



PORTLAND
INVESTMENT COUNSEL®

PORTLAND ADVANTAGE FUND
INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

MARCH 31, 2020

PORTFOLIO
MANAGEMENT TEAM

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

Robert Almeida
Senior Vice President and Portfolio Manager

Management Discussion of Fund Performance Portland Advantage 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 March 31, 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. 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 Advantage Fund (the Fund) is to provide positive long-term total returns by investing primarily in a portfolio of Canadian equities. The Fund seeks to provide capital growth and income while moderating the volatility of equities by investing in a portfolio of equities/ADRs, and which may include exchange traded funds. The Fund may invest up to 49% in foreign securities in a manner consistent with its investment objective.

RISK

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

RESULTS OF OPERATIONS

The six months ended March 31, 2020 concluded during an unprecedented global pandemic that overshadowed otherwise material events:

- Tariff and trade war concerns continued;
- Brexit happened;
- Oil prices collapsed after global producers did not agree on supply management; and
- Interest rates were reduced and quantitative easing initiated in efforts to keep the capital markets from malfunctioning.

As global economies were brought to a virtual standstill, the bull market came to an end as the markets fell dramatically in the first calendar quarter of 2020.

The Fund seeks to fulfill its objective of above-average long-term total returns by investing primarily in a portfolio of Canadian equities. To that end, we are currently investing in assets that fall into the following 4 categories:

- **"Growth Platform" businesses**, including asset managers and insurers with a focus on investing in private equity, infrastructure and alternative investments. At reasonable prices, we believe these businesses are inherently capable of scaling and generating above-average long-term returns. The Fund's focus on this category may amplify the Fund's volatility and concentration risk.
- **"Undervalued" businesses**. These are businesses in which we believe the discount, between the market value and the intrinsic value of the business, provides an opportunity to earn an above-average return. As these holdings are typically "out of favour", they are likely to experience higher price volatility.
- **"Younger, Higher Growth" businesses**. These are relatively younger businesses in high-growth sectors, which we believe have the potential to generate out-sized returns. These businesses are inherently likely to experience substantially higher volatility of business performance and share price.
- **"Liquidity" holdings**. These businesses are typically larger, pay dividends, and have relatively high trading volumes and low volatility. In addition, we may hold cash or fixed income securities. These businesses are expected to help the portfolio through periods of stress but create a drag on performance during rising markets.

The Fund continues to be invested in securities denominated in foreign currencies, which exposes the Fund's net asset value to the foreign currency risk. During the period, the Canadian dollar depreciated moderately relative to the U.S. dollar and the exposure to assets denominated in foreign currencies increased from approximately 39% to approximately 45% (approximately 36% in U.S. dollars and 9% in Australian dollars). The intensity of focus within the Fund decreased slightly with the total number of equity securities ending the period at 17 (from 15), when adjusted to combine substantially similar securities, and the focus on the top five holdings increased to approximately 58%. This intensity of focus creates the potential for more volatility but, in our opinion, improves the quality profile and enhances the return potential of the Fund.

For the six month period ended March 31, 2020, the Fund's benchmark, the S&P/TSX Composite Total Return Index (the Index), had a return of (18.4%). Over the same period, the Fund had a return of (29.5%). Unlike the Index, the Fund's return is after the deduction of its fees and expenses. The net asset value per unit decreased from \$8.92 at September 30, 2019 to \$6.29 at March 31, 2020.

Largely driven by asset value declines, the Fund's net asset value declined to \$1.5 million at March 31, 2020.

All holdings were negative contributors to Fund performance during the six month period. Growth Platform businesses, Brookfield Asset Management Inc. (BAM), and ONEX Corporation (ONEX) were the leading detractors from Fund performance. As noted earlier, the returns of these businesses typically amplify the overall market returns. Accordingly, it was not unexpected that these businesses would be the leading detractors. Undervalued businesses, Invesco Ltd. (IVZ) and Liberty Latin America Ltd. (LLA) were also amongst the leading detractors from Fund performance. Undervalued businesses tend

to already be out of favour in the market and, as a result, were also expected to be more adversely impacted in a bear market.

During the period, within the Undervalued business category, Crescent Point Energy Corporation was removed from the portfolio and replaced with Whitecap Resources, Inc. (WCP). Parkland Fuel Corporation (PKI), Alphabet Inc. (GOOGL) and Facebook, Inc. (FB) were added to the "Growth Platform" segment of the Fund whilst BCE Inc., a "Liquidity" holding, was removed.

On a per unit basis during the period, the Fund's Series F units generated \$0.06 of revenue, (\$1.05) of realized gains (losses) and (\$1.54) of unrealized gains (losses).

At March 31, 2020, by asset class the Fund's net asset value was invested 98% in equity securities of 17 issuers. By geography, the Fund's net assets were invested approximately 55% in cash and securities of issuers based in Canada. The key holdings of the Fund at the end of the period were:

- Approximately 51% in Growth Platform businesses, BAM, Berkshire Hathaway Inc., ECN Capital Corporation, ONEX, PKI, GOOGL and FB, which we believe are well positioned to outperform in a market recovery and beyond;
- Approximately 20% in businesses we believe to have compelling discounted valuations, including LLA, IVZ, Baytex Energy Corporation and WCP;
- Approximately 14% in higher growth, relatively younger businesses, Telix Pharmaceuticals Ltd., Canopy Growth Corporation, HEXO Corporation and Curaleaf Holdings Inc., which we believe are well positioned to capitalize on their positions in potentially explosive growth sectors; and
- Approximately 15% in other holdings and cash that provide stability, yield and liquidity to the Fund.

We believe that the diversification of geography, currency, sector and strategy of the Fund will contribute to reducing volatility whilst not diluting return potential. We believe that the Fund is well positioned to meet its investment objectives.

RECENT DEVELOPMENTS

As noted earlier, the unprecedented global pandemic has materially impacted just about everything, including the value of the Fund's holdings. And, the short to medium term global economic outlook is highly uncertain. In this time of uncertainty, we believe that quality businesses are best positioned to weather the storm and capitalize on opportunities.

A special meeting of unitholders held on March 26, 2020, resulted in unitholders voting in favour of Portland Advantage Fund merging into Portland Global Dividend Fund; Portland Global Dividend Fund will then be converted into an alternative mutual fund and renamed Portland 15 of 15 Alternative Fund, effective on the close of business day on April 17, 2020.

The Portland 15 of 15 Alternative Fund's objective is to provide positive long-term total returns by investing primarily in a portfolio of global equities and debt-like securities. In selecting its investment, the Fund considers 15 principles/attributes which the Manager believes will result in successful wealth creation. The Fund may also engage in borrowing for investment purposes. The Fund seeks to provide capital growth and income by primarily investing in a portfolio of equities/ADRs and which may include ETFs with a focus on North American listed companies.

Alternative mutual funds are permitted to use strategies generally prohibited for conventional mutual funds, such as the ability to invest

more than 10% of its net asset value in securities of a single issuer; 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 cash, up to 50% of its net asset value, 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; among other things.

The Manager expects that the investable universe of the Portland 15 of 15 Alternative Fund would be primarily, though not exclusively, consisting of U.S. listed equity securities, screened for adherence to the 15 investment criteria. The 15 criteria are used to drive the Manager's investment behaviour (the five laws of wealth creation) and the Manager's security selection process (the ten traits of successful private and private-like businesses). To detail, the Manager believes that wealth is being created by owning a few businesses, which are well understood, reside in long-term growth industries, use other people's money prudently and which are held for the long term. Quality businesses are led by an owner/operator, have concentrated and easily identifiable ownership, exhibit autocratic and entrepreneurial management and board which are focused on growth, allow low turnover in its managerial ranks, have risks and rewards which are symmetrically distributed and focus on long-term goals and business fundamentals. Investment decisions incorporate fundamental analysis and adhere to a value discipline. Investments are managed with a long term focus, which result in a low turnover, concentrated portfolio. The Fund's investments are expected to be concentrated in, but not limited to, the financial services, healthcare and technology sectors.

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, 2020, the Manager received \$17,308 in management fees from the Fund, net of applicable taxes (March 31, 2019: \$22,359).

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 March 31, 2020, the Manager was reimbursed \$5,178 for operating expenses incurred on behalf of the Fund, including amounts paid to affiliates, net of applicable taxes (March 31, 2019: \$6,830). The Manager absorbed \$52,595 of operating expenses during the period ended March 31, 2020, net of applicable taxes (March 31, 2019: \$50,290). Affiliates of the Manager provide administrative services associated with the day-to-day operations of the Fund. These affiliates of the Manager were reimbursed \$413 during the period ended March 31, 2020 by the Fund for such services (March 31, 2019: \$246).

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 March 31, 2020, Related Parties owned 68,564 shares of the Fund (March 31, 2019: 51,875).

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, 2020

Top 25 Investments*

	% of Net Asset Value
Brookfield Asset Management Inc.	16.4%
Liberty Latin America Ltd.	13.7%
Berkshire Hathaway Inc.	12.5%
Telix Pharmaceuticals Limited	8.9%
ECN Capital Corp.	7.0%
The Toronto-Dominion Bank	6.4%
The Bank of Nova Scotia	6.3%
Onex Corporation	6.1%
Invesco Ltd.	4.9%
Parkland Fuel Corporation	3.8%
Alphabet Inc.	3.3%
Cash	2.5%
Canopy Growth Corporation	2.5%
Curaleaf Holdings, Inc.	2.1%
Facebook, Inc.	1.6%
Whitecap Resources, Inc.	1.0%
Baytex Energy Corporation	0.7%
HEXO Corp.	0.6%
Grand Total	100.3%

Total net asset value **\$1,476,187**

* 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

Asset Management & Custody Banks	21.1%
Multi-Sector Holdings	18.6%
Cable & Satellite	13.7%
Diversified Banks	12.7%
Biotechnology	8.9%
Specialized Finance	7.0%
Pharmaceuticals	5.2%
Interactive Media & Services	4.9%
Oil & Gas Refining & Marketing	3.8%
Cash and Other Net Assets (Liabilities)	2.4%
Oil & Gas Exploration & Production	1.7%

Geographic Region

Canada	52.7%
Bermuda	18.6%
United States	17.4%
Australia	8.9%
Cash and Other Net Assets (Liabilities)	2.4%

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

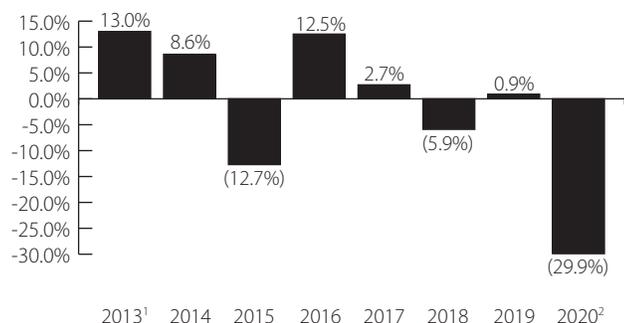
Past Performance

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 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.

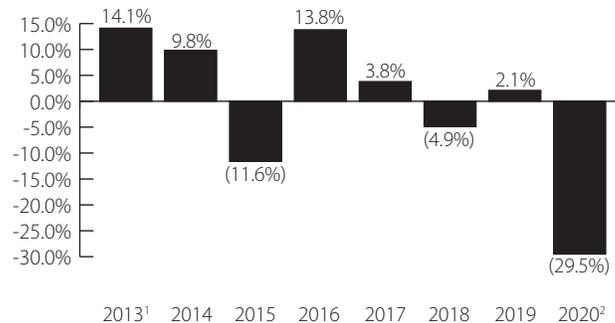
Year-By-Year Returns

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 2013 represents a partial year starting October 31, 2012 to September 30, 2013.

2. Return for 2020 represents a partial year starting October 1, 2019 to March 31, 2020.

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 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	2.00%	7%	-	93%
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 the past five years. Information for 2020 is presented for the six-month period ended March 31, 2020 and for all other periods, information is as at September 30 of the year shown.

Series A Units - Net Assets per unit¹

For the periods ended	2020	2019	2018	2017	2016	2015
Net assets, beginning of the period	\$8.56	\$11.20	\$11.91	\$11.77	\$10.71	\$12.27
Increase (decrease) from operations:						
Total revenue	0.06	0.19	0.27	0.34	0.45	0.64
Total expenses	(0.12)	(0.26)	(0.33)	(0.34)	(0.33)	(0.36)
Realized gains (losses)	(1.01)	(0.66)	0.09	(0.06)	0.11	0.01
Unrealized gains (losses)	(1.45)	0.72	(0.73)	0.35	1.13	(1.93)
Total increase (decrease) from operations ²	(2.52)	(0.01)	(0.70)	0.29	1.36	(1.64)
Distributions to unitholders:						
From income	-	(1.98)	-	(0.06)	(0.03)	-
From dividends	-	(0.29)	-	-	(0.24)	-
From capital gains	-	-	-	(0.11)	-	-
Return of capital	-	-	-	-	-	-
Total annual distributions ³	-	(2.27)	-	(0.17)	(0.27)	-
Net assets, end of period ⁴	\$6.01	\$8.56	\$11.20	\$11.91	\$11.77	\$10.71

Series A Units - Ratios/Supplemental Data

For the periods ended	2020	2019	2018	2017	2016	2015
Total net asset value	\$993,231	\$1,467,662	\$1,948,962	\$2,424,788	\$2,770,840	\$2,617,354
Number of units outstanding	165,368	171,410	173,996	203,582	235,362	244,347
Management expense ratio ⁵	2.82%	2.84%	2.83%	2.83%	2.82%	2.84%
Management expense ratio before waivers or absorptions ⁵	8.56%	6.94%	5.35%	4.79%	4.52%	4.89%
Trading expense ratio ⁶	0.07%	0.11%	0.03%	0.05%	0.04%	0.09%
Portfolio turnover rate ⁷	9.46%	29.76%	1.70%	10.44%	31.17%	22.23%
Net asset value per unit	\$6.01	\$8.56	\$11.20	\$11.91	\$11.77	\$10.71

Series F Units - Net Assets per unit¹

For the periods ended	2020	2019	2018	2017	2016	2015
Net assets, beginning of the period	\$8.92	\$11.54	\$12.26	\$12.13	\$11.01	\$12.54
Increase (decrease) from operations:						
Total revenue	0.06	0.21	0.28	0.33	0.47	0.66
Total expenses	(0.08)	(0.17)	(0.19)	(0.20)	(0.19)	(0.22)
Realized gains (losses)	(1.05)	(0.94)	0.06	(0.09)	0.14	0.02
Unrealized gains (losses)	(1.54)	0.31	(0.66)	0.44	1.04	(1.74)
Total increase (decrease) from operations ²	(2.61)	(0.59)	(0.51)	0.48	1.46	(1.28)
Distributions to unitholders:						
From income	-	(2.05)	-	(0.21)	(0.05)	-
From dividends	-	(0.30)	(0.14)	-	(0.34)	(0.07)
From capital gains	-	-	-	(0.11)	-	-
Return of capital	-	-	-	-	-	-
Total annual distributions ³	-	(2.35)	(0.14)	(0.32)	(0.39)	(0.07)
Net assets, end of period ⁴	\$6.29	\$8.92	\$11.54	\$12.26	\$12.13	\$11.01

Series F Units - Ratios/Supplemental Data

For the periods ended	2020	2019	2018	2017	2016	2015
Total net asset value	\$482,960	\$714,943	\$1,533,722	\$2,278,285	\$3,102,977	\$2,504,363
Number of units outstanding	76,769	80,171	132,933	185,761	255,828	227,399
Management expense ratio ⁵	1.70%	1.71%	1.70%	1.70%	1.69%	1.71%
Management expense ratio before waivers or absorptions ⁵	7.44%	5.81%	4.22%	3.66%	3.39%	3.75%
Trading expense ratio ⁶	0.07%	0.11%	0.03%	0.05%	0.04%	0.09%
Portfolio turnover rate ⁷	9.46%	29.76%	1.70%	10.44%	31.17%	22.23%
Net asset value per unit	\$6.29	\$8.92	\$11.54	\$12.26	\$12.13	\$11.01

Explanatory Notes

1. The information for March 31, 2020 is derived from the Fund's unaudited interim financial statements. For the remaining periods, the information is derived from the Fund's audited annual financial statements prepared in accordance with International Financial Reporting Standards.
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 exchange traded funds (ETFs). The MER is calculated taking into consideration the expenses of the Fund allocated to the series including expenses indirectly attributable to its investment in the ETFs divided by the average daily NAV of the series of the Fund during the period.

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 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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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
