PORTLAND INVESTMENT COUNSEL®

PORTLAND 15 OF 15 FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

SEPTEMBER 30, 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 15 of 15 Fund

This annual 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 September 30, 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 15 of 15 Fund (the Fund) remains as discussed in the prospectus. The Fund aims to provide positive long-term total returns by investing in a focused portfolio of global quality equities, with an emphasis on U.S. and Canadian listed companies. In selecting its investments, the Fund employs a comprehensive set of 15 criteria which are used to drive the manager's investment behavior (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, Portland Investment Counsel Inc. (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.

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 September 30, 2018, the Fund's benchmark, the S&P 500 Total Return Index, had a return of 22.7%. 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.

As at September 30, 2018, the top 5 sector exposure was constituted by consumer discretionary 15.0%, financials 15.0%, information technology 10.9%, consumer staples 9.8% and utilities 8.8%. 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 September 30, 2018, the Fund's underlying portfolio held 18 investments.

The Fund's key relative performance contributors over the period were Danaher Corporation, Fortive Corporation and Berkshire Hathaway Inc., while its key relative performance detractors were The Kraft Heinz Company, Linamar Corporation and Whitecap Resources, Inc.

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.

Danaher continued to deliver steady improvement in its organic revenues and operating profit and announced the spin-off of its dental unit into a publicly traded company. The dental unit spin-off will be tax-free to Danaher shareholders and is expected to be completed in the second half of 2019. The company's most recent set of results included a better-than-expected profit, while revenue rose 10.4% to $4.98 billion for that quarter.

Fortive has been ideally positioned at the center of the U.S. economic growth acceleration. Fortive has also stayed very active on the mergers and acquisitions front. During the period it acquired The Gordian Group, a construction software company, for $775 million in cash, Johnson & Johnson's sterilization unit for $2.7 billion and real estate software maker Accruent, LLC for $2 billion. At the same time, Fortive announced the split-off of its automation and specialty business through a combination with Altra Industrial Motion Corp.

Berkshire Hathaway bought back its own stock for the first time since 2012. Absent any major acquisitions recently, the buy-back program offers, we believe, a sensible way of deploying a part of the over $110 billion of cash sitting on the company's balance sheet.

Kraft Heinz exceeded expectations in its most recent set of results, as the company raised prices of its products and posted higher-than-expected sales in the U.S. Kraft Heinz raised prices of its packaged foods and condiments as rising input expenses, including higher transport and commodity costs, weighed on the company's margins. Nonetheless, investor concerns which have been plaguing the retail and consumer packaged sectors have resurfaced as consumer trends in the age of online shopping and more health conscious behavior are being weighed against the currently depressed valuations. Activism has increased in the sector, with Daniel Loeb's Third Point increasing pressure at Campbell Soup, a potential acquisition target for Kraft Heinz. Disappointing results and outlook from industry peers such as General Mills, Conagra Brands, Inc. and McCormick & Company have also pressured valuations recently.

During the period we had the opportunity to re-connect with the management of Linamar at the company's headquarters in Guelph which strengthened our conviction in the company's investment merits. We were advised that despite the significant NAFTA related uncertainty, business is continuing as usual, including an increase in work requests in Mexico. The company continues to be laser focused on growth and taking advantage of outsourcing opportunities by the original equipment manufacturers (OEMs) across the globe, driven by digitization, autonomy and electrification. Equally, the management is focused on growth opportunities in the access markets (scissors, booms and telehandlers) as well as in the agricultural equipment sector (via the newly acquired MacDon business). Linamar has seen steady growth in Europe and continues to pursue opportunities in Asia Pacific, gradually diversifying away from North American automotive. We believe there is significant value embedded in a business which has routinely grown its top and bottom line by double digits per annum. We shared management's view that most possible outcomes to NAFTA negotiations are desirable to the current state of uncertainty and expected the stock to re-rate significantly subsequent to a trade deal; and we were pleased to see the Linamar stock recover somewhat after the announcement of the U.S.-Mexico-Canada Agreement (USMCA) trade agreement.

Whitecap continued to deliver strong operational performance and cash flow, which has been supporting its very rational buy-back program. Moreover, over the course of the past three months, the energy markets have continued their journey towards recovery, meandering around news related to the Organization of Petroleum Exporting Countries (OPEC)/Russia agreed production caps, production related developments in the U.S. shale (in particular the Permian basin) and weekly crude oil and refined product U.S. inventory levels. Unfortunately, the performance of the Canadian oil and gas producing sector lagged during the period. The Western Canadian producers continue to grapple with serious market access issues (lack of transportation infrastructure, in particular pipelines) which have caused crude oil price differential between the West Texas intermediate (WTI) and Western Canadian Select (WCS), for heavy crude, and Edmonton Par, for light crude, to expand dramatically. To this point, as we write this, a Canadian Heavy producer is only receiving about 40% of the WTI price for its crude. The causes for such a discrepancy are numerous, with some more transitory, but substantially related to the lack of regulatory and governmental support for new pipelines. During the period, the Trans Mountain expansion project, which the Canadian federal government acquired for roughly CAD $5 billion from Kinder Morgan Canada Ltd., was stopped in its tracks by a court ruling. Other factors impacting the differential were an increase in the heavy oil production from some of Suncor's properties, a key refinery temporary shut-down, maintenance work at refineries and lower than expected shipments of crude by rail.

During the period we initiated investments in Facebook Inc. and Canopy Growth Corporation.

RECENT DEVELOPMENTS

From a macro-economic perspective, even though the exceptionally accommodative conditions are subsiding, bound by an accelerating economy and record tight labour markets, we are still in uncharted territory. The U.S. unemployment rate has dropped to levels not seen since the 1960s and wage growth has finally picked up, more recently to a 2.9% pace. Coupled with a more than 50% price increase in crude oil and its related derivatives, but also an increase in prices of some of the core goods and services, and, possibly, the imposition of tariffs, the ingredients for a more buoyant inflation environment are in place. As the U.S. Fed feels compelled to continue on its tightening path and as the policy rates are approaching their current or longer-run equilibrium levels, the chance for a miscalculation increases. The fallout from a monetary policy misstep is unlikely to be significant in such a robust economic environment, however, when coupled with other potential policy errors, perhaps around trade tariffs; it could trigger more serious economic consequences. Improving economic prospects and a pick-up in the inflation pace has boosted our outlook for U.S. equity returns in nominal terms, though the risk factors mentioned earlier, in particular trade related developments and the pace of monetary tightening, could materially affect the ultimate outcome.

Canada affords a somewhat different perspective. At more than 170% of disposable income, Canadian household credit continues to be stubbornly high, with the recently announced normative measures just about managing to put a dent into Canadian's propensity for accessing credit. The household credit growth slowed down at the end of 2017 and into 2018. On this background, recent retail sales growth has slowed down in Canada, and it is unlikely to recover, unless the diminished "wealth effect" from housing cooling down is replaced by either recovery in the resources space and/or acceleration of activity in manufacturing and services outside of the white-hot residential investment (housing) sector. Canada has seen significant losses in relative competitiveness as the U.S. administration implemented drastic pro-business measures, not the least of which being massive tax cuts and deregulation. During the period U.S., Canada and Mexico have negotiated a new trade agreement, the USMCA, which still needs to be ratified by the legislatures. The new agreement's provisions do not seem to be a significant departure from NAFTA. Canada is significantly more dependent on favourable trade terms with the U.S. and Mexico due to foreign trade's larger contribution in the creation of GDP, but also because of its reduced relative competitiveness, slower economic growth and self-inflicted infrastructure shortcomings (chiefly lack of pipeline capacity). The country's abundant natural resources are presently severely restricted from reaching the fast growing Asian markets. Subsequent to the quarter-end, a consortium led by Royal Dutch Shell PLC announced a final investment decision for LNG Canada, a major liquefied natural gas export project which will help debottleneck the prolific Montney gas basin. Though not fully functional until about 2025, it is a ray of hope. The pick-up in inflation has marginally increased our outlook for nominal returns in Canadian equities, assuming the key risk factors, including further trade negotiations, buildout of key infrastructure projects, the state of the housing market and the pace of monetary tightening, remain balanced.

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

Effective April 30, 2018, the Fund's benchmark was changed from MSCI Total Return World Index to S&P 500 Total Return Index. This change in benchmark is to align better our approach to rating the Fund's risk and return with its underlying investments.

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, 2018, the Manager received $20,909 in management fees from the Fund compared to $3,963 for the period ended September 30, 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 September 30, 2018, the Manager was reimbursed $6,199 for operating expenses incurred on behalf of the Fund, including amounts paid to affiliates, net of applicable taxes. This compares to $1,239 for the period ended September 30, 2017. In addition to the amounts reimbursed, the Manager absorbed $76,100 of operating expenses during the period ended September 30, 2018 compared to $34,825 during the period ended September 30, 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 $762 during the period ended September 30, 2018 by the Fund for such services, compared to $305 during the period ended September 30, 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 September 30, 2018, Related Parties owned 10.9% (September 30, 2017: 16.6%) 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 September 30, 2018

Top 25 Investments*

	% of Net Asset Value
Cash	19.2%
Berkshire Hathaway Inc.	7.0%
Liberty Latin America Ltd.	6.6%
Walgreens Boots Alliance, Inc.	6.4%
Fortive Corporation	6.0%
Danaher Corporation	5.5%
Fortis Inc.	5.0%
Linamar Corporation	4.8%
Whitecap Resources, Inc.	4.4%
Brookfield Asset Management Inc.	4.2%
Oracle Corporation	4.1%
Brookfield Property Partners L.P.	3.9%
BlackRock, Inc.	3.8%
Brookfield Infrastructure Partners L.P.	3.8%
Alphabet Inc.	3.8%
Carnival Corporation	3.6%
The Kraft Heinz Company	3.4%
Facebook, Inc.	3.0%
Canopy Growth Corporation	1.7%
Grand Total	100.2%
Total net asset value	$1,480,318

* *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	
Other Net Assets (Liabilities)	19.0%
Consumer Discretionary	15.0%
Financials	15.0%
Information Technology	10.9%
Consumer Staples	9.8%
Utilities	8.8%
Health Care	7.2%
Industrials	6.0%
Energy	4.4%
Real Estate	3.9%

Geographic Region	
United States	43.0%
Canada	20.1%
Other Net Assets (Liabilities)	19.0%
Bermuda	14.3%
Panama	3.6%

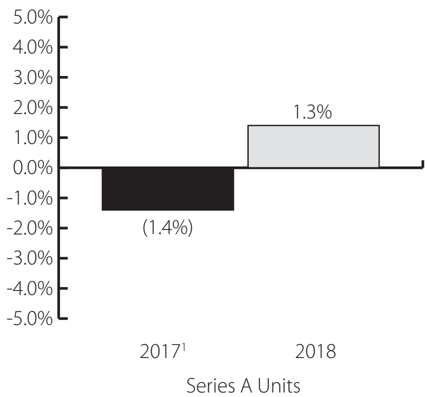
Other Net Assets (Liabilities) refers to cash on hand plus all other assets and liabilities in the Fund excluding portfolio investments.

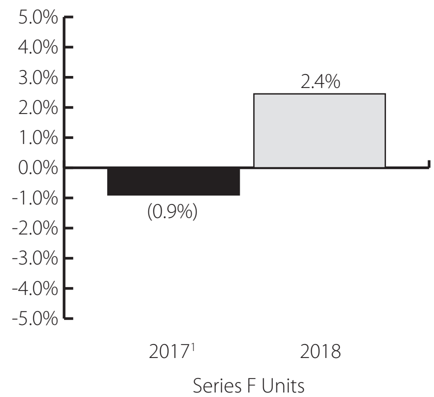
Past Performance

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 year ended September 30, 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 2017 represents a partial year starting April 28, 2017 to September 30, 2017.

Annual Compound Returns

The table below shows the historical compound returns of the applicable series of units and the S&P 500 Total Return Index (the Index). The S&P 500 is widely regarded as the best single guage of large-cap U.S. equities. 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 28, 2017	(0.1%)	1.3%	-	-	-
Index		13.4%	22.7%	-	-	-
Series F	April 28, 2017	1.0%	2.4%	-	-	-
Index		13.4%	22.7%	-	-	-

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 its benchmark. 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 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%	47%	-	53%
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 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
Net assets, beginning of the period	$9.86	$10.00 [†1(b)]
Increase (decrease) from operations:		
Total revenue	0.15	0.05
Total expenses	(0.29)	(0.12)
Realized gains (losses)	-	-
Unrealized gains (losses)	0.25	0.02
Total increase (decrease) from operations[2]	0.11	(0.05)
Distributions to unitholders:		
From income	-	-
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total annual distributions[3]	-	-
Net assets, end of period[4]	$9.98	$9.86

Series A Units - Ratios/Supplemental Data

For the periods ended	2018	2017
Total net asset value	$1,103,679	$583,373
Number of units outstanding	110,538	59,160
Management expense ratio[5]	2.83%	2.84% *
Management expense ratio before waivers or absorptions[5]	9.77%	18.74% *
Trading expense ratio[6]	0.02%	0.08% *
Portfolio turnover rate[7]	4.37%	5.16%
Net asset value per unit	$9.98	$9.86

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

For the periods ended	2018	2017
Net assets, beginning of the period	$9.91	$10.00 [†1(b)]
Increase (decrease) from operations:		
Total revenue	0.15	0.05
Total expenses	(0.18)	(0.08)
Realized gains (losses)	-	(0.01)
Unrealized gains (losses)	0.27	0.01
Total increase (decrease) from operations[2]	0.24	(0.03)
Distributions to unitholders:		
From income	-	-
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total annual distributions[3]	-	-
Net assets, end of period[4]	$10.14	$9.91

Series F Units - Ratios/Supplemental Data

For the periods ended	2018	2017
Total net asset value	$376,639	$373,406
Number of units outstanding	37,126	37,693
Management expense ratio[5]	1.70%	1.70% *
Management expense ratio before waivers or absorptions[5]	8.64%	17.60% *
Trading expense ratio[6]	0.02%	0.08% *
Portfolio turnover rate[7]	4.37%	5.16%
Net asset value per unit	$10.14	$9.91

† Initial offering price

** Annualized*

Explanatory Notes

1. a) The information 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	April 28, 2017
Series F Units	April 28, 2017

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

PIC0058-E(11/18)