



PORTLAND
INVESTMENT COUNSEL®

PORTLAND GLOBAL INCOME FUND
INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

MARCH 31, 2020

PORTFOLIO
MANAGEMENT TEAM

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Portfolio Manager

Management Discussion of Fund Performance Portland Global Income 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 Global Income Fund (the Fund) is to provide income and long-term total returns by investing primarily in a high-quality portfolio of fixed or floating rate income securities, preferred shares and dividend paying equities. Its investment objectives are to provide income and capital growth while moderating the volatility of equities by investing in a globally diversified portfolio of equities/American Depository Receipts (ADRs), investment funds, income securities, preferred shares, options and exchange-traded funds (ETFs). The Fund will combine active and passive management. Allocation of the core component of the portfolio will be to a passive strategy (i.e. ETFs) and the balance to an active component. The core component of the portfolio may be more or less than 50% of the portfolio. Rebalancing will be done at the discretion of the portfolio manager.

RISK

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

RESULTS OF OPERATIONS

For the six months ended March 31, 2020, the Fund's Series F units had a return of (7.0%). For the same period, the Fund's Blended Benchmark (which is a composite consisting of 90% of the return of the MSCI World Total Return Index and 10% of the return of the FTSE Canada Short Term Overall Bond Index Total Return CAD), had a return of (7.2%). For the full period since inception of the Fund on December 17, 2013 to March 31, 2020, the Fund's Series F units had an annualized return of 2.0%. For the same period, the Index had an annualized return of 8.7%. Unlike the Index, the Fund's return is after the deduction of its fees and expenses.

The Fund's net asset value at March 31, 2020 was \$4.6 million. The top five sector holdings at March 31, 2020 was a provincial bond, 18.3%, cash and other net assets, 16.6%; utilities, 17.7%; consumer staples, 14.2%;

and exchange traded funds, 12.0%. By geography, assets were invested in securities of issuers based in Canada, 42.1%; United States, 23.9%; Bermuda, 6.1% United Kingdom, 3.5%; Switzerland, 2.1%; Australia, 1.3%; Denmark, 1.2%; Spain, 1.2%; Ireland, 1.1%; Jersey, 0.9%; and cash and other net assets, 16.6%.

The top three contributors to the Fund's performance during the six months ended March 31, 2020 were the U.S. Dollar, Province of Quebec bond and Transalta Renewables Inc. The bottom three contributors to the Fund's performance during the six months ended March 31, 2020 were Brookfield Property Partners L.P., iShares MSCI World Exchange Traded Fund and Dufry AG.

During the period, the Fund sold and reduced a significant number of equity and preferred share positions and gradually tilted its portfolio to being more invested in cash and cash equivalents. The Fund began the period on September 30, 2019 with 7.6% invested in cash and cash equivalents and ended the period on March 31, 2020 with 34.9% invested in a provincial bond and cash and cash equivalents. By January 31, 2020, the Fund had 34.3% in cash and cash equivalents heading into a volatile February and March of 2020.

RECENT DEVELOPMENTS

Portland Global Income Fund was renamed Portland Global Balanced Fund, effective on the close of business day on April 17, 2020 and updated its investment objectives. 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.

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 \$40,773 in management fees from the Fund, net of applicable taxes (March 31, 2019: \$55,388).

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 \$13,808 for operating expenses incurred on behalf of the Fund, including amounts paid to affiliates, net of applicable taxes (March 31, 2019: \$18,920). The Manager absorbed \$60,635 of operating expenses during the period ended March 31, 2020, net of applicable taxes (March 31, 2019: \$56,705). Affiliates of the Manager provide administrative services associated with the day-to-day operations of the Fund. These affiliates of the Manager were reimbursed \$634 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 13,853 shares of the Fund (March 31, 2019: 6,125).

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 |
|-------------------------------------------------------------------------|----------------------|
| Long Positions | |
| Cash | 17.9% |
| Province of Ontario Bond 1.875% May 21, 2020 | 18.3% |
| iShares Canadian Short Term Bond Index ETF | 12.4% |
| Consolidated Edison, Inc. | 2.9% |
| Brookfield Property Partners L.P. | 2.7% |
| TransAlta Renewables Inc. | 2.5% |
| Bunzl PLC | 2.0% |
| Johnson & Johnson | 2.0% |
| Emera Incorporated, Preferred, Series H, Fixed-Reset | 1.9% |
| Walmart Inc. | 1.8% |
| Hormel Foods Corporation | 1.7% |
| The Procter & Gamble Company | 1.4% |
| Nestle S.A. | 1.3% |
| Metro Inc. | 1.3% |
| McDonald's Corporation | 1.3% |
| AusNet Services | 1.3% |
| Red Electrica Corporacion S.A. | 1.2% |
| California Water Service Group | 1.2% |
| American Tower Corporation | 1.2% |
| Brookfield Infrastructure Partners LP, Preferred, Series 9, Fixed-Reset | 1.2% |
| Fortis, Inc. | 1.2% |
| Coloplast A/S | 1.2% |
| American States Water Company | 1.1% |
| The Clorox Company | 1.1% |
| Linde Public Limited Company | 1.1% |
| Grand Total | 83.2% |
| Short Positions | |
| Genuine Parts Company, Call 110, 05/15/20 | 0.0% |
| Hormel Foods Corporation, Call 52.5, 06/19/20 | 0.0% |
| Colgate-Palmolive Company, Call 77.5, 05/15/20 | 0.0% |
| Leggett & Platt, Incorporated, Call 60, 06/19/20 | (0.1%) |
| Total | (0.1%) |
| Total net asset value | \$4,581,428 |

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 | |
|-----------------------------------------|--------|
| Provincial Bond | 18.3% |
| Utilities | 17.6% |
| Cash and Other Net Assets (Liabilities) | 16.6% |
| Consumer Staples | 14.2% |
| Exchange Traded Funds | 12.4% |
| Real Estate | 7.6% |
| Consumer Discretionary | 5.0% |
| Materials | 3.1% |
| Health Care | 2.0% |
| Industrials | 2.0% |
| Energy | 1.1% |
| Forward Currency Contracts | (0.1%) |
| Geographic Region | |
| Canada | 42.1% |
| United States | 24.0% |
| Cash and Other Net Assets (Liabilities) | 16.6% |
| Bermuda | 6.1% |
| United Kingdom | 3.5% |
| Switzerland | 2.1% |
| Australia | 1.3% |
| Denmark | 1.2% |
| Spain | 1.2% |
| Ireland | 1.1% |
| Jersey | 0.9% |
| Forward Currency Contracts | (0.1%) |

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

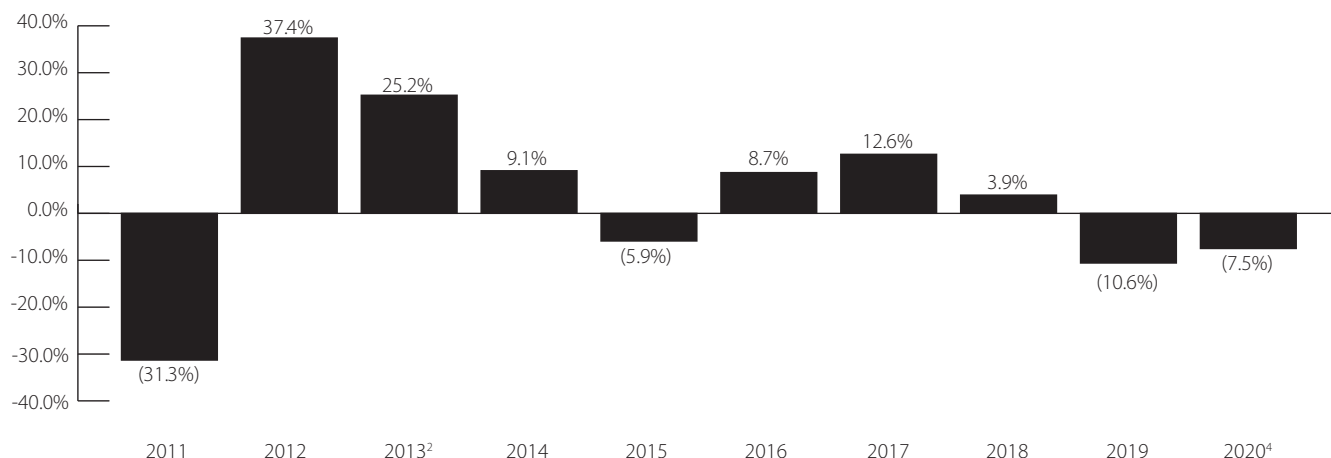
Past Performance

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.

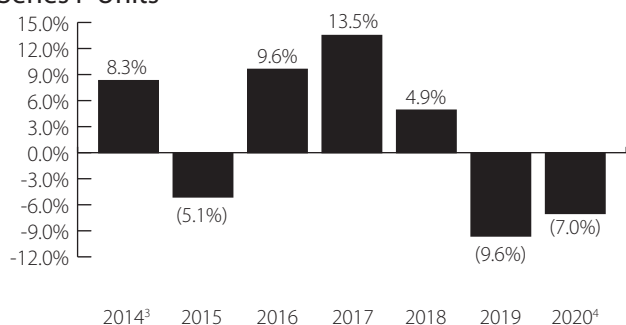
Year-By-Year Returns

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. Note the Fund changed its financial year end from December 31 to September 30 in 2013.

Series A (previously A2)/ Trust Units^{1(a)(b)}



Series F Units



1(a). Prior to December 13, 2013 the Fund operated as Global Banks Premium Income Trust, a closed-end fund listed on the Toronto Stock Exchange under the symbol GBP.UN. On December 13, 2013 GBP.UN was restructured, became a multi-class open end mutual fund, and changed its investment objectives and strategies. If the restructuring had not occurred and the investment objectives and strategies had remained the same, 2013 and 2014 performance may have been different.

1(b). Effective April 20, 2018, the Series A Units of the Fund were redesignated as Series A2 Units of the Fund. Immediately following the redesignation, the Series A2 Units of the Fund were re-named Series A.

- Return for 2013 represents a partial year starting January 1, 2013 to September 30, 2013.
- Return for 2014 represents a partial year starting December 17, 2013 to September 30, 2014.
- 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. Effective April 20, 2018, the Manager reduced the annual management fee payable on Series F Units from 0.85% to 0.65%.

| Series of Units | Management Fee (%) | Expenses Paid Out of the Management Fee (%) | | |
|--------------------------|--------------------|---------------------------------------------|------------------------------------------------------|-------------------|
| | | Dealer compensation | General administration, investment advice and profit | Absorbed expenses |
| Series A (previously A2) | 1.65% | 10% | - | 90% |
| Series F | 0.85% | - | - | 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 (previously A2) Units - Net Assets per unit¹

| For the periods ended | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--------------------------------------------------------|--------|---------|---------|---------|--------|---------|
| Net assets, beginning of the period | \$8.54 | \$10.10 | \$10.21 | \$9.53 | \$9.26 | \$10.33 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.12 | 0.43 | 0.42 | 0.42 | 0.42 | 0.43 |
| Total expenses | (0.11) | (0.23) | (0.23) | (0.26) | (0.22) | (0.28) |
| Realized gains (losses) | (1.28) | (0.19) | 0.37 | 0.23 | 0.28 | 0.12 |
| Unrealized gains (losses) | 0.69 | (1.14) | (0.20) | 0.72 | 0.26 | (0.76) |
| Total increase (decrease) from operations ² | (0.58) | (1.13) | 0.36 | 1.11 | 0.74 | (0.49) |
| Distributions to unitholders: | | | | | | |
| From income | - | (0.03) | (0.04) | (0.01) | (0.11) | - |
| From dividends | (0.11) | (0.19) | (0.12) | (0.12) | (0.09) | - |
| From capital gains | - | - | - | - | - | - |
| Return of capital | (0.14) | (0.28) | (0.34) | (0.37) | (0.30) | (0.50) |
| Total annual distributions ³ | (0.25) | (0.50) | (0.50) | (0.50) | (0.50) | (0.50) |
| Net assets, end of period ⁴ | \$7.66 | \$8.54 | \$10.10 | \$10.21 | \$9.53 | \$9.26 |

Series A (previously A2) Units - Ratios/Supplemental Data¹

| For the periods ended | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Total net asset value | \$4,026,488 | \$5,092,010 | \$7,288,781 | \$4,491,787 | \$3,475,041 | \$4,102,793 |
| Number of units outstanding | 525,593 | 596,518 | 721,639 | 440,052 | 364,590 | 443,266 |
| Management expense ratio ² | 2.38% | 2.47% | 2.41% | 2.41% | 2.41% | 2.42% |
| Management expense ratio before waivers or absorptions ⁵ | 4.83% | 4.22% | 3.67% | 4.19% | 4.84% | 4.31% |
| Trading expense ratio ⁶ | 0.16% | 0.04% | 0.08% | 0.04% | 0.07% | 0.09% |
| Portfolio turnover rate ⁷ | 124.97% | 10.59% | 20.84% | 22.13% | 17.39% | 42.66% |
| Net asset value per unit | \$7.66 | \$8.54 | \$10.10 | \$10.21 | \$9.53 | \$9.26 |

Series F Units - Net Assets per unit¹

| For the periods ended | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--------------------------------------------------------|--------|---------|---------|---------|--------|---------|
| Net assets, beginning of the period | \$9.09 | \$10.61 | \$10.59 | \$9.79 | \$9.41 | \$10.40 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.13 | 0.45 | 0.44 | 0.44 | 0.43 | 0.44 |
| Total expenses | (0.06) | (0.13) | (0.12) | (0.18) | (0.14) | (0.19) |
| Realized gains (losses) | (1.35) | (0.18) | 0.34 | 0.26 | 0.29 | 0.16 |
| Unrealized gains (losses) | 0.78 | (1.36) | (0.19) | 0.71 | 0.27 | (0.67) |
| Total increase (decrease) from operations ² | (0.50) | (1.22) | 0.47 | 1.23 | 0.85 | (0.26) |
| Distributions to unitholders: | | | | | | |
| From income | (0.04) | (0.01) | (0.04) | (0.13) | (0.10) | - |
| From dividends | (0.09) | (0.24) | (0.21) | (0.13) | (0.15) | - |
| From capital gains | - | - | - | - | - | - |
| Return of capital | (0.12) | (0.25) | (0.25) | (0.24) | (0.25) | (0.50) |
| Total annual distributions ³ | (0.25) | (0.50) | (0.50) | (0.50) | (0.50) | (0.50) |
| Net assets, end of period ⁴ | \$8.22 | \$9.09 | \$10.61 | \$10.59 | \$9.79 | \$9.41 |

Series F Units - Ratios/Supplemental Data¹

| For the periods ended | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---------------------------------------------------------------------|-----------|-----------|-------------|-------------|-------------|-------------|
| Total net asset value | \$576,520 | \$835,635 | \$1,241,554 | \$1,641,865 | \$1,115,664 | \$1,176,728 |
| Number of units outstanding | 70,114 | 91,901 | 117,069 | 155,028 | 113,958 | 125,023 |
| Management expense ratio ² | 1.20% | 1.35% | 1.43% | 1.53% | 1.53% | 1.54% |
| Management expense ratio before waivers or absorptions ⁵ | 3.65% | 3.09% | 2.69% | 3.31% | 3.95% | 3.42% |
| Trading expense ratio ⁶ | 0.16% | 0.04% | 0.08% | 0.04% | 0.07% | 0.09% |
| Portfolio turnover rate ⁷ | 124.97% | 10.59% | 20.84% | 22.13% | 17.39% | 42.66% |
| Net asset value per unit | \$8.22 | \$9.09 | \$10.61 | \$10.59 | \$9.79 | \$9.41 |

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.

Effective April 20, 2018, the Series A Units of the Fund were redesignated as Series A2 Units of the Fund. Immediately following the redesignation, the Series A2 Units of the Fund were re-named Series A.

Effective April 20, 2018, the Manager reduced the annual management fee payable on Series F Units from 0.85% to 0.65%. Assuming the change was effective as at the beginning of the period, the MER would have been 1.30% (2.56% before waivers or absorptions) for the period of October 1, 2017 to September 30, 2018.

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 rebates 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 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 other investment funds and ETFs divided by the average daily net asset value 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 other investment 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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