

PORTLAND PRIVATE INCOME FUND



Portland Private Income Fund
WINNER OF THE 2020 CANADIAN HF AWARDS
Private Debt
Best 5 Year Return 3rd Place⁹



Portland Private Income Fund
WINNER OF THE 2018 CANADIAN HF AWARDS
Private Debt
Best 5 Year Return - Best 5 Year Sharpe Ratio 1st Place⁹ 1st Place⁹



Portland Investment Counsel[®]
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(as at August 31, 2021)

	Series Start Date	Net Asset Value Per Unit (as at August 31, 2021)	Monthly Distribution ⁹	PERFORMANCE (as at August 31, 2021)					
				3 Months	6 Months	1 Year	3 Year* ⁹	5 Year* ⁹	Since Inception* ⁹
Portland Private Income Fund - Series A	Feb. 28, 2013	\$46.4582	\$0.3333	2.6%	4.8%	10.0%	7.0%	7.1%	7.5%
Portland Private Income Fund - Series F	Jan. 7, 2013	\$48.0165	\$0.3750	2.9%	5.4%	11.3%	8.3%	8.3%	8.8%
Portland Private Income Fund - Series AP	Dec. 31, 2018	\$10.0000	\$0.0204	0.6%	1.2%	2.5%	-	-	3.1%
Portland Private Income Fund - Series FP	Jun. 29, 2018	\$10.0000	\$0.0288	0.9%	1.7%	3.5%	4.2%	-	4.2%

INVESTMENT OBJECTIVE AND STRATEGIES

The investment objective of Portland Private Income Fund (the “Fund”) is to preserve capital, provide income and above-average long-term returns.

To achieve this investment objective, the Fund invests primarily in Portland Private Income LP (the “Partnership”), both of which invest primarily in a portfolio of private debt securities including private mortgage loans, private commercial loans and other debt securities.

Keystone investments:

- Private mortgage loans administered by: MarshallZehr Group Inc. (“MarshallZehr”)
- Private commercial loans managed by: Crown Capital Partners Inc. (Crown Capital Partner Funding, LP); and U.S.-based Business Development Corporations
- Infrastructure investments comprised of Crown Capital Power Limited Partnership, Brookfield Super-Core Infrastructure Partners (NUS) L.P., Brookfield Infrastructure Fund IV and the Portland Global Energy Efficiency and Renewable Energy Fund LP
- Maritime loans comprised of the EnTrust Global Blue Ocean Fund

Investments are secured mortgages, loans and participating capital with covenants.

Investments are generally short term in nature ranging from terms of 6 months to 5 years.

Liquidity may be managed by investing in complementary income producing public securities.

Allocation of invested capital between mortgage, commercial lending and other complementary opportunities is the responsibility of the Manager.

The Fund has issued a preferred class of units to provide an additional source of borrowing. The Fund may from time to time borrow from the issuance of preferred units, a bank, prime broker, the Manager or its affiliates up to 25% of the total assets of the Partnership.

FUND FACTS

Fund Net Assets	\$149.5 million
Fund Type	Alternative Strategies
Offer Document	Offering Memorandum
Legal Type	Mutual Fund Trust
Eligible for Registered Plans	Yes
Eligible for PAC Plans	Yes, monthly minimum of \$500
Purchases and Redemptions	Monthly
Minimum Investment Term	None
Notice Period for Redemptions	60 days
Mortgage Administrator	MarshallZehr Group Inc. (Mortgage Administration #11955)
Specialty Investment Managers	Crown Capital Partners Inc. European Investment Fund/ European Investment Bank EnTrust Global Brookfield Asset Management Inc.
MER¹¹	Series A: 1.9%, Series F: 0.7%, Series AP: 0.0%, Series FP: 0.0%
Fund Manager	Portland Investment Counsel Inc. Chris Wain-Lowe, BA, MBA

	Common Units		Preferred Units	
	Series A	Series F ¹	Series AP	Series FP ¹
Subscription Fund Code	PTL140	PTL141	-	-
Fund Code	PTL700	PTL006	PTL705	PTL026
Min. initial investment, accredited investors ²	\$2,500	\$2,500	\$5,000	\$5,000
Min. initial investment, non-individuals	\$150,000	\$150,000	\$150,000	\$150,000
Min. subsequent investment ³	\$500	\$500	\$500	\$500
Management Fee ⁴	0.5%	0.5%	0.5%	0.5%
Trailer Fee	1.00%	-	1.00%	-
Targeted Distribution ⁵	8%	9%	Prime Rate	Prime Rate +1.0%
Current Annual Distribution ⁹	\$4.00	\$4.50	\$0.245	\$0.345
Redemption Fee	Within 18 months - 5%, 19-36 months - 2%		None	
Risk Rating	Medium		Low-to-Medium	

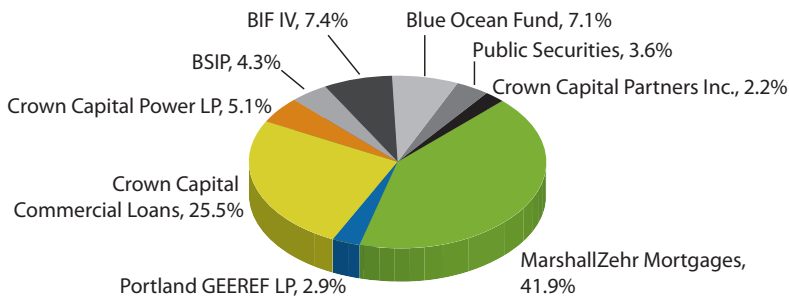
PORTLAND PRIVATE INCOME FUND



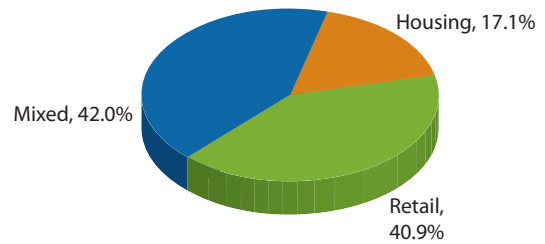
(as at August 31, 2021)

FUND BREAKDOWN (as at June 30, 2021)

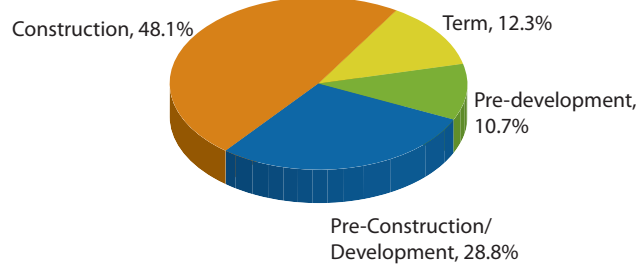
Investment Allocation



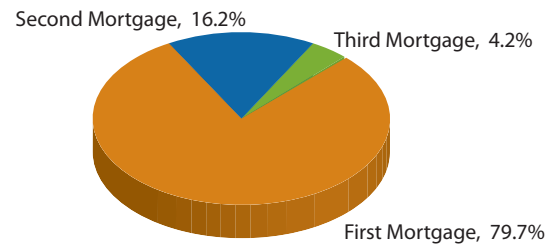
Property Usage



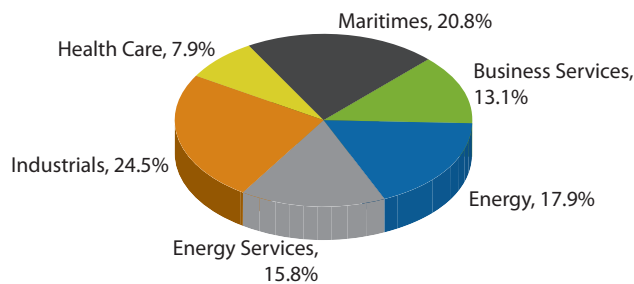
Mortgage Type



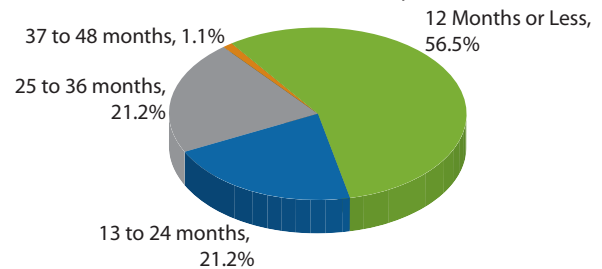
Mortgage Security Type



Crown Capital Partner Funding, LP and Blue Ocean Fund Breakdown by Sector



Debt Portfolio Breakdown by Term⁸



HISTORICAL DEBT ALLOCATIONS

Asset Class	December 31 2016	December 31 2017	December 31 2018	December 31 2019	December 31 2020
Commercial Mortgages	46.8%	44.6%	45.8%	46.3%	43.5%
Commercial Loans	29.1%	32.7%	30.8%	25.5%	26.6%
Shipping Loans	0%	5.6%	8.7%	7.8%	7.5%
Lease Financing	0%	0%	0%	3.0%	5.3%
Total Debt Allocation	75.9%	82.9%	85.3%	82.6%	82.9%

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Best 5 Year Return - Best 3 Year Short-Term Return
1st Place 1st Place



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(as at August 31, 2021)

FUND COMMENTARY (as at June 30, 2021)

The portfolio is primarily based on four ‘pillars’ of assets: mortgages, commercial loans, maritime, and infrastructure. Our intent is that such diversification lowers the correlation of risks to other major asset classes including publicly traded securities, thereby enhancing the attractiveness of the Fund’s risk-adjusted returns.

The portfolio currently comprises approximately:

- (i) 42% mortgages administered by MarshallZehr,
- (ii) 26% commercial loans via Crown Capital,
- (iii) 7% maritime assets via EnTrust Global,
- (iv) 19% infrastructure via 3% in Portland Global Energy Efficiency and Renewable Energy Fund LP (“Portland GEEREF LP”), 4% via Brookfield Super-Core Infrastructure Partners (NUS) L.P. (“BSIP”), 7% via Brookfield Infrastructure Fund IV (“BIF IV”) and 5% via Crown Capital Power Limited Partnership (“Crown Power”),
- (v) 2% in the listed equity of Crown Capital, and
- (vi) 4% in a portfolio of liquid securities.

A significant component of the portfolio’s current investments consists of 26 mortgages in the Greater Toronto Area, Southwestern Ontario, and Central Ontario including a variety of infill and intensification projects with what the Manager believes to be well-established developers located in areas of increased demand. The projects are segmented between traditional housing, retail, and mixed use. The weighted average net interest rate of the mortgage portfolio as at June 30, 2021 is 9.7%⁶. As of June 30, 2021, the weighted average loan-to-value of the mortgage portion of the Fund’s portfolio was 75.0%⁷ and its securities consisted primarily of first mortgages.

The second largest component of the portfolio currently consists of 10 commercial loans made through Crown Capital Partner Funding, LP (“Crown Partner Funding”). Crown Partner Funding is currently sized at \$229.1 million in which the Fund has committed to meet 18.0% with 82.0% drawn as at June 30, 2021.

Maritime assets currently finances 117 vessels via EnTrust Global, which provides portfolio and risk management services to its maritime lending strategy of approximately US\$1.3 billion which includes: (i) the Blue Ocean Fund which we committed US\$5 million to the first close in March 2018 with approx. 99.8% drawn and (ii) US\$7 million to the second close in December 2018 with approx. 89.8% drawn as at June 30, 2021.

As at March 31, 2021, infrastructure assets currently finance 183 renewable energy and energy efficiency projects made via the European Investment Bank and its sister institution. The European Investment Fund provides management services to the €242 million Global Energy Efficiency and Renewable Energy Fund (“GEEREF”) in which the Fund invests indirectly.

The Fund’s exposure to infrastructure assets was increased during the period:

- (i) In December 2018, we selected Brookfield Asset Management Inc. (“Brookfield”) as the Fund’s fourth Specialty Investment Manager, one of the largest global infrastructure investors and operators with US\$95 billion of infrastructure assets under management. As an initial investor, we committed US\$5 million to Brookfield Super-Core Infrastructure Partners (BSIP) managed by Brookfield. The investment strategy of BSIP is to invest in a portfolio of high quality, stable infrastructure assets, and target mature, cash-generating core infrastructure assets with predominantly contracted/regulated revenues. The Fund’s commitment was 100.0% drawn as at June 30, 2021. We also committed US\$15 million to the Brookfield Infrastructure Fund IV. The Fund’s commitment was 55.4% drawn as at June 30, 2021.
- (ii) In May 2019, we initiated an investment in Crown Power, managed by Crown Capital. Crown Power has a direct ownership of on-site generation assets that provide electric and thermal energy under long-term contracts to mid to large-scale energy consumers, such as industrial and commercial businesses, recreational facilities and condominiums, offering these customers more energy efficient, more reliable, and less expensive energy than comparable services from public utilities. We believe Crown’s multi-operator approach to develop on-site energy generation assets and resultant flow-through utility payments effectively from operating leases with strong counterparties is set to provide consistent, utility-like income. Crown Power’s fund size is currently approximately \$58 million in which we committed \$10 million with 74.0% drawn as at June 30, 2021.

As at June 30, 2021, the total leverage of the Fund was 3.1% net of cash equivalents, well within its borrowing limit to not exceed 25% of its total assets.

We remain confident that the current investments, as well as the pipeline of investment opportunities, should allow the Fund to provide its Series A and Series F unitholders with an 8% and 9% fully funded annual distribution, respectively.

POTENTIAL RISKS

While the Manager, MarshallZehr, Crown Capital, EnTrust Global and Brookfield exercise due diligence throughout the lending process, no guarantees can be given to offset a risk of loss and investors should consult with their financial advisor prior to investing in the Fund. The Manager believes that given the character of the private debt investments that are making up the majority of the Fund’s holdings, the Fund has less exposure to market risk than a similar fund invested in publicly listed securities. The Manager believes the following risks are key to the Fund’s performance: nature of investments, credit, interest rate, general economic and market conditions, liquidity, marketability and transferability of units. Please read the “Risk Factors” section in the Offering Memorandum for a more detailed description of the relevant risks. Please read the “Risk Factors” section in the Offering Memorandum for a more detailed description of the relevant risks.

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(as at August 31, 2021)



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* Annualized

1 Generally available through dealers who have entered into a Portland Series F Dealer Agreement.

2 Accredited Investors as defined under National Instrument 45-106.

3 For investors who are not Accredited Investors, the additional investment must be in an amount that is not less than \$500 if the investor initially acquired Units for an acquisition cost of not less than \$150,000 and, at the time of the additional investment, the Units then held by the investor have an acquisition cost or a net asset value equal to at least \$150,000, or another exemption is available.

4 See the offering memorandum for fee details. Management fees on Preferred Units are allocated to Common unitholders, similar to the cost of borrowing.

5 Targeted distribution is 8% for Series A and 9% for Series F, paid annually based on the initial net asset value per unit of \$50.00, anticipated to be fully funded, paid monthly, net of Mortgage Administration/Specialty Investment Manager fees, management fees, trailer fees and expenses. Distribution rate for Series AP and Series FP is reviewed on a quarterly basis. Prime rate is based on the Royal Bank of Canada Prime Rate.

6 Net of specific provisions. Above amount does not include any special distributions.

7 Loan-to-value is the ratio of: loans advanced to date, to the appraised value of the project by MarshallZehr and/or independent appraisers and the Manager.

8 Remaining term as of breakdown date for mortgages and commercial loans.

9 Distribution rate shown is as at April 1, 2020. Above amount does not include any special distributions.

10 The Canadian Hedge Fund awards are based solely on quantitative performance data of Canadian hedge funds with Fundata Canada managing the collection and tabulation of the data to determine the winners.

There is no nomination process or subjective assessment in identifying the winning hedge funds. The 2018 awards were based on 207 Canadian hedge funds to June 30th, 2018; and the 2020 awards were based on 221 Canadian hedge funds to June 30th, 2020. The Sharpe ratio is a measure for calculating risk-adjusted returns; it is the portfolio return in excess of the risk-free rate divided by the volatility of the portfolio.

11 MER or management expense ratio is for the 6 month period ending June 30, 2021. MER is updated on a semi-annual basis and the Manager may absorb operating expenses of the Fund at its discretion but is under no obligation to do so. Expenses of the Preferred Units are allocated to unitholders of the Common Units as per the Fund's offering documents.

The PORTLAND PRIVATE INCOME FUND (the "Fund") is not publicly offered. It is only available under Offering Memorandum and other exemptions to investors who meet certain eligibility or minimum purchase requirements such as "accredited investors". Information herein pertaining to the Fund is solely for the purpose of providing information and is not to be construed as a public offering in any jurisdiction of Canada. The offering of Units of the Fund is made pursuant to an Offering Memorandum and the information contained herein is a summary only and is qualified by the more detailed information in the Offering Memorandum.

Commissions, trailing commissions, management fees and expenses all may be associated with investments. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and does not take into account sales, redemptions, distributions or optional charges or income taxes payable by any securityholder in respect of a participating fund that would have reduced returns. Funds are not guaranteed, their values change frequently and past performance may not be repeated.

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