PORTLAND GLOBAL BALANCED FUND

Portland Investment Counsel® Buy. Hold. And Prosper.®

(as at August 31, 2021)

"I'm a better investor because I'm a businessman, and a better businessman because I'm an investor."
Warren Buffett

	Series Start Date	Net Asset Value Per Unit (as at August 31, 2021)	PERFORMANCE (as at August 31, 2021) 1 Month	3 Months	1 Year	3 Years[4]	5 Years[4]	10 Years[4]	Since Inception[5]
Portland Global Balanced Fund - Series A	Feb. 18, 2005	$8.8273	1.7%	7.0%	14.2%	0.7%	3.8%	7.3%	-
Portland Global Balanced Fund - Series F	Dec. 17, 2013	$9.6811	1.8%	7.3%	15.5%	1.8%	4.9%	-	4.6%

FUND FACTS

Fund Net Assets	$3.1 million
CIFSC* Asset Class	Global Equity Balanced
Risk Tolerance	Low to Medium
Management Fee	Series A: 1.55%, Series F: 0.55%
MER[6]	Series A: 2.3%, Series F: 1.2%

INVESTMENT OBJECTIVE

- The Fund's objective is to provide positive long-term total returns, consisting of both income and capital gains by investing primarily in a portfolio of global fixed income and equity securities.

KEY REASONS TO INVEST

- Close adherence to Framework:
  Five Laws of Wealth Creation:
  - Own a few high quality businesses
  - Thoroughly understand these businesses
  - Ensure these businesses are domiciled in strong, long-term growth industries
  - Use other people's money prudently
  - Hold these businesses for the long run
- Monthly distributions, targeting 5.0% per annum[7] - intended to be fully funded
- The power of dividend investing combined with the benefits of global investing and asset class diversification for the potential to reduce volatility
- The benefits of active and passive management are aligned to help reduce volatility
- Management fee from 0.55% per annum for Series F units[3]
- Tax-efficient structure, currently housing tax losses of approximately $24 million

PORTFOLIO MANAGERS

Chris Wain-Lowe, BA, MBA
Chief Investment Officer, Executive Vice President and Portfolio Manager

Kyle Ostrander, CFA
Portfolio Manager

HOW THE FUND IS MANAGED

- Common shares of large global companies with a history of rising dividends over the long term, selected primarily from the members of the S&P Europe 350® Dividend Aristocrats®, the S&P 500® Dividend Aristocrats® and the S&P/TSX Dividend Aristocrats®
- Preference towards defensive sectors (Utilities and Consumer Staples) and low beta[8] securities in order to minimize volatility and to increase the realized Sharpe Ratio[10]
- Primarily investment grade[12] preferred shares of North American companies
- Selective use of options to generate additional returns
- Currency exposures that approximately match those of the benchmark to minimize tracking error

Geographic Mix	
Foreign Equity	85.9%
Canadian Preferred	8.2%
Canadian Equity	3.2%
Foreign Preferred	1.8%
Cash & Other Net Assets (Liabilities)[1]	0.9%

Sector Mix	
Consumer Staples	28.0%
Utilities	20.9%
Health Care	12.0%
Consumer Discretionary	9.8%
Industrials	9.7%
Financials	4.8%
Real Estate	4.3%
Materials	3.9%
Energy	2.5%
Information Technology	1.7%
Communication Services	1.5%
Cash & Other Net Assets (Liabilities)[1]	0.9%

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Top Holdings[2]

Consolidated Edison, Inc.	5.2%
Coloplast A/S	4.2%
Johnson & Johnson	3.9%
Walmart Inc.	3.7%
The Procter & Gamble Company	3.2%
Nestle S.A.	2.9%
SJW Group	2.8%
McDonald's Corporation	2.5%
Cincinnati Financial Corporation	2.5%
Pembina Pipeline Corporation, Preferred, Series 21, Fixed-Reset	2.5%
American States Water Company	2.3%
AusNet Services	2.3%
Croda International PLC	2.2%
Emera Incorporated, Preferred, Series H, Fixed-Reset	2.2%
Brookfield Office Properties Inc., Preferred, Series GG, Fixed-Reset	2.2%
Hormel Foods Corporation	2.2%
Mitsubishi Corporation	2.1%
PepsiCo, Inc.	2.1%
Sumitomo Corporation	2.1%
Leggett & Platt, Incorporated	2.1%
Roche Holding AG	2.1%
American Tower Corporation	2.1%
The Coca-Cola Company	2.0%
Genuine Parts Company	2.0%
California Water Service Group	2.0%

FUND COMMENTARY (As at June 30, 2021)

For the period September 30, 2020 to June 30, 2021, the Series F units of the Fund had a return of 8.0%. For the full period since the launch of the Fund on December 17, 2013 to June 30, 2021, the Fund's Series F units had a return of 4.0%.

The core portfolio of securities held within the Fund can be labelled as dividend global aristocrats. We define a dividend global aristocrat as a security that has consistently increased the amount of dividends it has paid year over year for a long period of time. Any year with no dividend growth or a dividend cut would exclude the equity from being a dividend global aristocrat. On a global basis, we would consider equities that have increased dividends every year for the past 10 years and the equities that have been added to the portfolio in this period have been tested for a much longer length of time than 10 years. We also look for equities that have low betas[8] compared to their respective index as we note that many portfolio managers tend to try to acquire equities with betas above 1 in an attempt to outperform the index. We would much rather own stable, less volatile companies with low betas to help minimize the realized standard deviation[11] of the Fund. It is imperative to look for companies that don't recognize significant amounts of revenue prior to cash being received and we seek to ensure equities within the portfolio have reported profits that are less than reported operating cash flows. We also look for equities that we believe are being priced as those having a low implied dividend growth rate. We believe that if a security continues to be classified as a dividend global aristocrat, it will likely experience an above-average dividend growth rate rather than a low dividend growth rate and therefore, we should expect to receive capital appreciation. In the long run, if we don't receive capital appreciation then we will only receive more cash in the following year than the previous year, which we believe is a good outcome as well.

The sectors contributing positively to the Fund's return for the period are financials (Cincinnati Financial Corp.), utilities (Brookfield Infrastructure Partners LP), consumer discretionary (Target Corp.), real estate (Brookfield Property Partners LP), health care (Coloplast A/S), materials (Croda International PLC), industrials (Mitsubishi Corp.), and information technology (Halma PLC). The sectors contributing negatively to the Fund's return for the period are consumer staples (Clorox Co.) and communication services (AT&T Inc.).

The Fund seeks to mirror the currency exposure that exists within the blended benchmark. Seven currencies make up over 95% of the Index, which include the United States Dollar, the Euro, the Japanese Yen, the British Pound, the Canadian Dollar, the Swiss Franc and the Australian Dollar. Generally, we do not try to produce alpha[9] with respect to the benchmark by taking positions in different currencies. In order to avoid negative contribution with respect to the Index from currency exposure, we do our best to maintain exposures in the currencies as previously stated.

The preferred share component of the Fund (10% of the Fund) is all actively selected Canadian listed shares which are all investment grade rated by DBRS Limited (the rating agency formerly called Dun & Bradstreet Rating Services) and/or by Standard & Poor's rating agency and were mostly purchased via initial public offerings.

The Fund's equity component (89.3% of the Fund) comprises mostly large companies which are dividend global aristocrats exhibiting, we believe, attractive dividend policies.

We currently target to obtain a Sharpe Ratio of at least 1 on an ongoing basis. The Fund is currently well positioned to meet its investment objective for the medium to long term. We will continue to evaluate opportunities that we believe may generate income, enhance returns and/or reduce risk wherever possible.

The Fund is a mutual fund trust and therefore, it must pay out all of its net income to its unitholders at the end of the year in order for unitholders to avoid extra taxation. We attempt to minimize the amount of tax unitholders pay. Instead of paying one-time lumpy distributions at the end of the year, we have estimated the amount of net income that we expect to earn in an average year and make distribution payments monthly. For

Series A units this is $0.40 per unit per year and for Series F units this is $0.40 per unit per year. Currently, this distribution is more than the dividends that each unit earns, however, the dividends received by holdings in the Fund in aggregate are growing year over year. This means at some point we will have to increase the monthly distribution in dollars per unit or resort to paying a special year-end lumpy distribution. Unitholders have the option to receive distributions in cash or have them automatically reinvested.

RECENT DEVELOPMENTS

Positions in the Fund are expected to be primarily large market-capitalization dividend global aristocrat equities with some Canadian preferred shares to take advantage of higher yields and more advantageous taxation than debt. We also look to take currency exposures that match the Index so that we do not underperform the Index by missing out on currency exposures that the Index enjoys. We prefer defensive sectors such as utilities, real estate and consumer staples that will benefit from interest rate cuts in a poor economic environment.

POTENTIAL RISKS

The Manager believes the following risks may impact the performance of the Fund: concentration risk, currency risk, equity risk and debt securities risk. Please read the “What are the risks of investing in the Fund?” section in the Simplified Prospectus for a more detailed description of all the relevant risks.

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Fund Name	SERIES A Code - Initial Sales Charge	Code - DSC	Code - LL	SERIES F[3]
Portland Global Balanced Fund	PTL531	PTL538	PTL539	PTL010

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* Canadian Investment Funds Standards Committee.

† As of October 31, 2020, the blended benchmark consists of 90% MSCI World Total Return Index and 10% FTSE Canada Short Term Overall Bond Total Return Index.

1. Other Net Assets (Liabilities) refers to all other assets and liabilities in the Fund excluding portfolio investments.
2. Where the Fund holds less than 25 long and short holdings, all investments have been disclosed. There may be other assets and liabilities which are not included, and therefore the summary does not add up to 100%.
3. Effective date of management fee rate was April 20, 2018. Generally available through dealers who have entered into a Portland Series F Dealer Agreement.
4. Annualized.
5. Since Inception performance based on Series F.
6. MER or management expense ratio is after absorptions as at March 31, 2021. MER is updated on a semi-annual basis and the Manager may absorb operating expenses of the Fund at its discretionbut is under no obligation to do so.
7. The portfolio is expected to generate income from dividends, interest and option writing income , which after deduction of expenses, will be distributed by the Fund to unitholders. The targeted monthly distribution amount is reset at the beginning of each calendar year. Assuming the expected level of income is received, the portfolio would not be required to appreciate. If the level of income is less than the amount necessary to meet the distribution, the Manager may either pay out a lower distribution or supplement the amount needed through net realized capital gains from the portfolio or may return a portion of the capital of the Fund to unitholders in which case the distribution would not have been fully funded as the net asset value would be reduced. Distributions are reinvested automatically in additional units of the Fund. No commissions are payable upon automatic reinvestment of distributions.
8. 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.
9. Alpha is a term used in investing to describe a strategy's ability to beat the market.
10. The Sharpe Ratio is a measure for calculating risk-adjusted returns. It is calculated by subtracting the risk-free rate from the return of the portfolio and dividing that result by the standard deviation of the portfolio's excess return.
11. Standard Deviation is a statistic that measures the dispersion of a dataset relative to its mean and is calculated as the square root of the variance. It is calculated as the square root of variance by determining the variation between each data point relative to the mean. If the data points are further from the mean, there is a higher deviation within the data set; thus, the more spread out the data, the higher the standard deviation.
12. Investment grade means Pfd 3/P-3 or higher

On April 17, 2020, Portland Global Income Fund ("PGIF") was renamed Portland Global Balanced Fund.

The blended returns are calculated by Portland Investment Counsel Inc. using end of day index values licensed from MSCI (MSCI Data) and other sources. For the avoidance of doubt, MSCI is not the benchmark "administrator" for, or a "contributor", "submitter" or "supervised contributor" to, the blended returns, and the MSCI Data is not considered a "contribution" or "submission" in relation to the blended returns, as those terms may be defined in any rules, laws, regulations, legislation or international standards. MSCI Data is provided "AS IS" without warranty or liability and no copying or distribution is permitted. MSCI does not make any representation regarding the advisability of any investment or strategy and does not sponsor, promote, issue, sell or otherwise recommend or endorse any investment or strategy, including any financial products or strategies based on, tracking or otherwise utilizing any MSCI Data, models, analytics or other materials or information.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions [dividends] 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. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Risk tolerance measures the degree of uncertainty that an investor can handle regarding fluctuations in the value of their portfolio. The amount of risk associated with any particular investment depends largely on your own personal circumstances including your time horizon, liquidity needs, portfolio size, income, investment knowledge and attitude toward price fluctuations. Investors should consult their Financial Advisor before making a decision as to whether this Fund is a suitable investment for them.

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