dollar Offered Rate plus a negotiated basis points rate of up to 1% based on the size of the Loan Facility. The rates were subject to change upon 30 days notice. The Loan Facility was cancelled during the year ended December 31, 2016. The Partnership borrowed a minimum of nil and a maximum of $22,984,324 and paid $42,096 of interest during the period under the Loan Facility.

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

The NAV per unit is higher than the net assets attributable to holders of redeemable units per unit because of the difference in the treatment of organization expenses. For the Partnership, such expenses were deducted in full in the financial statements for the year ended December 31, 2012 but are deducted from NAV on a monthly basis over a five year period for purposes of unitholder transactions. For the Trust, such expenses were deducted in full in the financial statements for the period ended December 31, 2016 but are deducted from NAV on a monthly basis over a five year period for purposes of unitholder transactions. Therefore, the NAV per unit for the Funds are higher than net assets attributable to holders of redeemable units per unit. Since the Partnership has repaid all of its organization expenses to the Manager, there is no longer a NAV difference as at December 31, 2017.

The following tables provide a comparison of NAV per unit and net assets attributable to holders of redeemable units as at December 31, 2017 and December 31, 2016.

December 31, 2017:

Series	NAV per Unit ($)	Net assets attributable to holders of redeemable units per unit ($)
Portland Focused Plus Fund		
Series A Units	66.82	66.81
Series F Units	68.06	68.04
Series M Units	70.20	70.18
Series P Units	69.56	69.54

December 31, 2016:

Series	NAV per Unit ($)	Net assets attributable to holders of redeemable units per unit ($)
Portland Focused Plus Fund LP		
Series A Units	115.74	115.68
Series F Units	120.47	120.40
Series M Units	131.44	131.37
Series P Units	123.71	123.64
Portland Focused Plus Fund		
Series A Units	60.07	60.02
Series F Units	61.81	61.76
Series M Units	62.37	62.32
Series P Units	62.45	62.41

12. EXEMPTION FROM FILING

The Funds are relying on the exemption obtained in National Instrument 81-106, Part 2.11 to not file their financial statements with the Securities Commission.

Statement of Corporate Governance Practices

Canadian securities law requires certain reporting issuers to publish specific disclosure concerning their corporate governance practices. Even though the Funds are not reporting issuers, the Manager has established an Independent Review Committee consisting of three members appointed to provide independent advice to assist the Manager in performing its services and to consider and provide recommendations to the Manager on conflicts of interest to which the Manager is subject when managing the Funds.

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