PORTLAND
INVESTMENT COUNSEL®

Portland Focused Plus Fund

Interim Financial Statements

June 30, 2017

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FINANCIAL STATEMENTS

Management's Responsibility for Financial Reporting

The accompanying financial statements of Portland Focused Plus Fund (Trust) have been prepared by Portland Investment Counsel Inc. in its capacity as manager (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.

"Michael Lee-Chin"

Michael Lee-Chin,
Director,
August 3, 2017

"Robert Almeida"

Robert Almeida,
Director,
August 3, 2017

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

Statements of Financial Position (unaudited)

	As at June 30, 2017	As at December 31, 2016
Assets		
Current Assets		
Cash and cash equivalents	$ 1,013	$ 1,142
Subscriptions receivable	547,086	542,760
Interest receivable	-	12
Dividends receivable	78,553	20,343
Investments (note 5)	11,523,004	5,312,665
Investments - pledged as collateral (note 5 and 11)	12,405,323	7,309,813
	24,554,979	13,186,735
Liabilities		
Current Liabilities		
Borrowing (note 11)	10,772,319	5,116,693
Management fees payable	11,014	7,118
Performance fees payable	24,702	26,656
Expenses payable	16,278	8,465
Distributions payable	-	7,797
Organization expenses payable (note 8)	1,429	1,429
	10,825,742	5,168,158
Non-current Liabilities		
Organization expenses payable (note 8)	3,931	4,646
	10,829,673	5,172,804
Net Assets Attributable to Holders of Redeemable Units	$ 13,725,306	$ 8,013,931
Net Assets Attributable to Holders of Redeemable Units Per Series		
Series A	1,871,146	1,187,549
Series F	6,831,276	4,218,308
Series M	1,941,312	1,772,923
Series P	3,081,572	835,151
Number of Redeemable Units Outstanding (note 6)		
Series A	28,920	19,786
Series F	102,084	68,303
Series M	28,449	28,449
Series P	45,307	13,382
Net Assets Attributable to Holders of Redeemable Units Per Unit		
Series A	64.70	60.02
Series F	66.92	61.76
Series M	68.24	62.32
Series P	68.01	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 (unaudited)

for the periods ended June 30,	2017	2016*
Income		
Net gain (loss) on investments		
Dividends	$ 304,803	$ 21,476
Interest for distribution purposes	27	921
Net realized gain (loss) on investments	988,295	-
Change in unrealized appreciation (depreciation) on investments	(314,752)	176,474
	978,373	198,871
Other income		
Foreign exchange gain (loss) on cash and other net assets	119,162	12,609
Total income (net)	1,097,535	211,480
Expenses		
Performance fees (note 8)	87,150	17,669
Management fees (note 8)	56,119	6,164
Interest expense and bank charges (note 11)	46,816	165
General and administrative expenses	21,388	-
Transaction costs	6,058	833
Audit fees	5,266	2,620
Withholding tax expense	2,558	154
Independent review committee fees	1,698	956
Custodial fees	108	-
Organization expenses (note 8)	-	7,147
Total operating expenses	227,161	35,708
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ 870,374	$ 175,772
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	114,300	4,929
Series F	418,499	89,037
Series M	168,389	42,587
Series P	169,186	39,219
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	4.73	4.37
Series F	5.21	3.30
Series M	5.92	3.33
Series P	5.82	3.06

* For the period from March 31, 2016 (commencement of operations) to June 30, 2016

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

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

for the periods ended June 30,	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	114,300	4,929
Series F	418,499	89,037
Series M	168,389	42,587
Series P	169,186	39,219
	870,374	175,772
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	610,525	177,738
Series F	2,211,919	2,230,312
Series M	-	1,297,037
Series P	2,077,235	640,000
	4,899,679	4,345,087
Redemptions of redeemable units		
Series A	(41,228)	-
Series F	(17,450)	-
Series M	-	-
Series P	-	-
	(58,678)	-
Net Increase (Decrease) from Redeemable Unit Transactions	4,841,001	4,345,087
Net Assets Attributable to Holders of Redeemable Units at End of Period		
Series A	1,871,146	182,667
Series F	6,831,276	2,319,349
Series M	1,941,312	1,339,624
Series P	3,081,572	679,219
	$ 13,725,306	$ 4,520,859

* For the period from March 31, 2016 (commencement of operations) to June 30, 2016

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

Statements of Cash Flows (unaudited)

for the periods ended June 30,	2017	2016*
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ 870,374	$ 175,772
Adjustments for:		
Net realized (gain) loss on investments	(988,295)	-
Change in unrealized (appreciation) depreciation on investments	314,752	(176,474)
Unrealized foreign exchange (gain) loss on cash	(136,702)	(2,776)
(Increase) decrease in interest receivable	12	-
(Increase) decrease in dividends receivable	(58,210)	(14,244)
Increase (decrease) in management fees, performance fees, and expenses payable	9,755	15,879
Increase (decrease) in organization expenses payable	(715)	6,789
Purchase of investments	(18,035,580)	(3,694,703)
Proceeds from sale of investments	7,403,274	-
Net Cash Generated (Used) by Operating Activities	(10,621,335)	(3,689,757)
Cash Flows from Financing Activities		
Increase (decrease) in borrowing	5,655,626	1,443,609
Distributions to holders of redeemable units, net of reinvested distributions	(7,797)	-
Proceeds from redeemable units issued	4,880,047	3,143,300
Amount paid on redemption of redeemable units	(43,372)	-
Net Cash Generated (Used) by Financing Activities	10,484,504	4,586,909
Net increase (decrease) in cash and cash equivalents	(136,831)	897,152
Unrealized foreign exchange gain (loss) on cash	136,702	2,776
Cash and cash equivalents - beginning of period	1,142	-
Cash and cash equivalents - end of period	1,013	899,928
Cash and cash equivalents comprise:		
Cash at bank	$ 1,013	$ -
Short-term investments	-	899,928
	$ 1,013	$ 899,928
From operating activities		
Interest received, net of withholding tax	$ 39	$ -
Dividends received, net of withholding tax	$ 244,035	$ 7,053
From financing activities		
Interest paid	$ 46,396	$ 25

* For the period from March 31, 2016 (commencement of operations) to June 30, 2016

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

Schedule of Investment Portfolio (unaudited)

as at June 30, 2017

No. of Shares	Security Name	Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES				
Canada				
41,500	The Bank of Nova Scotia	$ 3,230,577	$ 3,237,415	
16,300	Canadian Imperial Bank of Commerce	1,752,507	1,717,857	
96,086	Emera Incorporated	4,350,341	4,632,306	
99,217	Fortis Inc.	4,094,414	4,522,311	
30,800	Power Financial Corporation	982,789	1,024,716	
115,800	RioCan Real Estate Investment Trust	2,856,232	2,787,306	
49,000	The Toronto-Dominion Bank	3,189,621	3,202,150	
		20,456,481	21,124,061	153.9%
United States				
1,800	Berkshire Hathaway Inc.	355,823	395,350	
18,500	Time Warner Inc.	2,422,510	2,408,916	
		2,778,333	2,804,266	20.4%
	Total investments	23,234,814	23,928,327	174.3%
	Transaction costs	(6,304)	-	-
		$ 23,228,510	23,928,327	174.3%
	Other assets less liabilities		(10,203,021)	(74.3)%
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		$ 13,725,306	100.0%

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

Notes to Financial Statements

1. GENERAL INFORMATION

Portland Focused Plus Fund (Trust) is an open end mutual fund trust established under the laws of the Province of Ontario pursuant to an amended and restated master declaration of trust dated as of December 13, 2013, as amended thereafter and as may be amended from time to time (Declaration of Trust). The Trust was formed on March 1, 2016 and commenced operations on March 31, 2016. Portland Investment Counsel Inc. (Trustee and Manager) is the Investment Fund Manager, Portfolio Manager and Trustee of the Trust. 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.

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 June 30, 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 six month period ended June 30, 2017 and the period from March 31, 2016 (commencement of operations) to June 30, 2016.

These financial statements were authorized for issue by the Board of Directors of the Manager on August 3, 2017.

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

The Trust's obligation for net assets attributable to holders of redeemable units is 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 Trust 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 2016, 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 12.

Financial assets and liabilities may be offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Trust 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.

The Trust uses a borrowing facility for the purposes of making investments. Collateral in the form of cash and securities is required to secure the amount borrowed. 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 Trust commits 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 Trust has 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 changes 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 Trust uses 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 Trust's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

Revenue recognition

"Interest for distribution purposes" shown on the statements of comprehensive income represents the coupon interest earned by the Trust on debt securities accounted for on an accrual basis. The Trust does 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 Trust's 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) on 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 Trust considers 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 a Canadian custodian or Canadian broker/dealer.

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

The Trust issued four 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 Trust at any redemption date for cash equal to a proportionate share of the Trust's NAV attributable to the unit series. Units are redeemable monthly.

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 Trust.

Redeemable units are issued and redeemed at the holder's option at prices based on the Trust's NAV per unit at the time of issue or redemption. The Trust'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 for each respective series. In accordance with the provisions of the Trust's 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 Trust 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 borrowing is recorded on an accrual basis.

Organization expenses

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

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 the Unitholders

Distributions of sufficient net income and net realized gains will be made 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. The Trust'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.

Future accounting changes

On July 24, 2014 the IASB issued the complete IFRS 9 Financial Instruments (IFRS 9). The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. IFRS 9 introduces new requirements for the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The standard introduces additional changes relating to financial liabilities. It also amends the impairment model by introducing a new 'expected credit loss' model for calculating impairment. The Manager has commenced a detailed review of the new standard. At this time, the Manager does not anticipate a material impact on the carrying amounts that have been determined historically for such investments. It is anticipated that disclosures may change as a result of implementing IFRS 9, regardless of how its investments are classified.

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 Trust has 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 Trust 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 Trust's investments that are not considered held for trading. Such investments have been designated at FVTPL.

Functional and presentation currency

Unitholders of the Trust subscribe for and redeem units in Canadian dollars. The primary activity of the Trust is to invest in a portfolio of Canadian and non-Canadian securities. The performance of the Trust is 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 Trust's functional and presentation currency.

5. FINANCIAL INSTRUMENTS

a) Categorization of financial instruments

The following tables present the carrying amounts of the Trust's financial instruments by category as at June 30, 2017.

Assets	Financial assets at FVTPL Designated at Inception ($)	Financial assets at amortized cost ($)	Total ($)
Cash and cash equivalents	-	1,013	1,013
Subscriptions receivable	-	547,086	547,086
Dividends receivable	-	78,553	78,553
Investments	11,523,004	-	11,523,004
Investments - pledged as collateral	12,405,323	-	12,405,323
Total	**23,928,327**	**626,652**	**24,554,979**

Liabilities	Financial liabilities at FVTPL Designated at Inception ($)	Financial liabilities at amortized cost ($)	Total ($)
Borrowing	-	10,772,319	10,772,319
Management fees payable	-	11,014	11,014
Performance fees payable	-	24,702	24,702
Expenses payable	-	16,278	16,278
Organization expenses payable	-	5,360	5,360
Total	**-**	**10,829,673**	**10,829,673**

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 periods ending June 30, 2017 and June 30, 2016.

Category	Net gains (losses) ($) 2017	2016
Financial Assets at FVTPL:		
Designated at inception	978,373	198,846
Total	**978,373**	**198,846**

b) Risks associated with financial instruments

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 memorandum. 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 would have increased or decreased by approximately $1,196,416 (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 by geographic region as at June 30, 2017 and December 31, 2016.

By Industry Sector	June 30, 2017 (%)	December 31, 2016 (%)
Financials	51.6%	28.5%
Utilities	38.3%	55.6%
Consumer Discretionary	10.1%	15.9%
Total	**100.0%**	**100.0%**

By Geographic Region	June 30, 2017 (%)	December 31, 2016 (%)
Canada	88.3%	70.6%
United States	11.7%	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 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 June 30, 2017 and December 31, 2016, the Trust had exposure to interest rate risk due to its borrowings as described in note 11. If interest rates had doubled during the period ended June 30, 2017, interest expense would have been higher and ending net assets attributable to holders of redeemable units would have been lower by \$46,396 (December 31, 2016: \$19,455).

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 June 30, 2017 and December 31, 2016 in Canadian dollar terms. The tables also illustrate the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 5% in relation to each of the other currencies, with all other variables held constant.

June 30, 2017

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
United States Dollar	(2,586,525)	2,804,266	217,741	(129,326)	140,213	10,887
Total	**(2,586,525)**	**2,804,266**	**217,741**	**(129,326)**	**140,213**	**10,887**
% of net assets attributable to holders of redeemable units	**(18.8)%**	**20.4 %**	**1.6 %**	**(0.9)%**	**1.0 %**	**0.1 %**

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

June 30, 2017	< 6 months ($)	> 6 months ($)	Total ($)
Borrowing	10,772,319	-	10,772,319
Management fee, performance fee and expenses payable	51,994	-	51,994
Organization expenses payable	715	4,645	5,360

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 cash balances at large Canadian finanical institutions.

As at June 30, 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. The Trust was subject to leverage risk as at June 30, 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 June 30, 2017, the amount borrowed was $10,772,319 (December 31, 2016: $5,116,693) representing 45% (December 31, 2016: 39%) of the total assets of the Trust. Interest expense for the period ended June 30, 2017 was $46,396 (June 30, 2016: $25).

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 table illustrates the classification of the Trust's financial instruments within the fair value hierarchy as at June 30, 2017:

	Assets at fair value as at June 30, 2017			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	23,928,327	-	-	23,928,327
Total	**23,928,327**	**-**	**-**	**23,928,327**

The following table illustrates the classification of the Trust's financial instruments within the fair value hierarchy as at December 31, 2016:

	Assets at fair value as at June 30, 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 were carried at amortized cost and therefore are not included 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.

6. REDEEMABLE UNITS

The Trust is permitted to issue an unlimited number of redeemable units issuable in Series A, Series F, Series M, Series P and 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 Trust attributable to that series of units.

The Trust endeavors to invest capital in appropriate investments in conjunction with its investment objectives. The Trust maintains sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments, where necessary.

Units of the Trust 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 Trust's 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 Trust does 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.

Series O Units are available to certain institutional investors. 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 for the period ended June 30, 2017 was as follows:

	Balance, Beginning of Period	Units Issued Including Transfers to Other Series	Units Reinvested	Units Redeemed Including Transfers to Other Series	Balance, End of Period	Average Number of Units
Series A	19,786	9,799	-	665	28,920	24,180
Series F	68,303	34,048	-	267	102,084	80,374
Series M	28,449	-	-	-	28,449	28,449
Series P	13,382	31,925	-	-	45,307	29,063

The number of units issued and outstanding for the period ended June 30, 2016 was as follows:

	Balance, Beginning of Period	Units Issued Including Transfers to Other Series	Units Reinvested	Units Redeemed Including Transfers to Other Series	Balance, End of Period	Average Number of Units
Series A	-	3,443	-	-	3,443	1,127
Series F	-	43,780	-	-	43,780	26,948
Series M	-	25,092	-	-	25,092	12,800
Series P	-	12,800	-	-	12,800	12,800

7. TAXATION

The Trust qualifies as a mutual fund trust within the meaning of the Income Tax Act (Canada). Mutual fund trusts are subject to tax on any income, including net realized capital gains, which is not paid or payable to their unitholders. All of 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 Trust currently incurs 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.

As at December 31, 2016, there were no capital losses or non-capital losses to carry forward.

8. MANAGEMENT FEES, PERFORMANCE FEES AND EXPENSES

The Trust's 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 its offering memorandum, the Trust pays 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%
Series P Units	nil

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 Trust to the Manager are subject to 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 Trust, 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 Trust on its expenses is not recoverable. The Manager also provides key management personnel to the Trust. The Manager may charge the Trust for actual time spent by its personnel (or those of its affiliates) in overseeing the day-to-day business affairs of the Trust. 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.

9. SOFT DOLLARS

Allocation of business to brokers of the Trust 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 Trust 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 ascertainable value of the third party soft dollar arrangements in connection with portfolio transactions for the period ended June 30, 2017 was $nil (June 30, 2016: $nil).

10. RELATED PARTY TRANSACTIONS

The following tables outline the management fees, performance fees and operating expense reimbursements that were paid to the Manager by the Trust during the periods ended June 30, 2017 and June 30, 2016. The tables include the amount of operating expense reimbursement that was paid to affiliates of the Manager for administrative services provided in managing the day-to-day operation of the Trust. All of the dollar amounts in the table below exclude applicable GST or HST.

Period ended	Management Fees ($)	Performance Fees ($)	Operating and Organization Expense Reimbursement ($)	Operating Expenses Reimbursed to Affiliates of the Manager ($)
June 30, 2017	50,771	78,860	26,380	1,461
June 30, 2016	5,454	15,636	3,482	464

The Trust owed the following amounts to the Manager as at June 30, 2017 and December 31, 2016, excluding the applicable HST:

As at	Management Fees ($)	Performance Fees ($)	Operating Expense Reimbursement ($)	Organization Expenses ($)
June 30, 2017	9,909	22,418	5,511	5,360
December 31, 2016	5,438	24,007	3,134	6,075

The Manager, its officers and directors (Related Parties) may invest in units of the Trust from time to time in the normal course of business. All such transactions are measured at NAV per unit. As at June 30, 2017 and December 31, 2016, Related Parties owned 26% of the NAV of the Trust.

11. BORROWING FACILITY

The Trust has a Settlement Services Agreement with a Canadian broker for margin borrowing. The rate of interest payable on borrowed money in Canadian dollars is the Canadian Dealer Offered Rate plus 0.50% and in U.S. dollars is the U.S. LIBOR plus 0.50% and the facility is repayable on demand. The Trust has placed securities on account with the dealer as collateral for borrowing. Such non-cash collateral has been classified within the statements of financial position from other assets and is identified as "Investments - pledged as collateral".

As at June 30, 2017, the Trust had borrowings in the amount of $10,772,319 (December 31, 2016: $5,116,693).

The Trust borrowed a minimum of $nil and a maximum of $10,831,861 under the agreement during the period ended June 30, 2017 (June 30, 2016: minimum of $nil and maximum of $2,059,945).

12. 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. Such expenses were recorded in full in the financial statements for the period ended June 30, 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 is higher than net assets attributable to holders of redeemable units per unit.

The following table provides a comparison of NAV per unit and net assets attributable to holders of redeemable units as at June 30, 2017.

Series	NAV per Unit ($)	Net assets attributable to holders of redeemable units per unit ($)
Series A	64.73	64.70
Series F	66.94	66.92
Series M	68.26	68.24
Series P	68.04	68.01

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

Series	NAV per Unit ($)	Net assets attributable to holders of redeemable units per unit ($)
Series A	60.07	60.02
Series F	61.81	61.76
Series M	62.37	62.32
Series P	62.45	62.41

13. EXEMPTION FROM FILING

The Trust is relying on the exemption obtained under National Instrument 81-106 Part 2-11 not to file its financial statements with the Ontario 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 Trust is not a reporting issuer, 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 Trust.

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