



PORTLAND
INVESTMENT COUNSEL®

PORTLAND GLOBAL ALTERNATIVE FUND
ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

SEPTEMBER 30, 2020

PORTFOLIO
MANAGEMENT TEAM

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

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Portfolio Manager

Management Discussion of Fund Performance Portland Global Alternative Fund

This management report of fund performance contains financial highlights, but does not contain either interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-888-710-4242, by writing to us at info@portlandic.com or 1375 Kerns Road, Suite 100, Burlington, ON L7P 4V7 or visiting our website at www.portlandic.com or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

The views of Portland Investment Counsel Inc. (the Manager) contained in this report are as of September 30, 2020 and this report is not intended to provide legal, accounting, tax or specific investment advice. Views, portfolio holdings and allocations may have changed subsequent to this date. For current information please contact us using the above methods.

INVESTMENT OBJECTIVE AND STRATEGIES

The Fund's investment objective is to provide positive long-term total returns consisting of both income and capital gains by investing primarily in a portfolio of global equities and debt-like securities. The Fund seeks to provide income and capital growth while moderating the volatility of equities by investing primarily in a globally diversified portfolio of equities/ADRs, income securities, preferred shares, options and exchange traded funds (ETFs) of, or that provide exposure to, banks located anywhere in the world.

The Fund is considered an "alternative mutual fund" according to National Instrument 81-102, meaning it is permitted to use strategies generally prohibited by conventional mutual funds, such as the ability to invest up to 20% of its net asset value in securities of a single issuer (rather than 10% for conventional mutual funds); the ability to invest up to 100% or more of its net asset value in physical commodities either directly or through the use of specified derivatives; borrow, up to 50% of its net asset value, cash to use for investment purposes; sell, up to 50% of its net asset value, securities short (the combined level of cash borrowing and short selling is limited to 50% in aggregate); and aggregate exposure up to 300% of its net asset value.

RISK

Investors should be able to accept a medium to high level of risk and plan to hold for the medium to long term.

RESULTS OF OPERATIONS

The Fund's net asset value as at September 30, 2020 was \$2.5 million. The top five sector holdings as at September 30, 2020 was cash and other net assets (liabilities), 36.7%; financials, 15.0%; consumer staples, 14.6%; consumer discretionary, 7.7%; and utilities, 6.4%. By geography, assets were invested in securities of issuers based in the United States, 41.6%; Canada, 7.9%; United Kingdom, 6.2%; Switzerland, 3.9%; France, 1.5%; Spain, 1.3%; Bermuda, 0.9%; and cash and other net assets (liabilities), 36.7%. For the period of April 20, 2020 (inception date of the Fund) to September 30, 2020, there was no borrowing in the Fund.

The top three contributors to the Fund's performance since inception on April 20, 2020 to September 30, 2020 were Amazon.com, Inc., Cincinnati Financial Corporation, and Bunzl PLC. The bottom three contributors to the Fund's performance since inception on April 20, 2020 to September

30, 2020 were CK Infrastructure Holdings Limited, Compass Group PLC, and Consolidated Edison, Inc.

During the period, the Fund began to deploy some capital during the market recovery that has been seen since the first quarter of 2020, however the Fund continues to hold a large position in cash and cash equivalents. We believe there will be opportunities to deploy this cash in attractively priced opportunities in the last quarter of 2020. We are skeptical as to the robustness of the market recovery since the first quarter of 2020 and have noted that it can take some time for the economic effects of the pandemic to be realized in the capital markets. The Fund began the period on March 31, 2020 with 52.5% invested in cash and cash equivalents and ended the period on September 30, 2020 with 36.9% invested in cash and cash equivalents.

RECENT DEVELOPMENTS

A special meeting of unitholders held on March 26, 2020, resulted in unitholders voting in favour of the Portland Global Banks Fund converting into an alternative mutual fund and being renamed Portland Global Alternative Fund, effective April 20, 2020. In addition, effective April 20, 2020, the management fees decreased from 2.00% and 1.00% to 1.75% and 0.75% on Series A and Series F, respectively.

The Fund will seek to hold some of the best ideas across the globe that may include select core holdings from the Portland Global Banks Fund. Primarily, it will seek out what we identify as the best global investment ideas that may have a history of growing dividends and/or share buybacks over the long-term, will focus on principles espoused by Warren Buffett and will target returns that will limit a reasonable amount of volatility. We will tend to have a bias towards low beta securities that are within defensive sectors including the utilities and consumer staples sectors. Beta is a measure of the volatility, or systematic risk, of an individual stock in comparison to the unsystematic risk of the entire market. In statistical terms, beta represents the slope of the line through a regression of data points from an individual stock's returns against those of the market. We believe these securities have the best opportunity to minimize portfolio volatility and benefit from low interest rates. We will focus on producing a concentrated, diversified portfolio of between 20 to 30 businesses. We believe the market volatility and disruption that was caused due to the COVID-19 pandemic will present an opportunity for substantial outsized long-term returns for those investors who choose to invest in the Fund. The 5 Laws of Wealth Creation will continue to resonate through the portfolio. We seek to own a few high-quality businesses, that we thoroughly understand, that are domiciled in strong, long-term growth industries; that use other people's money, prudently, and that are bought at attractive valuations and held as long as the company remains high quality and at a reasonable valuation.

RELATED PARTY TRANSACTIONS

The Manager is responsible for the day-to-day operation of and for providing investment management services to the Fund. The Manager receives a fee for providing these services. This is calculated daily based on the net asset value of the Fund and paid monthly. During the period ended September 30, 2020, the Manager received \$53,675 in management fees from the Fund, net of applicable taxes (September 30, 2019: \$75,321). During the same period, the Manager received \$3,569 in performance fees from the Fund, net of applicable taxes.

Any administrative services paid for or provided by the Manager are charged to the Fund and are grouped and presented by expense type

in the statements of comprehensive income. Depending on their nature, some expenditures are allocated to the Fund based on a variety of methods including net asset value or actual costs incurred. During the period ended September 30, 2020, the Manager was reimbursed \$15,642 for operating expenses incurred on behalf of the Fund, including amounts paid to affiliates, net of applicable taxes (September 30, 2019: \$21,822). The Manager absorbed \$138,700 of operating expenses during the period ended September 30, 2020, net of applicable taxes (September 30, 2019: \$127,837). Affiliates of the Manager provide administrative services associated with the day-to-day operations of the Fund. These affiliates of the Manager were reimbursed \$708 during the period ended September 30, 2020 by the Fund for such services (September 30, 2019: \$355).

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 Fund from time to time in the normal course of business. Transactions to purchase or redeem units are made at net asset value per unit. Standing instructions from the independent review committee were not required or obtained for such transactions. As at September 30, 2020, Related Parties owned 2,132 shares of the Fund (September 30, 2019: 3,243).

The Board of Directors of the Manager is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities.

Notes

Certain statements included in this Management Discussion of Fund Performance constitute forward-looking statements, including those identified by the expressions "anticipate," "believe," "plan," "estimate," "expect," "intend" and similar expressions to the extent they relate to the Fund. 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 Fund. 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 Fund, 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.

Summary of Investment Portfolio as at September 30, 2020

Top 25 Investments

	% of Net Asset Value
Cash & Cash Equivalents	36.9%
Berkshire Hathaway Inc.	5.9%
Microsoft Corporation	4.1%
Amazon.com, Inc.	3.6%
Cincinnati Financial Corporation	3.5%
Canadian National Railway Company	2.7%
Alphabet Inc.	2.7%
Consolidated Edison, Inc.	2.6%
Royal Bank of Canada	2.3%
JPMorgan Chase & Co.	2.1%
Diageo PLC	2.0%
Bunzl PLC	1.8%
Fortis, Inc.	1.6%
Target Corporation	1.6%
Sanofi	1.4%
The Walt Disney Company	1.4%
McDonald's Corporation	1.4%
The Procter & Gamble Company	1.4%
Red Electrica Corporacion S.A.	1.3%
Prudential PLC	1.3%
Metro Inc.	1.3%
Nestle S.A.	1.3%
Costco Wholesale Corporation	1.3%
Novartis AG	1.3%
Roche Holding AG	1.3%
Grand Total	88.1%

Short Positions

SPDR S&P 500 ETF Trust, Call 320, 11/20/20	(0.7%)
AT&T Inc., Put 26, 11/20/20	(0.1%)
SPDR S&P 500 ETF Trust, Call 390, 11/20/20	0.0%
Cincinnati Financial Corporation, Call 95, 12/18/20	0.0%
Microsoft Corporation, Call 240, 10/16/20	0.0%
Consolidated Edison Inc., Put 65, 10/16/20	0.0%
National Grid PLC, Put 50, 10/16/20	0.0%
Federal Realty Investment Trust, Put 65, 11/20/20	0.0%
The Coca-Cola Company, Put 45, 11/20/20	0.0%
Walmart Inc., Call 170, 11/20/20	0.0%
Aflac, Inc., Put 32.5, 11/20/20	0.0%
The Walt Disney Company, Call 160, 11/20/20	0.0%
JPMorgan Chase & Co., Call 120, 10/16/20	0.0%
Microsoft Corporation, Call 270, 11/20/20	0.0%
Grand Total	(0.8%)

Total net asset value \$2,456,618

The investment portfolio may change due to ongoing portfolio transactions of the investment fund. Quarterly updates are available within 60 days of each quarter end by visiting www.portlandic.com or contacting us at 1-888-710-4242. The prospectus and other information about the underlying exchange traded funds held in the portfolio are available on the internet at www.sedar.com and/or www.sec.gov/edgar.shtml, as applicable.

Portfolio Composition

Sector	
Cash & Other Net Assets (Liabilities)	36.9%
Financials	15.0%
Consumer Staples	14.6%
Consumer Discretionary	7.7%
Utilities	6.4%
Health Care	5.1%
Industrials	4.5%
Communication Services	4.1%
Information Technology	4.1%
Real Estate	2.4%
Short Positions - Derivatives	(0.8%)

Geographic Region	
United States	41.5%
Cash & Other Net Assets (Liabilities)	36.9%
Canada	7.9%
United Kingdom	6.2%
Switzerland	3.9%
France	1.4%
Spain	1.3%
Bermuda	0.9%

Other Net Assets (Liabilities) refers to cash on hand plus all other assets and liabilities in the Fund excluding portfolio investments.

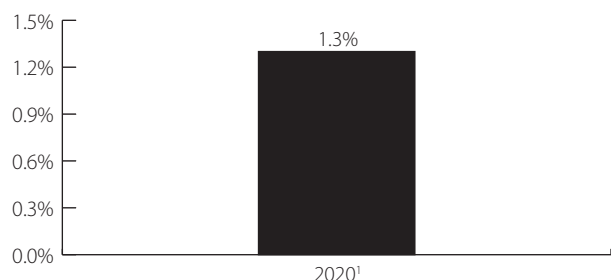
Past Performance

The past performance information shown in this section is calculated using the net asset value per unit and assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. The past performance information does not take into account sales, redemptions, distribution or other optional charges or income taxes payable by the unitholder that would have reduced returns or performance. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

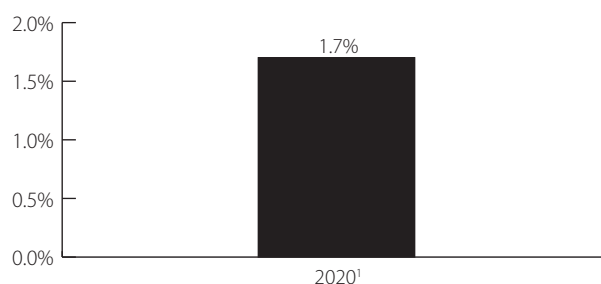
Year-By-Year Returns

The following bar charts show the performance of each series of the Fund for each of the financial years shown and illustrates how the investment fund's performance has changed from year to year. The charts show in percentage terms how an investment made on the first day of each financial year would have increased or decreased by the last day of each financial year.

Series A Units



Series F Units



1. Return for 2020 represents a partial year starting April 20, 2020 to September 30, 2020.

Annual Compound Returns

The table below shows the historical compound returns of the applicable series of units and the MSCI World Total Return Index (the Index). The Index is designed to measure the equity market performance of the following 23 developed market country indexes: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States. Performance will vary by series largely due to the extent that fees and expenses may differ between series.

Series of Units	Inception Date	Since Inception	One Year	Three Year	Five Year	Ten Year
Series A	April 20, 2020	1.3%	-	-	-	-
Index		13.0%	-	-	-	-
Series F	April 20, 2020	1.7%	-	-	-	-
Index		13.0%	-	-	-	-

Comparison to the Index: Since the Fund does not necessarily invest in the same securities as the Index or in the same proportion, the performance of the Fund is not expected to equal that of the Index. Please refer to Management Discussion of Fund Performance - Results of Operations for additional discussion of the Fund's performance compared to the Index.

Management Fees

The Manager is responsible for the day-to-day management and administration of the Fund. The Manager monitors and evaluates the performance of the Fund, pays for the investment management services of the portfolio adviser and arranges for the administrative services required to be provided to the Fund. As compensation for its service, the Manager is entitled to receive a fee, payable monthly, calculated based on the average daily net asset value of the Fund.

Series of Units	Management Fee (%)	Expenses Paid Out of the Management Fee (%)		
		Dealer compensation	General administration, investment advice and profit	Absorbed expenses
Series A	1.75%	55%	-	45%
Series F	0.75%	0%	-	100%

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years. The information is provided as at September 30 of the year shown.

Series A Units - Net Assets per unit¹

For the periods ended	2020	2019	2018	2017	2016
Net assets, beginning of the period	\$9.49	\$10.75	\$11.37	\$8.84	\$10.78
Increase (decrease) from operations:					
Total revenue	0.10	0.38	0.27	0.22	0.20
Total expenses	(0.22)	(0.31)	(0.33)	(0.35)	(0.28)
Realized gains (losses)	(0.42)	(1.24)	1.79	1.34	0.15
Unrealized gains (losses)	0.48	0.27	(1.75)	1.62	(1.72)
Total increase (decrease) from operations ²	(0.06)	(0.90)	(0.02)	2.83	(1.65)
Distributions to unitholders:					
From income	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	(0.30)	(0.56)	(0.59)	(0.54)	(0.53)
Total annual distributions ³	(0.30)	(0.56)	(0.59)	(0.54)	(0.53)
Net assets, end of period ⁴	\$7.75	\$9.49	\$10.75	\$11.37	\$8.84

Series A Units - Ratios/Supplemental Data

For the periods ended	2020	2019	2018	2017	2016
Total net asset value	\$2,335,368	\$252,589	\$428,314	\$504,601	\$316,018
Number of units outstanding	301,470	26,623	39,834	44,370	35,744
Management expense ratio ⁵	2.66%	2.83%	2.83%	2.83%	2.83%
Management expense ratio before waivers or absorptions ⁵	5.98%	6.04%	4.90%	4.66%	5.22%
Trading expense ratio ⁶	0.16%	0.09%	0.04%	0.07%	0.11%
Portfolio turnover rate ⁷	68.03%	3.75%	5.00%	10.83%	16.83%
Net asset value per unit	\$7.75	\$9.49	\$10.75	\$11.37	\$8.84

Series F Units - Net Assets per unit¹

For the periods ended	2020	2019	2018	2017	2016
Net assets, beginning of the period	\$10.21	\$11.40	\$11.89	\$9.12	\$10.98
Increase (decrease) from operations:					
Total revenue	0.15	0.42	0.29	0.23	0.20
Total expenses	(0.19)	(0.21)	(0.21)	(0.23)	(0.19)
Realized gains (losses)	(1.13)	(1.09)	1.99	1.31	0.19
Unrealized gains (losses)	(0.26)	0.28	(2.33)	2.13	(1.56)
Total increase (decrease) from operations ²	(1.43)	(0.60)	(0.26)	3.44	(1.36)
Distributions to unitholders:					
From income	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	(0.30)	(0.56)	(0.59)	(0.54)	(0.53)
Total annual distributions ³	(0.30)	(0.56)	(0.59)	(0.54)	(0.53)
Net assets, end of period ⁴	\$8.44	\$10.21	\$11.40	\$11.89	\$9.12

Series F Units - Ratios/Supplemental Data

For the periods ended	2020	2019	2018	2017	2016
Total net asset value	\$121,250	\$195,549	\$244,470	\$174,414	\$196,398
Number of units outstanding	14,363	19,155	21,452	14,672	21,532
Management expense ratio ⁵	1.71%	1.70%	1.69%	1.70%	1.69%
Management expense ratio before waivers or absorptions ⁵	5.03%	4.90%	3.77%	3.53%	4.08%
Trading expense ratio ⁶	0.16%	0.09%	0.04%	0.07%	0.11%
Portfolio turnover rate ⁷	68.03%	3.75%	5.00%	10.83%	16.83%
Net asset value per unit	\$8.44	\$10.21	\$11.40	\$11.89	\$9.12

Explanatory Notes

1. a) This information is derived from the Fund's audited annual financial statements prepared in accordance with International Financial Reporting Standards. The net assets per series presented in the financial statements may differ from the net asset value calculated for fund pricing purposes.
- b) Effective April 20, 2020, Portland Global Banks Fund converted into an alternative mutual fund and was renamed Portland Global Alternative Fund. On the same date, Series A2 Units were merged into Series A Units. For reporting periods prior to April 20, 2020, the comparative figures included in the financial highlights tables represent the financial performance of Portland Global Banks Fund.
2. Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted daily average number of units outstanding over the financial period.
3. Distributions are paid out in cash/reinvested in additional units of the Fund, or both.
4. This is not a reconciliation of the beginning and ending net assets per unit.
5. The management expense ratio (MER) is based on total expenses (excluding foreign withholding taxes, commissions and other portfolio transaction costs but including management fee distributions paid to certain unitholders in the form of additional units) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The Manager may absorb certain expenses otherwise payable by the Fund. The amount of expenses absorbed is determined annually at the discretion of the Manager.

The Fund may hold investments in other investment funds and ETFs and the MER is calculated taking into consideration the expenses of the Fund allocated to the series including expenses indirectly attributable to its investment in other investments funds and ETFs divided by the average daily net asset value of the series of the Fund during the period.

Effective April 20, 2020, the management fees decreased from 2.00% and 1.00% to 1.75% and 0.75% on Series A and Series F, respectively. If the change in management fees had been effective since the start of the financial year, the MER after waivers or absorptions would have been 2.63% and 1.53% on Series A and Series F, respectively.

6. The trading expense ratio (TER) represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the daily average net asset value of the Fund during the period.

The TER is calculated taking into consideration the costs attributable to its investment in other investments funds and ETFs.

7. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to a fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Portfolio turnover rate is calculated based on the lesser of the cumulative cost of purchases or cumulative proceeds of sales divided by the average market value of the portfolio, excluding short-term investments.



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