



**IRC Report to Securityholders  
Portland Investment Counsel Inc.  
November 2, 2020**

**Dear Investor:**

The members of the independent review committee ("IRC") of the funds listed in Schedule "A" (collectively, the "Funds" and individually, a "Fund") managed by Portland Investment Counsel Inc. ("Portland" or the "Manager") are pleased to submit their report to Securityholders of the Funds required under National Instrument 81-107, Independent Review Committee for Investment Funds ("NI 81-107") for the financial year ended September 30, 2020.

I continue to act as Chair of the IRC and have since its inception in 2007. Together with my colleagues, Richard White and Simon Lewis, the IRC has specific expertise in a variety of areas, including investment funds, finance, accounting and law as well as extensive general business experience.

Securities regulators have given the IRC a mandate to review mutual fund conflict of interest matters which are identified and referred to the IRC by the Manager and to consider and, depending upon the nature of such matter, to approve or provide recommendations as appropriate. In addition, the Manager may request that the IRC also review conflict of interest matters for investment funds that are not subject to NI 81-107. The IRC's primary focus is to assess whether the Manager's proposed action achieves a fair and reasonable result for the Fund with respect to conflict of interest matters.

In addition, the IRC is required to review, assess and report to the Manager, at least once a year, as to the adequacy and effectiveness of the policies and procedures relating to conflict of interest matters in respect of the Funds and to conduct a self-assessment of the IRC's independence and effectiveness. The IRC is also required to set reasonable compensation and proper expenses of its members after considering, among other things, the Manager's recommendations and to reassess its compensation and expenses on an annual basis. These matters are included in the Annual Report which follows.

We continue to enjoy an excellent working relationship with Portland in serving the interests of the Funds and the investors.

*"David J. Sharpless"*

**David J. Sharpless  
Chair of the Independent Review Committee**

**Portland Investment Counsel Inc.**  
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The information disclosed in this report covers the period of October 1, 2019 to September 30, 2020.

**Members of the IRC**

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David Sharpless – Chair  
Richard White  
Simon Lewis

David Sharpless has served on the IRC of the Manager of the Funds, since he was first appointed and the IRC became operational on November 1, 2007. Richard White has been a member of the IRC since January 1, 2015 and Simon Lewis joined effective March 1, 2016.

**Holdings of Securities**

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- a) **Funds**  
As at September 30, 2020, no member of the IRC beneficially owned, directly or indirectly, any class or series of the Funds.
- b) **Manager**  
As at September 30, 2020, no member of the IRC beneficially owned, directly or indirectly, any class or series of securities of Portland.
- c) **Service Providers**  
As at September 30, 2020, the members of the IRC beneficially owned, directly or indirectly, in the aggregate, less than 0.01% of any class or series of securities of a person or company that provides services to the Funds or to Portland with respect to its fund business.

**Compensation and Indemnities**

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The aggregate compensation paid to the members of the IRC by all mutual funds, investment funds and offering memorandum products managed by Portland to which NI 81-107 applies or the Manager has chosen to have an IRC was \$44,000 for the 2020 calendar year (2019 - \$44,000). This amount was allocated among the Funds in a manner that is considered to be fair and reasonable to the Funds.

At least annually, the IRC will review its compensation giving consideration to the following:

1. the nature, number and complexity of the Funds;
2. the nature and extent of the workload of each member of the IRC, including the commitment of time and energy of each member;
3. Portland's recommendation;
4. industry best practices, including industry averages and surveys on compensation paid to the IRCs of Canadian investment funds; and
5. the best interests of the Funds.

For 2021, the IRC has set reasonable compensation and proper expenses for its members. No indemnities were paid to the IRC by the Funds during the period.



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## **Conflict of Interest Matters**

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The IRC carries out the mandate prescribed by the Canadian securities regulators for independent review committees of publicly offered investment funds. It considers conflict of interest matters that Portland refers to it and gives its recommendations or, in certain cases, its approval of the proposed action of Portland.

During the period from October 1, 2019 to September 30, 2020, Portland relied on positive recommendations granted by the IRC in respect of conflict of interest matters addressed by the following policies and procedures of Portland:

1. Procedures for Presenting Conflict
2. Code of Ethics
3. Personal Trading Code
4. Fairness Policy
5. Proxy Voting Policy
6. Fundamental Changes Policy
7. Conflicts of Interest Policy
8. Investment Conflicts Policy
9. Fair Valuation Policy
10. Fund Errors Policy
11. Fund Expenses Policy
12. Outsourcing Policy
13. Soft Dollar Arrangements
14. Transactions in Securities of Related Issuers Policy

In each of the above cases, the IRC gave Portland Standing Instructions to take the actions proposed by Portland on the condition that Portland comply with the policies and procedures and report periodically, at least annually, to the IRC describing Portland's compliance with the policies and procedures.

The IRC is not aware of any instance in which Portland acted in a conflict of interest matter for which the IRC did not give a positive recommendation. The IRC is not aware of any instance in which Portland acted in a conflict of interest matter but did not meet a condition imposed by the IRC in its recommendation. Portland has an obligation to notify the IRC of any such instance.



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**Schedule "A"**

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**Funds covered by this report**

**Portland Conventional Mutual Funds**

Portland Canadian Balanced Fund\*

Portland Global Balanced Fund (formerly Portland Global Income Fund)<sup>†</sup>

**Portland Alternative Mutual Funds**

Portland 15 of 15 Alternative Fund (formerly Portland Global Dividend Fund)<sup>‡</sup>

Portland Energy Opportunities Alternative Fund

Portland Global Alternative Fund (formerly Portland Global Banks Fund)<sup>§</sup>

Portland North American Alternative Fund

**Alternative Investment Funds**

Portland Global Aristocrats Plus Fund

\* On April 17, 2020, Portland Canadian Balanced Fund was merged with Portland Canadian Focused Fund.

† On April 17, 2020, Portland Global Income Fund was renamed Portland Global Balanced Fund.

‡ On April 17, 2020, Portland Advantage Fund, Portland Value Fund and Portland 15 of 15 Fund were merged into Portland Global Dividend Fund which was then converted into an alternative mutual fund and renamed Portland 15 of 15 Alternative Fund.

§ On April 17, 2020, Portland Global Banks Fund was converted from a conventional mutual fund to an alternative mutual fund, and renamed Portland Global Alternative Fund.