PORTLAND
INVESTMENT COUNSEL®

Portland Global Sustainable Evergreen Fund
Portland Global Sustainable Evergreen LP

Annual Financial Report

December 31, 2018

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PORTFOLIO MANAGEMENT TEAM

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

Portland Global Sustainable Evergreen Fund
Portland Global Sustainable Evergreen LP

OVERVIEW

The investment objectives of Portland Global Sustainable Evergreen Fund (the Trust) and Portland Global Sustainable Evergreen LP (the Partnership) (collectively the Funds) are to preserve capital and provide above average long-term returns.

The Trust ultimately intends to achieve its investment objective by investing all, or substantially all, of its net assets in the Partnership, although we may from time to time determine that the investment objective of the Trust can be best achieved through direct investment in underlying securities and/or investment in other pooled investment vehicles. To the extent the Trust makes direct investments, it will apply the investment strategies of the Partnership.

The Partnership may invest in a portfolio of private securities, either directly or indirectly through other funds, initially consisting of: private equities believed to be in sustainable systems including farmland; private equities in renewable energy and energy efficiency; other equity or debt securities, a portion of which may have provisions resulting in equity ownership of the issuer of the debt or the underlying asset if certain events occur; and complementary public securities and funds which may or may not be managed by the Manager. The Partnership may borrow up to 20% of the total assets after giving effect to the borrowing.

We will invest some of the Partnership's assets in investment products directly or indirectly managed by specialty investment managers which we believe have disciplined investment philosophies that are similar to our own (a Specialty Investment Manager). We decide whether the Partnership invests in a fund managed by a Specialty Investment Manager and the extent of the commitment to that fund; but we do not decide on the individual investments, which will comprise that Specialty Investment Manager's fund.

Initial Specialty Investment Managers are the European Investment Fund (EIF) and its sister institution the European Investment Bank (EIB) which provide institutional support for the Global Energy Efficiency and Renewable Energy Fund (GEEREF) and the GEEREF NeXt (GEEREF NeXt) investment team and Bonnefield Financial Inc., which manages the Bonnefield Canadian Farmland Evergreen LP.

FINANCIAL HIGHLIGHTS (As at December 31, 2018)

For the period of March 29, 2018 to December 31, 2018, the Trust's Series A Units had a return of 0.5%. For the period of February 28, 2018 to December 31, 2018, the Trust's Series F Units had a return of 1.3%. For the period of July 31, 2018 to December 31, 2018, the Partnership's Series A Units had a return of 4.1%. For the period of April 30, 2018 to December 31, 2018, the Partnership's Series F Units had a return of 4.9%. The Trust has paid a special distribution at the end of 2018 of $0.070283 and $0.071061 per unit for Series A and Series F, respectively, to avoid tax.

Once the Trust has achieved mutual fund trust status, the intention is to invest all, or substantially all of its net assets in the Partnership, pending which the Trust's and a portion of the Partnership's assets are being invested in short term investments offered by large banks.

The Partnership has initiated its investment strategy by investing in Portland Global Energy Efficiency and Renewable Energy Fund LP (Portland GEEREF LP). Looking ahead, the Partnership intends to initiate investing in GEEREF NeXt and the Bonnefield Canadian Farmland Evergreen LP during 2019 and beyond.

RECENT DEVELOPMENTS AND OUTLOOK

During the period, equity investors faced the volatile realities of a shift from quantitative easing (i.e. bond purchasing) and very low interest rates coupled with the backdrop of global trade tensions, political unrest and further uncertainties as a result of the Brexit saga. In fact, as the majority of developed economies are yet to adopt meaningful pro-growth measures; rising U.S. interest rates, the Federal Reserve shrinking its balance sheet and the European Central Bank ending its bond buying program have stirred worries over a new era of 'quantitative tightening' that is also rattling markets.

Signs of a late-cycle economy and unresolved Chinese-U.S. trade tension does not mean a recession lurks around the corner. However, the U.S. Treasury Yield curve, reflecting the difference between 2-year and 10-year Treasury yields has flattened to levels not seen in a decade. A negative yield is ordinarily an indicator of a recession. Global activity appears to be still expanding alongside company earnings whereas the recent lower/repricing in equities reflects an anticipated slower pace of growth and margin compression for companies from higher interest rates and wages.

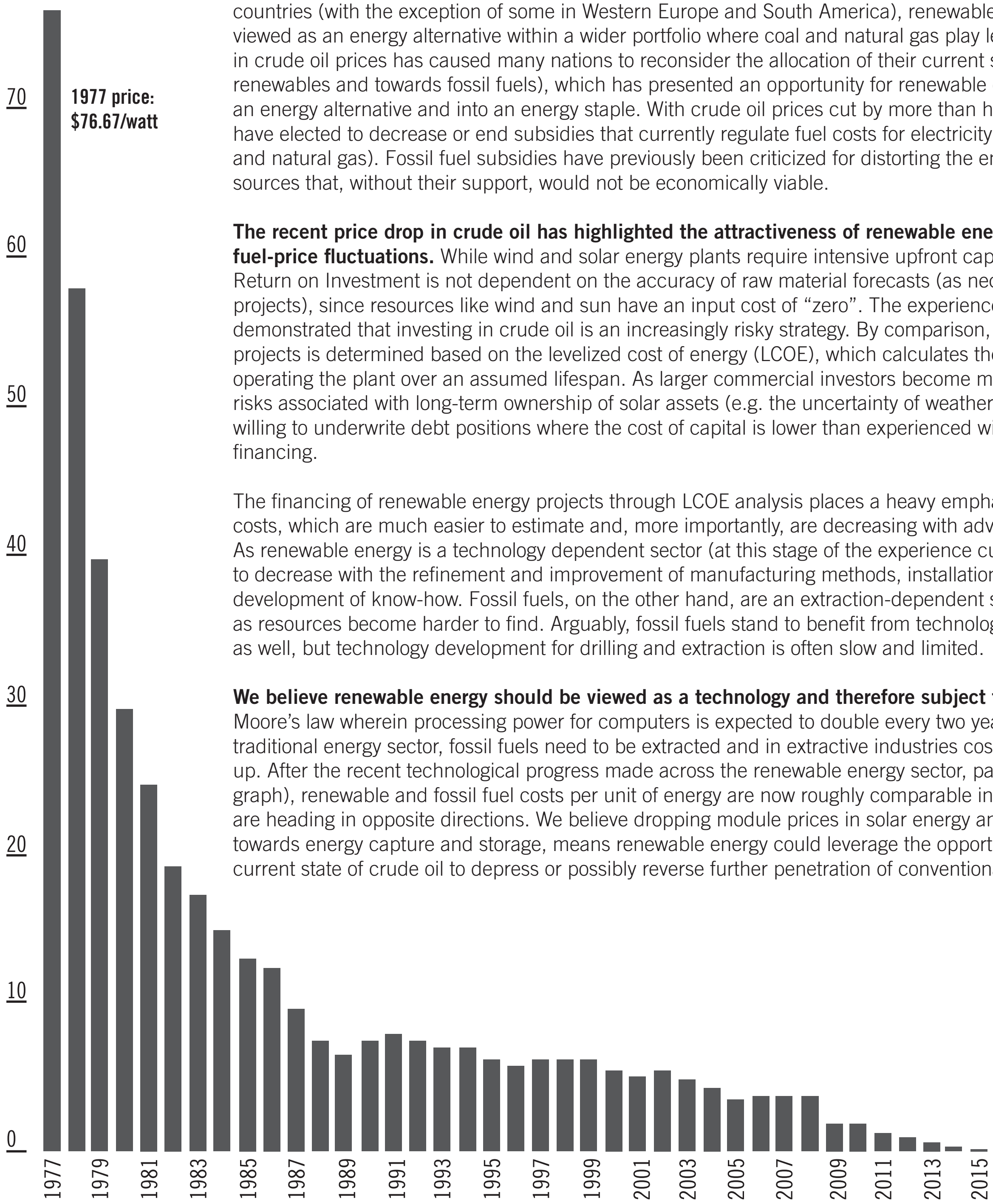
Bond markets face rising rates for the first time in some four decades, which is already creating significant asset reallocations and liquidity issues leading to increased periods of volatility. While increased volatility may be unsettling, it is to be expected as rates rise and Central Banks wean their countries off support mechanisms and towards more normal rates and markets. Also as the U.S. proceeds towards trade 'wars' rather than an infrastructure agenda and the U.K.'s 'Brexit' negotiations with the E.U. remain protracted there is plenty of scope for turmoil. And markets remind us from time to time that they can veer from complacency to panic over a week-end.

A distinguishing feature of the Funds is sustainable investing, and holding a few private investments. Portland Investment Counsel Inc. (the Manager) has long held that the key to wealth creation is owning a few high quality businesses. We increasingly believe a pivot towards 'value' rather than 'growth' criteria is likely to predominate as investors seek businesses that are priced reasonably, particularly in a reflationary environment. Overall, we believe that the Funds are currently well positioned to meet their investment objectives for the medium to long term. On February 28, 2019, the Trust had received sufficient investor subscriptions and was able to achieve mutual fund trust status, allowing the Trust to invest directly in the Partnership. We are now excited at the prospects for the Trust and Partnership to achieve attractive returns, which by the nature of the underlying investments are expected to hold little correlation to the publically traded markets. The following pages highlight our belief in the attractiveness of investing in renewable energy and Canadian farmland.

THE CASE FOR RENEWABLE ENERGY

The economics of renewable energy generation are evolving differently in developed countries and developing ones. While the subsidies in the United States of America, European Union and other developed countries are being reassessed due to their high cost, the overall market in the renewable energy and energy efficiency sectors in developing countries is in fact benefitting from an increasingly cheaper supply of renewable energy technologies and strong competition between technology providers.

Price of crystalline silicon photovoltaic cells, $/watt



Source: Bloomberg, New Energy Finance

Traditionally, renewable energy has been largely driven by sustainability targets and concerted regional efforts to diversify existing energy portfolios. Photovoltaic (PV) global installations has continued to rise since 2006, largely driven by the continued drop in capital costs – the price of PV modules has fallen by over 30% year on year since 2008. This reduction in capital investment has allowed solar power to be viewed as a viable energy alternative to traditional power generation from coal, natural gas, and/or nuclear. Countries in the Middle East have included solar as part of their investment into a wider energy portfolio, a possible option in their “post-oil” future. For most countries (with the exception of some in Western Europe and South America), renewable energy continues to be viewed as an energy alternative within a wider portfolio where coal and natural gas play leading roles. The drop in crude oil prices has caused many nations to reconsider the allocation of their current subsidies (both towards renewables and towards fossil fuels), which has presented an opportunity for renewable energy to transition from an energy alternative and into an energy staple. With crude oil prices cut by more than half, at least 27 countries have elected to decrease or end subsidies that currently regulate fuel costs for electricity generation (including coal and natural gas). Fossil fuel subsidies have previously been criticized for distorting the energy markets in favor of sources that, without their support, would not be economically viable.

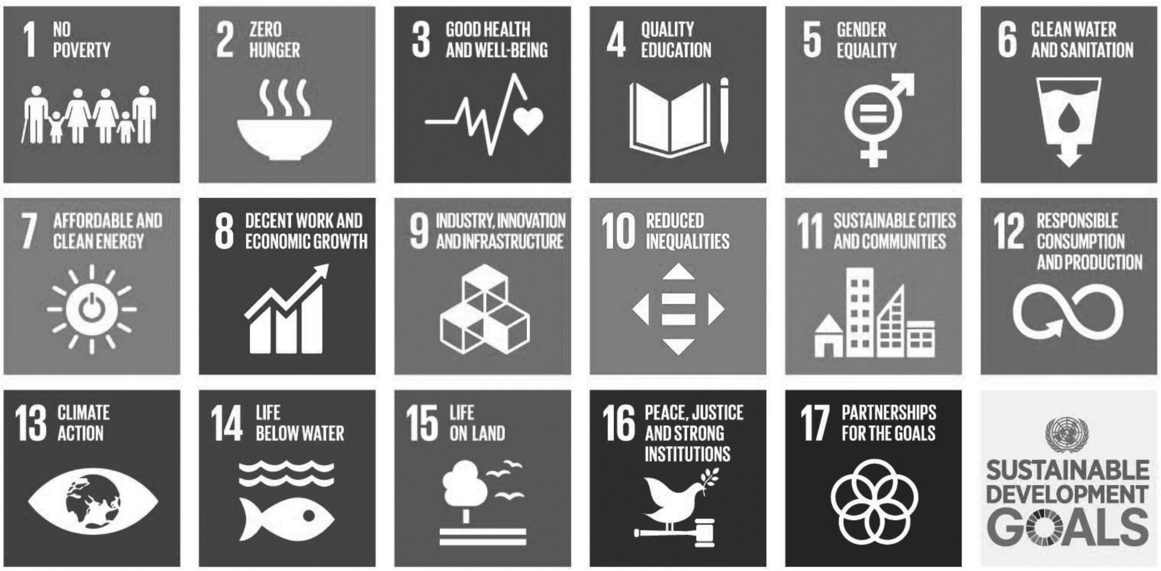
The recent price drop in crude oil has highlighted the attractiveness of renewable energy’s relative isolation from fuel-price fluctuations. While wind and solar energy plants require intensive upfront capital, their forecasted project Return on Investment is not dependent on the accuracy of raw material forecasts (as necessary with petrochemical projects), since resources like wind and sun have an input cost of “zero”. The experienced volatility in prices has demonstrated that investing in crude oil is an increasingly risky strategy. By comparison, the payback of solar projects is determined based on the levelized cost of energy (LCOE), which calculates the cost of building and operating the plant over an assumed lifespan. As larger commercial investors become more comfortable with the risks associated with long-term ownership of solar assets (e.g. the uncertainty of weather), they will be increasingly willing to underwrite debt positions where the cost of capital is lower than experienced with traditional power project financing.

The financing of renewable energy projects through LCOE analysis places a heavy emphasis on the upfront capital costs, which are much easier to estimate and, more importantly, are decreasing with advancements in technology. As renewable energy is a technology dependent sector (at this stage of the experience curve), costs will continue to decrease with the refinement and improvement of manufacturing methods, installation techniques, and development of know-how. Fossil fuels, on the other hand, are an extraction-dependent sector, where costs increase as resources become harder to find. Arguably, fossil fuels stand to benefit from technology gains and cost deflation as well, but technology development for drilling and extraction is often slow and limited.

We believe renewable energy should be viewed as a technology and therefore subject to cost deflation (e.g. Moore’s law wherein processing power for computers is expected to double every two years). In contrast, in the traditional energy sector, fossil fuels need to be extracted and in extractive industries costs (almost) always go up. After the recent technological progress made across the renewable energy sector, particularly solar (see price graph), renewable and fossil fuel costs per unit of energy are now roughly comparable in many countries – but are heading in opposite directions. We believe dropping module prices in solar energy and progressing research towards energy capture and storage, means renewable energy could leverage the opportunity spurred on by the current state of crude oil to depress or possibly reverse further penetration of conventional power sources.

SUSTAINABLE DEVELOPMENT GOALS

Sustainable Development Goals (SDGs) are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. It consists of a set of 17 global goals (highlighted below) spearheaded by the United Nations to tackle the root causes of poverty and unite its members together to make a positive change for both people and planet.[1]



GLOBAL ENERGY EFFICIENCY & RENEWABLE ENERGY FUND (GEEREF) IMPACT OVERVIEW

GEEREF has mapped its portfolio investments against SDGs. It showed that GEEREF's investment focus on building-up new clean energy capacity in developing countries and its two-fold impact approach – the combination of enforcement of EIB standards on the project-level and measurement of impact – contribute to the achievement of four of the 17 goals.[2]

GEEREF'S DIRECT SDG CONTRIBUTION	GEEREF'S METRICS	GEEREF'S REALISED IMPACT IN 2017	GEEREF'S CUMMULATIVE REALISED IMPACT SINCE 2014
GEEREF BUILDS UP NEW CLEAN ENERGY CAPACITY (7 AFFORDABLE AND CLEAN ENERGY)	Capacity Installed (MW) Electricity Generated and Saved (MWh)	120 MW (new capacity) 1.8 million MWh	788 MW 4.9 million MWh
GEEREF CONTRIBUTES TO DECREASING GHG EMISSIONS IN ENERGY AND OTHER INDUSTRIES (13 CLIMATE ACTION)	Emissions reduced (tones of CO2eq)	1.5 million tones of CO2eq	4.3 million tones of CO2eq
GEEREF CREATES EMPLOYMENT OPPORTUNITIES AND SKILLS TRAINING (8 DECENT WORK AND ECONOMIC GROWTH)	Number of People Employed: temporary, permanent, male, female Training delivered (hours)	1800 permanent male jobs 630 permanent female jobs 4,500 temporary male jobs 360 temporary female jobs 46,500 training hours	
GEEREF IS A PUBLIC-PRIVATE PARTNERSHIP (17 PARTNERSHIPS FOR THE GOALS)			

THE CASE FOR CANADIAN AGRICULTURE

We believe Canadian agriculture has experienced a resurgence over the past decade, particularly in the grains and oilseed sector and that several macroeconomic and environmental trends have led to major shortages in the world's agricultural commodities. Increasing supply through farming additional land across the world appears to have limited potential because most productive land has already been brought into production. Existing land also faces major threats from overproduction, soil degradation, urbanization, climate change, and water insecurity, exacerbating the already strained supply situation.

Canada's resource wealth in water, arable land, petroleum, potash, in addition to relatively favourable climate trends, have allowed Canadian farmland to fair relatively well. Canada's access to both Pacific and Atlantic trade and proximity to the U.S., position it as a world leader in agricultural trade. Also, Canada's well-established trade infrastructure allows easy access to world markets, further improving Canada's advantage in terms of market access. The Manager believes that, as incomes and population continue to rise in emerging economies, Canada's surplus of sustainable productive agricultural land will prove a valuable economic resource.

The increasingly capital-intensive nature of today's farm operations requires significant economies of scale to maximize profitability. A new generation of family farmers and progressive, growth-oriented farmers are acquiring and operating larger tracts of farmland and need access to new sources of financing to help them grow and maximize their efficiency. This trend, along with significant succession challenges experienced by the large number of older farmers facing retirement across Canada, has led to a growing demand for alternative sources of capital among Canadian farmers.

We believe these trends appear likely to persist in the coming decades and will continue to add pressure to an already precarious global supply and demand scenario.

The Partnership intends to invest in Bonnefield Canadian Farmland Evergreen LP, the objective of which is to achieve stable, long-term growth of capital and annual income by investing in a portfolio of farmland properties.

Signatory of:

PRI Principles for Responsible Investment

Bonnefield became the first farmland investment manager and property manager in Canada to qualify and be accepted as a signatory to the United Nations-supported Principles for Responsible Investment (PRI) Initiative, an international network of investors working to put responsible investment into practice and to promote sustainability.

Sources:

1. United Nations, January 2018, http://www.un.org/sustainabledevelopment/sustainable-development-goals/

2. GEEREF Impact Report 2017, https://geeref.com/assets/documents/2017-GEEREF-Impact-Report-Public-version-20181024.pdf

Notes

Certain statements included in this Commentary constitute forwardlooking statements, including those identified by the expressions "anticipate," "believe," "plan," "estimate," "expect," "intend" and similar expressions to the extent they relate to the Funds. These forward-looking statements are not historical facts, but reflect the current expectations of the portfolio management team regarding future results or events of the Funds. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. The portfolio management team has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, except as required by securities legislation.

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

Management's Responsibility for Financial Reporting

The accompanying financial statements of Portland Global Sustainable Evergreen 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 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.

KPMG 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 13, 2019

"Robert Almeida"

Robert Almeida
Director
March 13, 2019

Independent Auditor's Report

To the Unitholders of Portland Global Sustainable Evergreen Fund

Opinion

We have audited the financial statements of Portland Global Sustainable Evergreen Fund (the Entity), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of comprehensive income for the period from February 28, 2018 (inception date) to December 31, 2018
- the statement of changes in net assets attributable to holders of redeemable units for the period from February 28, 2018 (inception date) to December 31, 2018
- the statement of cash flows for the period from February 28, 2018 (inception date) to December 31, 2018
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, and its financial performance and its cash flows for the period from February 28, 2018 (inception date) to December 31, 2018 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

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

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

Other Information

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

- the information, other than the financial statements and the auditors' report thereon, included in the Fund commentary document.

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

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

We obtained the information, other than the financial statements and the auditors' report thereon, included in the Fund commentary document as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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

KPMG LLP

Chartered Professional Accountants, Licenced Public Accountants

March 13, 2019
Toronto, Canada

Statement of Financial Position

as at December 31,		2018
Assets		
Current Assets		
Cash and cash equivalents	$	653,987
Subscriptions receivable		59,854
		713,841
Liabilities		
Current Liabilities		
Distributions payable		156
Management fees payable		7
		163
Non-Current Liabilities		
Organization expenses payable (note 8)		17,380
		17,543
Net Assets Attributable to Holders of Redeemable Units	$	696,298
Net Assets Attributable to Holders of Redeemable Units Per Series		
Series A		980
Series F		591,033
Series O		104,285
	$	696,298
Number of Redeemable Units Outstanding (note 6)		
Series A		40
Series F		23,990
Series O		4,233
Net Assets Attributable to Holders of Redeemable Units Per Unit		
Series A		24.50
Series F		24.64
Series O		24.64

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.

Statement of Comprehensive Income

for the period ended December 31,	2018 *
Income	
Net gain (loss) on investments	
Interest for distribution purposes	$ 4,930
Net realized gain (loss) on investments	(26)
Total income (net)	4,904
Expenses	
Unitholder reporting costs	32,587
Organization expenses payable (note 8)	17,380
Audit fees	10,096
Independent review committee fees	2,331
Management fees (note 8)	1,539
Custodial fees	303
Transaction costs	53
Total operating expenses	64,289
Less: management fees waived by Manager	(1,532)
Less: expenses absorbed by Manager	(45,317)
Net operating expenses	17,440
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ (12,536)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series	
Series A	(20)
Series F	(11,035)
Series O	(1,481)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit	
Series A	(0.57)
Series F	(1.14)
Series O	(0.45)

* From February 28, 2018 (inception date) to December 31, 2018.

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

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

for the period ended December 31,	2018 *
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period	
Series A	$ -
Series F	-
Series O	-
	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	
Series A	(20)
Series F	(11,035)
Series O	(1,481)
	(12,536)
Distributions to Holders of Redeemable Units	
From net investment income	
Series A	(3)
Series F	(1,533)
Series O	(300)
Net Decrease from Distributions to Holders of Redeemable Units	(1,836)
Redeemable Unit Transactions	
Proceeds from redeemable units issued	
Series A	1,400
Series F	628,607
Series O	110,811
	740,818
Reinvestments of distributions	
Series A	3
Series F	1,377
Series O	300
	1,680
Redemptions of redeemable units	
Series A	(400)
Series F	(26,383)
Series O	(5,045)
	(31,828)
Net Increase (Decrease) from Redeemable Unit Transactions	710,670
Net Assets Attributable to Holders of Redeemable Units at End of Period	
Series A	980
Series F	591,033
Series O	104,285
	$ 696,298

* From February 28, 2018 (inception date) to December 31, 2018.

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

Statement of Cash Flows

for the period ended December 31,		2018 *
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$	(12,536)
Adjustments for:		
Net realized (gain) loss on investments		26
Increase (decrease) in management fees and expenses payable		7
Increase (decrease) in organization expenses payable		17,380
Purchase of investments		(88,616)
Proceeds from sale of investments		88,590
Net Cash Generated (Used) by Operating Activities		4,851
Cash Flows from Financing Activities		
Proceeds from redeemable units issued		649,136
Net Cash Generated (Used) by Financing Activities		649,136
Net increase (decrease) in cash and cash equivalents		653,987
Cash and cash equivalents - beginning of period		-
Cash and cash equivalents - end of period		653,987
Cash and cash equivalents comprise:		
Cash at bank	$	762
Short-term investments		653,225
	$	653,987
From operating activities:		
Interest received, net of withholding tax	$	4,930

* From February 28, 2018 (inception date) to December 31, 2018.

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

RISK MANAGEMENT

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

Price risk

As at December 31, 2018, the Trust did not have significant exposure to price risk.

Concentration risk

As at December 31, 2018, the Trust did not have significant exposure to concentration risk.

Currency risk

As at December 31, 2018, the Trust did not have significant exposure to currency risk.

Interest rate risk

As at December 31, 2018, the Trust did not have significant exposure to interest rate risk.

Credit risk

As at December 31, 2018, the Trust did not have significant exposure to credit risk.

Liquidity risk

The Trust is exposed to liquidity risk on its obligations associated with financial liabilities. As at December 31, 2018, the Trust did not have significant exposure to liquidity risk.

Management's Responsibility for Financial Reporting

The accompanying financial statements of Portland Global Sustainable Evergreen 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, Portland General Partner (Ontario) 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.

KPMG 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 13, 2019

"Robert Almeida"

Robert Almeida
Director
March 13, 2019

Independent Auditor's Report

To the Limited Partners of Portland Global Sustainable Evergreen LP

Opinion

We have audited the financial statements of Portland Global Sustainable Evergreen LP (the Entity), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of comprehensive income for the period from April 30, 2018 (inception date) to December 31, 2018
- the statement of changes in net assets attributable to holders of redeemable units for the period from April 30, 2018 (inception date) to December 31, 2018
- the statement of cash flows for the period from April 30, 2018 (inception date) to December 31, 2018
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, and its financial performance and its cash flows for the period from April 30, 2018 (inception date) to December 31, 2018 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

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

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

Other Information

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

- the information, other than the financial statements and the auditors' report thereon, included in the Fund commentary document.

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

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

We obtained the information, other than the financial statements and the auditors' report thereon, included in the Fund commentary document as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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

KPMG LLP

Chartered Professional Accountants, Licenced Public Accountants

March 13, 2019
Toronto, Canada

Statement of Financial Position

as at December 31,		2018
Assets		
Current Assets		
Cash and cash equivalents	$	152,072
Interest receivable		36
Investments (note 5)		81,663
		233,771
Liabilities		
Current Liabilities		
Management fees payable		483
Non-current Liabilities		
Organization expenses payable (note 8)		18,121
		18,604
Net Assets Attributable to Holders of Redeemable Units	$	215,167
Equity		
General Partner's Equity		100
Net Assets Attributable to Holders of Redeemable Units Per Series		
Series A		95,967
Series F		114,263
Series O		4,837
	$	215,067
Number of Redeemable Units Outstanding (note 6)		
Series A		4,000
Series F		4,723
Series O		200
Net Assets Attributable to Holders of Redeemable Units Per Unit		
Series A		23.99
Series F		24.19
Series O		24.18

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

"Michael Lee-Chin"

Director

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

Statement of Comprehensive Income

for the period ended December 31,		2018 *
Income		
Net gain (loss) on investments		
Interest for distribution purposes	$	1,395
Net realized gain (loss) on investments		5,615
Change in unrealized appreciation (depreciation) on investments		2,646
Total income (net)		9,656
Expenses		
Unitholder reporting costs		29,691
Organization expenses payable (note 8)		18,121
Audit fees		10,085
Independent review committee fees		1,842
Management fees (note 8)		1,272
Custodial fees		167
Transaction costs		9
Total operating expenses		61,187
Less: management fees waived by Manager		(789)
Less: expenses absorbed by Manager		(41,784)
Net operating expenses		18,614
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$	(8,958)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A		(4,033)
Series F		(4,762)
Series O		(163)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A		(1.01)
Series F		(1.62)
Series O		(0.82)

* From April 30, 2018 (inception date) to December 31, 2018.

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

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

for the period ended December 31,	2018 *
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period	
Series A	$ -
Series F	-
Series O	-
	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	
Series A	(4,033)
Series F	(4,762)
Series O	(163)
	(8,958)
Redeemable Unit Transactions	
Proceeds from redeemable units issued	
Series A	100,000
Series F	119,025
Series O	5,000
	224,025
Net Increase (Decrease) from Redeemable Unit Transactions	224,025
Net Assets Attributable to Holders of Redeemable Units at End of Period	
Series A	95,967
Series F	114,263
Series O	4,837
	$ 215,067

* From April 30, 2018 (inception date) to December 31, 2018.

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

Statement of Cash Flows

for the period ended December 31,		2018 *
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$	(8,958)
Adjustments for:		
Net realized (gain) loss on investments		(5,615)
Change in unrealized (appreciation) depreciation on investments		(2,646)
(Increase) decrease in interest receivable		(36)
Increase (decrease) in management fees and expenses payable		483
Increase (decrease) in organization expenses payable		18,121
Purchase of investments		(138,828)
Proceeds from sale of investments		65,426
Net Cash Generated (Used) by Operating Activities		(72,053)
Cash Flows from Financing Activities		
Change in general partner's equity		100
Proceeds from redeemable units issued		224,025
Net Cash Generated (Used) by Financing Activities		224,125
Net increase (decrease) in cash and cash equivalents		152,072
Cash and cash equivalents - beginning of period		-
Cash and cash equivalents - end of period		152,072
Cash and cash equivalents comprise:		
Cash at bank	$	607
Short-term investments		151,465
	$	152,072
From operating activities:		
Interest received, net of withholding tax	$	1,359

* From April 30, 2018 (inception date) to December 31, 2018.

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

Schedule of Investment Portfolio
as at December 31, 2018

No. of Shares	Security Name		Cost		Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES						
Canada						
115,600	Purpose High Interest Savings ETF	$	19,310	$	19,300	9.0%
UNDERLYING FUNDS						
Canada						
115,600	Portland Global Energy Efficiency and Renewable Energy Fund LP Class O		59,712		62,363	29.0%
	Total investments	$	79,022		81,663	38.0%
	Transaction costs		(4)		-	-
		$	79,018		81,663	38.0%
	Other assets less liabilities				133,404	62.0%
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			$	215,067	100.0%

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

(a) RISK MANAGEMENT

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

Price risk

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

If the prices of the investments held by the Partnership on December 31, 2018 had been higher or lower by 5%, net assets attributable to holders of redeemable units of the Partnership would have been higher or lower by $4,083. 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 its net assets attributable to holders of redeemable units by geographic region and by industry sector as at December 31, 2018.

By Geographic Region	December 31, 2018
Canada	38.0%
Canada - Cash and Other Net Assets	62.0%
Total	**100.0%**

By Industry Sector	December 31, 2018
Private/Alternative Funds	29.0%
Exchange Traded Funds	9.0%
Cash and Other Net Assets	62.0%
Total	**100.0%**

Currency risk

As at December 31, 2018, the Partnership did not have significant exposure to currency risk.

Interest rate risk

As at December 31, 2018, the Partnership did not have significant exposure to interest rate risk.

Credit risk

As at December 31, 2018, the Partnership did not have significant exposure to credit risk.

Liquidity risk

The Trust is exposed to liquidity risk on its obligations associated with financial liabilities. As at December 31, 2018, the Partnership did not have significant exposure to liquidity risk.

(b) FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table illustrates the classification of the Partnership's financial instruments within the fair value hierarchy as at December 31, 2018:

	Assets (Liabilities)			
As at December 31, 2018	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	19,300	-	-	19,300
Underlying Funds	-	-	62,363	62,363
Total	**19,300**	**-**	**62,363**	**81,663**

As at December 31, 2018, the Partnership held units of Portland Global Energy Efficiency and Renewable Energy Fund LP (Portland GEEREF LP), which is a closed-end investment fund. Portland GEEREF LP has the same Manager and administrator as the Partnership. This investment is considered Level 3 in the fair value hierarchy because it does not allow redemptions or transfers of units prior to dissolution except in very limited circumstances. The Partnership measures Portland GEEREF LP units at the most recently published NAV per unit as reported by its administrator, considering restrictions on the Partnership's ability to redeem units of Portland GEEREF LP. If the NAV per unit of Portland GEEREF LP had been higher or lower by 5%, the net assets attributable to holders of redeemable units of the Partnership would have been higher or lower by $3,118.

Reconciliation of Level 3 Fair Value Measurement of Financial Instruments

The following table reconciles the Partnership's Level 3 fair value measurement of financial instruments for the period ended December 31, 2018:

December 31, 2018	Investment Funds ($)	Total ($)
Balance at beginning of period	-	-
Investment purchases during the period	59,712	59,712
Change in unrealized appreciation (depreciation) in value of investments	2,651	2,651
Balance at end of period	**62,363**	**62,363**

(c) STRUCTURED ENTITIES

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

The Partnership's investments in structured entities are summarized below:

December 31, 2018:

Description	Fair Value of Fund's Investment ($)	Net Asset Value of investment ($millions)	% of Investments Net Assets
Portland Global Energy Efficiency and Renewable Energy Fund LP Class O	62,363	25	0.3%
Purpose High Interest Savings ETF	19,300	1,420	0.0%

1. GENERAL INFORMATION

(a) Establishment of the Trust

Portland Global Sustainable Evergreen Fund (the Trust) is an open-end investment fund established under the laws of the Province of Ontario as a trust pursuant to an amended and restated master declaration of trust dated as of December 13, 2013, as amended thereafter and as may be amended and restated from time to time. The formation date of the Trust was February 9, 2018 and inception date was February 28, 2018. Portland Investment Counsel Inc. (the Manager) is the Investment Fund Manager, Portfolio Manager and Trustee of the Trust. The head 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 13, 2019.

(b) Establishment of the Partnership

Portland Global Sustainable Evergreen LP (the Partnership) is a limited partnership established under the laws of the Province of Ontario pursuant to a limited partnership agreement dated as of February 9, 2018, as may be amended and restated from time to time. The inception date of the Partnership was April 30, 2018. Pursuant to the partnership agreement, Portland General Partner (Ontario) Inc. (the General Partner) is responsible for the management of the Partnership. The General Partner has engaged 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 head office of the Partnership is 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7. These financial statements were authorized for issue by the General Partner on March 13, 2019.

The Director of the General Partner is Michael Lee-Chin.

(c) The Funds

Portland Global Sustainable Evergreen Fund and Portland Global Sustainable Evergreen LP may be individually referred to as a Fund or collectively referred to as the Funds throughout the notes to these financial statements. The Funds offer units to the public on a private placement basis under an offering memorandum. The investment objective of the Funds is to preserve capital and provide above average long-term returns.

The statement of financial position of the Funds are as at December 31, 2018. The statement of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows are for the period of February 28, 2018 to December 31, 2018 for the Trust and April 30, 2018 to December 31, 2018 for the Partnership.

2. BASIS OF PRESENTATION

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(a) Classification

The Funds have adopted IFRS 9 for the first time in these financial statements. IFRS 9 replaced IAS 39 and provides a new framework for classification and measurement of financial assets and liabilities, as well as new standards for hedge accounting. The Funds do not have arrangements in place that meet the criteria for hedge accounting, so those aspects of the standard have not been applied in these financial statements.

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 recognize financial instruments at fair value upon initial recognition, inclusive of transaction costs in the case of financial instruments not measured at fair value. Purchases and sales of financial assets are recognized as at their trade date. The Funds classify their investments in equities and fixed income securities as financial assets or financial liabilities at fair value through profit or loss (FVTPL). Other investment funds (Portland GEEREF LP or Underlying Funds) held by the Funds do not meet the SPPI test and therefore have been classified as financial assets at FVTPL.

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

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

The Funds' accounting policies for measuring the fair value of its investments are similar to those used in measuring net asset value (NAV) for unitholder transactions; therefore, the NAV will be similar to the net assets attributable to holders of redeemable units for financial reporting purposes except for the treatment of organization expenses. Such expenses are deductible from the NAV over a five year period commencing at such time as the Manager shall determine. Such expenses are fully deductible in the first year of operations under IFRS. Therefore, the NAV of the

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

(b) Recognition, de-recognition and measurement

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' 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 amortized cost (for financial assets at amortized cost) is included within 'Net realized gain (loss) on investments' 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 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 and the difference is material, 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.

The Manager has procedures to determine the fair value of securities at FVTPL for which market prices are not readily available or which may not be reliably priced. The Underlying Funds do not trade on an active market hence its fair value is determined using valuation techniques.

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 their 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' may arise 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 financial institutions.

Cost of investments

The cost of investments represents the cost for each security excluding transaction costs for investments at FVTPL. 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

The Funds issue multiple series of redeemable units, which are redeemable at the holder's option and do not have identical rights. 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 upon 60 days notice subject to the redemption lock-up period which ends 180 days after the period beginning on the date that units of the Funds are first issued to the first investor.

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

Redeemable units are issued and redeemed at the holder's option at prices based on each Fund's NAV per unit at the time of issue or redemption. Each Fund's 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 of each respective series.

Expenses

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

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

Interest charged on margin borrowing is recorded on an accrual basis.

Organization expenses

Organization expenses include legal and registration fees associated with the formation of the Funds. The Funds are required to re-pay the Manager in equal installments over 60 months commencing on the next valuation date after the NAV reaches $2.5 million, or at such other time or amount as the Manager in its absolute discretion shall determine. Organization expenses are included as 'Organization expenses' on the statement of comprehensive income as they occur.

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.

Distributions to 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 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 Partnership will be paid in cash. All distributions by the Trust will be automatically reinvested in additional units 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. Each Fund's shared operating expenses, income, and realized and unrealized gains and losses are generally allocated proportionately to each series based upon the relative NAV of each series.

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

The Funds include only the net cash flow impact and do not include non-cash switches between series of a Fund that occurred during the year 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 period ended	December 31, 2018 ($)
Portland Global Sustainable Evergreen Fund	31,828
Portland Global Sustainable Evergreen LP	-

Future accounting changes

New standards, amendments and interpretations effective after January 1, 2018 and that have not been early adopted

There are no new accounting standards effective after January 1, 2018 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 judgment 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 considers 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.

Classification of financial assets and liabilities

Financial assets may be classified as financial assets at amortized cost, financial assets at FVTPL or financial assets at fair value through other comprehensive income. Financial liabilities may be classified as financial liabilities at amortized cost or financial liabilities at FVTPL. In order to classify its financial assets and liabilities in accordance with IFRS 9, the Manager uses judgment to assess the business model of the Funds and the cash flows of their financial assets and liabilities. The classification of financial assets and liabilities of the Funds are outlined in note 3.

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 offering memorandum. 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.

Concentration risk

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

Currency risk

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

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 a party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. 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.

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 monthly cash redemptions and borrow on margin to make investments. The Manager monitors the Funds' liquidity positions on an ongoing basis.

(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;

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.

(c) 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) and the Underlying Fund to be investments in unconsolidated structured entities. ETFs and the Underlying Fund are valued as per above section on Fair Value Measurement. Details on structured entities are illustrated alongside the fund specific note disclosures where applicable.

The change in fair value of the structured entity is included in the statements of comprehensive income in 'Change in unrealized appreciation (depreciation) on investments'.

6. REDEEMABLE UNITS

The Funds are permitted to issue an unlimited number of redeemable units issuable in Series A, Series F and Series O, having such terms and conditions as the Manager may determine. Additional series may be offered in the 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 attributable to that series of units. 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).

The Funds endeavor to invest capital in appropriate investments in conjunction with their investment objectives. The Funds may borrow or dispose of investments, where necessary, to fund redemptions.

The principal difference between the series of units relates to the management fee payable to the Manager, minimum investment requirements and the compensation paid to dealers. Units of each Fund are entitled to participate in the 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 of the applicable Fund being redeemed, determined at the close of business on the redemption date, as outlined in the offering memorandum.

Series A Units are available to investors who meet eligibility requirements and who invest a minimum of $5,000 in respect of the Trust and $10,000 in respect of the Partnership.

Series F Units are available to investors who meet eligibility requirements and who invest a minimum of $5,000 in respect of the Trust and $10,000 in respect of the Partnership, 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 making a minimum investment of $500,000.

The number of units issued and outstanding for the period ended December 31, 2018 was as follows:

Period ended December 31, 2018	Balance, Beginning of Period	Units Issued Including Switches from Other Series	Units Reinvested	Units Redeemed Including Switches to Other Series	Balance, End of Period	Average Number of Units
Portland Global Sustainable Evergreen Fund						
Series A Units	-	56	-	16	40	35
Series F Units	-	24,983	55	1,048	23,990	9,721
Series O Units	-	4,421	12	200	4,233	3,260
Portland Global Sustainable Evergreen LP						
Series A Units	-	4,000	-	-	4,000	4,000
Series F Units	-	4,723	-	-	4,723	2,935
Series O Units	-	200	-	-	200	200

7. TAXATION

The Trust is a unit trust with registered investment status under the meaning as defined in the Income Tax Act (Canada) (the Tax Act). The Trust calculates taxable income and net capital gains/(losses) in accordance with the Tax Act and intends to distribute sufficient net income and net realized capital gains, if any, to ensure it does not have to pay ordinary income tax. 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, if any, are not reflected in the statements of financial position as deferred income tax assets.

The Trust may incur Minimum Tax as defined in the Tax Act since it is a unit trust. 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 taxation year-end for the Trust is December 31.

The Trust has $79.18 in capital loss carry forwards as at December 31, 2018. The Trust did not have any non-capital loss carry forward amounts as at December 31, 2018.

The Partnership calculates its taxable income and net capital gains/(losses) in accordance with the Tax Act. 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.

8. FEES AND EXPENSES

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	Series F
Portland Global Sustainable Evergreen Fund	1.75%	0.75%
Portland Global Sustainable Evergreen LP	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.

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 cost of financial reporting, expenses related to conducting unitholder meetings, costs associated with providing Fundserv access for registered dealers 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.

The Funds are also responsible for all costs associated with its creation and organization of the Funds including but not limited to legal and audit costs, registration and regulatory filing fees, costs associated with due diligence by registered dealers, printing costs, postage and courier costs and time spent by personnel of the Manager at fully allocated costs. The Manager has paid the costs associated with the formation and creation of the Funds and the offering of Units and is entitled to reimbursement from the Funds for such costs.

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

9. SOFT DOLLARS

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

The Manager may use third party proprietary research, which is generally also available on a subscription basis, the value of which will be used to approximate the value of research and other similar services received from third parties through commission sharing arrangements with executing brokers. The Funds have not participated in any third party soft dollar arrangements to date.

10. RELATED PARTY TRANSACTIONS

The following tables outline the management fees and operating expense reimbursements that were paid to the Manager by the Funds during the period ended December 31, 2018. The table includes the amount of operating expense reimbursement that was paid to affiliates of the Manager. All of the dollar amounts in the tables below exclude applicable GST or HST.

Period ended December 31, 2018	Management Fees ($)	Waived Management Fees ($)	Operating Expense Reimbursement ($)	Absorbed Operating Expenses ($)	Operating Expenses Reimbursed to Affiliates of the Manager ($)
Portland Global Sustainable Evergreen Fund	1,539	1,532	40,062	40,062	971
Portland Global Sustainable Evergreen LP	1,126	698	36,977	36,977	635

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

Period ended December 31, 2018	Management Fees ($)	Operating Expense Reimbursement ($)
Portland Global Sustainable Evergreen Fund	6	-
Portland Global Sustainable Evergreen LP	428	-

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 units of each of the Funds held by the Manager and Related Parties on each reporting date.

As at December 31, 2018	Manager	Related Parties
Portland Global Sustainable Evergreen Fund	-	1,213
Portland Global Sustainable Evergreen LP	-	1

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

The NAV per unit of each Fund is higher than the net assets attributable to holders of redeemable units per unit because of the difference in the accounting treatment of organization expenses.

For each Fund, such expenses were recorded in full in the financial statements for the period ended December 31, 2018 but will be deducted from the NAV on a monthly basis over a five-year period for purposes of unitholder transactions commencing at such time as the Manager shall determine. Therefore, the NAV per unit for the Funds is higher than net assets attributable to holders of redeemable units per unit. The following tables provide a comparison of NAV per unit and net assets attributable to holders of redeemable units of each Fund as at December 31, 2018.

Series	NAV per Unit ($)	Net assets attributable to holders of redeemable units per unit ($)
Portland Global Sustainable Evergreen Fund		
Series A Units	25.04	24.50
Series F Units	25.25	24.64
Series O Units	25.25	24.64
Portland Global Sustainable Evergreen LP		
Series A Units	26.01	23.99
Series F Units	26.23	24.19
Series O Units	26.23	24.18

12. SUBSEQUENT EVENTS

On February 28, 2019, The Trust purchased $487,000 of the Partnership.

13. EXEMPTION FROM FILING

The Funds are relying on the exemption contained within National Instrument 81-106, Part 2.11 to not file their financial statements with the applicable securities regulatory authorities.

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