PORTLAND INVESTMENT COUNSEL®

PORTLAND VALUE FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

MARCH 31, 2018

PORTFOLIO MANAGEMENT TEAM

Michael Lee-Chin
Executive Chairman, Chief Executive Officer and Portfolio Manager

Dragos Berbecel
Portfolio Manager

Management Discussion of Fund Performance
Portland Value Fund

This interim 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 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 the portfolio management team contained in this report are as of March 31, 2018 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. All references to performance relate to Series F units. The performance of other units may be different than that of the Series F units due to differing fees.

INVESTMENT OBJECTIVE AND STRATEGIES

The investment objective of the Portland Value Fund (the Fund) remains as discussed in the Prospectus. The Fund's objective is to generate an above average return by employing a focused investment strategy, primarily in a limited number of long securities positions. The Fund invests in a small number of quality equities, ordinarily selected from liquid, large cap stocks, domiciled in long-term growth industries, which Portland Investment Counsel Inc. (the Manager) believes are undervalued and/or have the potential of increased returns due to activist investor campaigns.

The Manager then overlays a risk mitigation strategy based on portfolio construction and value discipline. The Manager has long held the view that the key to wealth creation is owning a few high quality businesses. By using a concentrated investment strategy, the Manager leverages its best investment ideas, which is expected to aid the Fund in meeting its investment objectives.

Activist investors are value investors with a push. They are looking for opportunities to demand a change in a company's strategy in order to unlock shareholder value. Common strategies include demanding a raise in dividends/share buybacks, the divestment of assets and/or the embracing or rejecting of mergers and acquisitions. Activist investors achieve their goals by cooperating with other institutional investors, acquiring board representation and/or changing the management of the target company.

RISK

The overall risk level has not changed for the Fund and remains as discussed in the Prospectus. Investors should be able to accept a medium level of risk and plan to hold for the medium to long term.

RESULTS OF OPERATIONS

For the period ended March 31, 2018, the Fund's benchmark, the MSCI World Total Return Index, had an annualized return of 7.6%. For the same period, the Fund had a return of (2.4%). Unlike the Index, the Fund's return is after the deduction of its fees and expenses.

The Fund's key relative performance detractors were Liberty Latin America Ltd., Whitecap Resources, Inc. and Crescent Point Energy Corp. while relative performance contributors were Brookfield Business Partners L.P., Nomad Foods Limited and Berkshire Hathaway Inc.

As at March 31, 2018, the top 5 sector exposure was constituted by energy 23.1%, financials 21.0%, consumer staples 17.8%, consumer discretionary 16.4% and industrials 14.3%. By using a concentrated investment strategy, the Manager leverages its best investment ideas, which is expected to aid the Fund in meeting its investment objectives. As of March 31, 2018, the Fund's underlying portfolio held 12 investments.

As expected, given the Fund's value focused mandate, the performance was mainly driven by company specific developments, the most important of which are detailed below.

For the first time as an independent company, Liberty Latin America (LILA) announced its financial and operating results for the three months and twelve months ended December 31, 2017. LILA reported operating cash flow (OCF) of $1,367 million in 2017, a 6% decline, impacted by the hurricane related interruptions in Puerto Rico and certain of Cable & Wireless segment markets. LILA reported that the Puerto Rico activity recovery is on track, with 57% of its September 2017, customers currently billable, including 75% of its business clients. For 2018, the company guides, conservatively, we believe, for $1.4 billion of OCF. LILA also guided for about 19% to 21% of revenue to be allocated to property and equipment additions in 2018. During the period, LILA bought 80% of Cabletica, the cable business of Televisora de Costa Rica S.A. for U.S.$250 million in cash. This is the first major acquisition since the formation of LILA and, we believe, just one of the many more to come. LILA was the single largest detractor from the performance of the Fund during the period.

Brookfield Business Partners (BBU) continued to benefit from its earlier investments and reported strong full-year 2017 results, driven by the company's business services and industrial operations, partly offset by results at its construction division. Subsequent to the end of the period, BBU announced its intention to undertake an initial public offering (IPO) for its GrafTech International Holdings Inc. business, which makes graphite electrodes for steelmaking. BBU bought GrafTech in 2015 for $855 million during an industry slump. The proposed IPO price would value the business at more than 8 times the acquisition price.

We believe that Nomad Foods reported outstanding 2017 results, including full year organic growth of 3.9% and gross margin expanded by 100 basis points. During the period, the company announced the acquisition of Goodfella's Pizza which will provide a complementary source of growth to its base business.

Berkshire Hathaway posted a record $44.94 billion profit for 2017, driven by a $29.1 billion benefit from the U.S. tax reform. During the year, book value rose by 23%, despite incurring the first full-year insurance loss since 2002 (because of Harvey, Irma and Maria hurricanes and California fires). Berkshire is currently sitting on $115 billon of cash and is hunting for a large acquisition. During the period, Berkshire launched a healthcare company in cooperation with JPMorgan Chase & Co. and Amazon.com, Inc., and promoted Gregory Abel and Ajit Jain to vice-chairman positions, likely to succeed Warren Buffett.

The Fund has a material exposure to energy holdings, which we believe have currently depressed valuations and which, as at March 31, 2018, constituted 23.1% of the portfolio's assets. The performance of the Fund's energy holdings was negative during the period and significantly affected the performance of the Fund.

During the period, Whitecap announced and closed the acquisition of key low decline light oil producing assets from Cenovus Energy Inc., as the latter company was pressured to reduce the size of its balance sheet. Whitecap also made good to its earlier promise and raised its dividend twice during the period, by a combined 10%. The company aims to further increase shareholder returns by also initiating a share buy-back program, a testament of the confidence in its prospects. The share buy-back will also support another year of double-digit production per share growth in 2018. For the energy holdings in the Fund, fourth quarter and full-year 2017 results largely surprised on the upside on most metrics, including production per share and funds flow from operations. The Fund's energy holdings also reported strong reserve additions with production replacement rates well in excess of 100%. Crescent Point has continued its program of divesting non-core assets, raising $320 million during 2017. Subsequent to the end of the period, the company announced a major land acquisition at very favourable prices in the light-oil area of Duvernay. Baytex Energy Corp. beat expectations by a wide margin, as some analysts overlooked the fact that its Eagle Ford production is priced off Louisiana Light Sweet (LLS) crude oil benchmark, at a premium to West Texas Intermediate (WTI). As egress challenges are dealt with in Western Canada, we expect Baytex's heavy crude operations to also become contributors to the company's profitability. Baytex has long embraced crude-by-rail as an alternative transportation in a bottlenecked market and is likely to expand the program in the current environment.

RECENT DEVELOPMENTS

Largely driven by what it is perceived as reflationary economic policies from the Donald Trump-led U.S. administration, the U.S. Fed has accelerated the pace of its previously tentative monetary tightening. With four Fed Funds rate raises since December 2016 and expectations for about three more during 2018, coupled with accelerated sales of U.S. Fed's balance sheet assets, the excessive liquidity available to the capital markets is being removed. Such a development, we believe, is likely to favour value-based investment strategies, which have otherwise underperformed growth strategies since the beginning of the current market cycle, some nine years earlier. With valuations getting ahead of the fundamentals in certain areas of the market, the Manager believes that companies influenced by eminent capital allocators and activist investors have the ability to stand out by adapting quicker to market forces and improving their profitability through both operational changes and balance sheet optimization.

The combination of synchronized global economic expansion and lower oil prices led to a surge in crude oil demand, which is expected to continue through 2018, with EIA (Energy Information Administration) estimating a further 1.8 million barrels per day (bbl/d) increase. Strong global demand and compliance with production targets by OPEC (Organization of Petroleum Exporting Countries) and non-OPEC partners (most notably Russia) led to consistent global inventory levels reduction throughout the period, trending towards the five-year averages. At the same time, it should be noted, the five-year averages likely underestimate the needed inventory levels given the very strong demand growth since 2013. Similarly, strong demand growth in the U.S., the market that seems to set the tone in global crude oil trading, caused the inventories to drop further during the period, despite record production growth which was driven chiefly by shale operations. As we're writing these comments, the U.S. crude oil inventories have just dipped below the five-year average level, whereas certain refined products, such as middle distillates (mostly diesel), have been trending below the five-year average levels for months.

A softening of the prices available to Canadian producers due to transportation capacity availability (driven chiefly by the Keystone pipeline leak and subsequent capacity restrictions, as well as Enbridge Inc.'s own capacity limitations and reduced rail availability) led to the performance of our energy holdings being decidedly negative during the period, falling short of the WTI's rate of improvement. The underperformance was worsened by the relative attractiveness of the U.S. oil and gas operators, which have been benefiting from a significantly more pro-business government stance, as well as dramatic tax reductions. In early 2018, some of the marketing restrictions are being addressed with crude-by-rail ramping up, but also increased local refining and gradual progress on volume through the Keystone pipeline. Coupled with a more disciplined approach by the oil sands producers, the recent developments led to an improvement in the level of the Western Canadian Select differential to just above U.S.$17.50/bbl from levels as high as U.S.$31.00/bbl in late January. As upcoming quarterly reporting may reveal significantly improved profitability in the improved commodity environment, we expect our holdings to re-rate towards more normalized levels.

We believe that the Fund is well positioned to continue to meet its investment objectives as outlined above.

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 March 31, 2018, the Manager received $4,897 in management fees from the Fund compared to $5,079 for the period ended March 31, 2017 (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 upon the net asset value or actual costs incurred. During the period ended March 31, 2018, the Manager was reimbursed $1,503 for operating expenses incurred on behalf of the Fund, including amounts paid to affiliates, net of applicable taxes. This compares to $1,498 for the period ended March 31, 2017. In addition to the amounts reimbursed, the Manager absorbed $45,225 of operating expenses during the period ended March 31, 2018 compared to $50,800 during the period ended March 31, 2017 (net of applicable taxes).

Affiliates of the Manager provide administrative services associated with the day-to-day operations of the Fund. These affiliates of the Manager were reimbursed $836 during the period ended March 31, 2018 by the Fund for such services, compared to $1,349 during the period ended March 31, 2017.

The Manager, its affiliates, officers and directors of the Manager (Related Parties) may own units of the Fund. 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 March 31, 2018, Related Parties owned 29.7% (September 30, 2017: 29.7%) of the Fund.

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 March 31, 2018

Top 25 Investments*

	% of Net Asset Value
Nomad Foods Limited	12.7%
Brookfield Business Partners L.P.	10.0%
Liberty Latin America Ltd.	9.1%
Berkshire Hathaway Inc.	8.4%
Crescent Point Energy Corp.	8.1%
Pershing Square Holdings, Ltd.	8.1%
Whitecap Resources, Inc.	8.0%
Cash	7.9%
Linamar Corporation	7.3%
Baytex Energy Corp.	7.0%
Walgreens Boots Alliance, Inc.	5.1%
Brookfield Asset Management Inc.	4.5%
Hertz Global Holdings, Inc.	4.3%
Grand Total	100.5%
Total net asset value	$579,325

* *Where the Fund holds less than 25 holdings, all investments have been disclosed. There may be other assets and liabilities which are not included, and therefore the summary may not add up to 100%.*

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.

Portfolio Composition

Sector	
Energy	23.1%
Financials	21.0%
Consumer Staples	17.8%
Consumer Discretionary	16.4%
Industrials	14.3%
Other Net Assets (Liabilities)	7.4%

Geographic Region	
Canada	34.9%
Bermuda	19.1%
United States	17.8%
British Virgin Islands	12.7%
Guernsey	8.1%
Other Net Assets (Liabilities)	7.4%

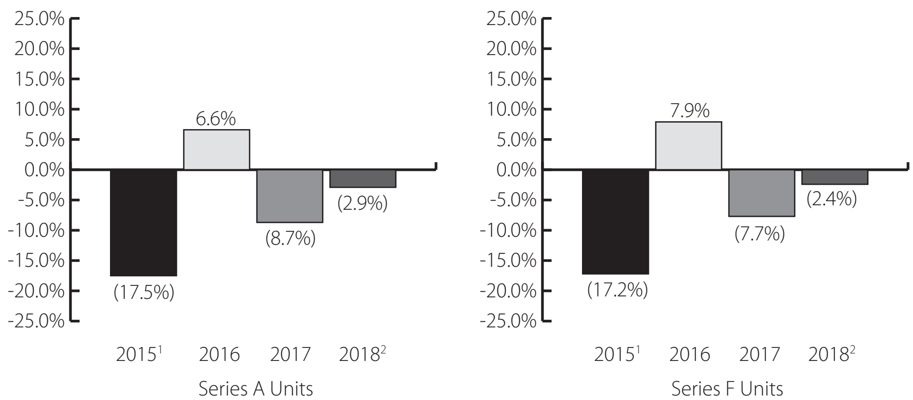
Other Net Assets (Liabilities) refers to cash on hand plus all other assets and liabilities in the Fund excluding portfolio investments.

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 investment fund in the periods shown were reinvested in additional securities of the investment 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 for the six-month period ended March 31, 2018. 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.



1. Return for 2015 represents a partial year starting May 19, 2015 to September 30, 2015.
2. Return for 2018 represents a partial year starting October 1, 2017 to March 31, 2018.

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 investment 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 daily net asset value of the Fund.

		Expenses Paid Out of the Management Fee (%)		
Series of Units	Management Fee (%)	Dealer compensation	General administration, investment advice and profit	Absorbed expenses
Series A	2.00%	44%	-	56%
Series F	1.00%	-	-	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 each period. Information for 2018 is presented for the six month period ended March 31, 2018 and for all other periods, information is presented for the year ended September 30, or inception date to September 30 in the inception period.

Series A Units - Net Assets per unit[1(a)]

For the periods ended	2018	2017	2016	2015
Net assets, beginning of the period	$7.98	$8.79	$8.25	$10.00 [†1b]
Increase (decrease) from operations:				
Total revenue	0.03	0.08	0.17	0.14
Total expenses	(0.13)	(0.24)	(0.26)	(0.11)
Realized gains (losses)	0.03	0.25	0.33	(0.09)
Unrealized gains (losses)	(0.17)	(0.86)	(0.22)	(1.55)
Total increase (decrease) from operations[2]	(0.24)	(0.77)	0.02	(1.61)
Distributions to unitholders:				
From income	-	-	-	-
From dividends	-	-	(0.01)	-
From capital gains	-	(0.05)	-	-
Return of capital	-	-	-	-
Total annual distributions[3]	-	(0.05)	(0.01)	-
Net assets, end of period[4]	$7.74	$7.98	$8.79	$8.25

Series A Units - Ratios/Supplemental Data

For the periods ended	2018	2017	2016	2015
Total net asset value	$373,131	$383,479	$470,433	$46,143
Number of units outstanding	48,179	48,059	53,522	5,594
Management expense ratio[5]	2.83% *	2.84%	2.83%	2.85% *
Management expense ratio before waivers or absorptions[5]	19.84% *	21.45%	27.83%	85.28% *
Trading expense ratio[6]	0.01% *	0.02%	0.16%	0.36% *
Portfolio turnover rate[7]	1.98%	18.94%	43.57%	0.00%
Net asset value per unit	$7.74	$7.98	$8.79	$8.25

Series F Units - Net Assets per unit[1(a)]

For the periods ended	2018	2017	2016	2015
Net assets, beginning of the period	$8.09	$8.87	$8.28	$10.00 [†1b]
Increase (decrease) from operations:				
Total revenue	0.03	0.04	0.10	0.14
Total expenses	(0.09)	(0.15)	(0.16)	(0.08)
Realized gains (losses)	0.03	0.41	0.44	(0.08)
Unrealized gains (losses)	(0.17)	(0.85)	0.38	(1.71)
Total increase (decrease) from operations[2]	(0.19)	(0.55)	0.76	(1.73)
Distributions to unitholders:				
From income	-	-	-	-
From dividends	-	-	(0.06)	-
From capital gains	(0.13)	(0.11)	-	-
Return of capital	-	-	-	-
Total annual distributions[3]	(0.13)	(0.11)	(0.06)	-
Net assets, end of period[4]	$7.78	$8.09	$8.87	$8.28

Series F Units - Ratios/Supplemental Data

For the periods ended	2018	2017	2016	2015
Total net asset value	$206,194	$211,192	$171,350	$111,150
Number of units outstanding	26,512	26,102	19,316	13,417
Management expense ratio[5]	1.69% *	1.68%	1.70%	1.74% *
Management expense ratio before waivers or absorptions[5]	18.71% *	20.29%	26.70%	84.29% *
Trading expense ratio[6]	0.01% *	0.02%	0.16%	0.36% *
Portfolio turnover rate[7]	1.98%	18.94%	43.57%	0.00%
Net asset value per unit	$7.78	$8.09	$8.87	$8.28

† Initial offering price

** Annualized*

Explanatory Notes

1. a) The information for March 31, 2018 is derived from the Fund's unaudited semi-annual financial statements and for 2015 through 2017 is derived from the Fund's audited annual financial statements prepared in accordance with International Financial Reporting Standards.

   b) The following series of the Fund commenced operations on the following dates, which represents the date upon which securities of a series were first purchased by investors.

Series A Units	May 19, 2015
Series F Units	May 19, 2015

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 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.

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

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.

This page is left blank intentionally

This page is left blank intentionally

This page is left blank intentionally

PORTLAND
INVESTMENT COUNSEL®

Portland Investment Counsel Inc., 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7 Tel:1-888-710-4242 • Fax: 1-866-722-4242
www.portlandic.com • info@portlandic.com

PIC0052-E(05/18)