PORTLAND INVESTMENT COUNSEL®

PORTLAND ADVANTAGE PLUS – EVEREST FUND
PORTLAND ADVANTAGE PLUS – MCKINLEY FUND
PORTLAND ADVANTAGE PLUS – VALUE FUND
PORTLAND GLOBAL ARISTOCRATS PLUS FUND

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2016

2016 ANNUAL FINANCIAL REPORT

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Chairman's Message

On September 30, 2016, we completed the 2016 fiscal year. What a year it was. Who would have predicted at the start of the year:

- Near zero interest rates continuing;
- The year would end with fears about a failure of a prominent German bank – Deutsche Bank AG – as opposed to that of a Greek bank;
- Juan Manuel Santos, President of Colombia would win the Nobel peace prize while a referendum in Colombia would vote NO to the peace accord;
- A referendum in Great Britain would result in "Brexit" – a decision for Great Britain to separate from the European Union; and
- The way the US election has unfolded.

As in previous years, these reflections serve to remind me that the world is too complex to predict the major shocks that will take place. There have always been shocks. There will always be shocks. Volatility is harsh but it cannot be allowed to distract our attention from our objective, which is wealth creation.

With wealth creation as the objective, I am struck by the paradox that appears to currently exist in the wealth management industry. Consider the following:

- It is virtually impossible to create wealth compounding at interest rates near zero. In other words, wealth creation requires doing something other than investing 100% in GIC's.
- There are people who are creating wealth. Regardless of one's views of the virtues of the top "1%", when it comes to wealth creation it is incumbent upon us to pay attention to how they created their wealth. And, the recipe is not new. They tend to create their wealth through long-term ownership of a few quality businesses in growth industries and which make prudent use of leverage.
- The world appears to be stuck in low growth mode. Concurrently, wealth appears to be polarizing. That would suggest that filling one's basket with a little bit of everything is not likely to create wealth. On the contrary, it would suggest that "focus" is an increasingly important ingredient in the wealth creation recipe.

The above logic reaffirms what we have always believed, namely, that to create wealth, one must invest in a few quality businesses and hold them for the long term.

The challenge is that, while this may sound simple, it is not easy.

- Inherent in the practice of investing in a few quality businesses is the absence of the use of diversification as insurance against ignorance. The industry calls this "concentration risk". In other words, focused investing requires an understanding of the few businesses in which one invests.
- Long-term investing inherently implies that one must have:
  - The financial capacity to hold on to an investment for an extended period of time (in industry jargon, the ability to withstand "illiquidity risk"; and
  - Control of emotions so as to tolerate volatility (otherwise known as "market risk").

The good news is that:

- "risk" is typically associated with a "premium";
- While the outlook for global economies and markets is outside the control of the investor, sound financial planning and professional advice can help an investor manage the risks associated with focused investing, illiquid assets and market price volatility and, thereby, earn the premium returns associated with assuming those risks.

And herein lies the paradox. At a time when investors most need financial advice, there is a movement in the industry away from this advice. Don't get me wrong. I am not critical of the technological innovations behind index funds, ETF's, discount brokerage and/or robo-advice. Nor am I a proponent of high fees being charged for low-value services (e.g. closet indexing, inadequate personal financial planning). On the contrary, I am excited by the potential of these technologies to reduce costs and push advisors to provide true quality advice. My concern is that, at a time when investors, more than ever, need quality advice, they may be encouraged to forego that advice and that this could have long-term impacts on their ability to realize their wealth creation objectives.

At Portland Investment Counsel Inc., we remain dedicated to helping clients achieve their wealth creation objectives. In a low-return world, this requires us to place an ever increasing focus on:

- Investing in high quality assets;
- Offering quality investment options that include both, public and private assets which have varying degrees of income and liquidity; and
- Working with professional advisors to help them do the client assessments and financial planning that are necessary to construct optimal and suitable portfolios.

"Michael Lee-Chin"

Executive Chairman, CEO, Portfolio Manager and Director
Portland Investment Counsel Inc.

PORTFOLIO MANAGEMENT TEAM

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

Dragos Berbecel
Portfolio Manager

Portland Advantage Plus – Everest Fund
Portland Advantage Plus – McKinley Fund

SEPTEMBER 30, 2016

RECENT DEVELOPMENTS AND OUTLOOK

One of the key tenets of Portland Investment Counsel Inc.'s (the Manager) investment strategy for the Portland Advantage Plus – Everest Fund (Everest) and Portland Advantage Plus – McKinley Fund (McKinley) has been to acquire quality cash generative businesses with a history of consistently paying dividends by taking advantage of the variability in prices of these companies in the equity markets. The Manager then overlays a risk mitigation strategy based on portfolio construction, value discipline and prudent use of leverage. Another distinguishing feature of Everest and McKinley is focused investing. 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 Everest and McKinley in meeting their investment objectives. As of September 30, 2016, each of the underlying portfolios held 17 investments.

The energy market sell-off, initiated in the third quarter of 2014, has continued over the reporting period, with the price of crude oil as measured by the North American benchmark, the WTI (West Texas Intermediate), reaching a 13-year low of $26.21/barrel on February 11, 2016, which, not coincidentally, matched the date of the broader equity market recent low. The Manager had previously indicated that it had expected uncertainty and volatility to continue and amplify over the last quarter of 2015 and first quarter of 2016 as headlines around buildup of crude and product inventories in the US would take primacy, with little to offset these news before the start of the US driving season and refinery ramp-up. Indeed, the oil market mood and record levels of speculation also dragged equities lower, with 20 days correlation at times exceeding 95%. Gloomy news out of China, a warmer winter in North America and an early return to the energy markets by Iran (albeit likely priced-in months before) did little to calm the markets at the beginning of 2016.

On December 4, 2015, OPEC (Organization of the Petroleum Exporting Countries) seemed to effectively renounce any pretense of a coordinated production target for the first time in the organization's 55 years of existence. The Doha OPEC/Russia oil production freeze talks, taking place later in April, broke down, as Saudi Arabia maintained its position calling for Iran to participate in any coordinated effort. Meanwhile, the end of 2015 saw the historical lifting of the 40 year old ban on US crude exports, which led to a tightening of the differential between the global crude oil benchmark, Brent, and the North American counterpart, WTI.

Just when everyone least expected, OPEC managed to reach an agreement, albeit preliminary, for a production target of 32.5 to 33 million boed (barrels of oil equivalent per day) at the end of an informal meeting in Algier at the end of September. If implemented, such a target could effectively translate in a production cut of as much as 750,000 boed, down from the current level of about 33.25 boed, if the lower limit is achieved. The higher limit of the production target range is meant to accommodate any potential production recovery from the conflict affected OPEC nations of Libya and Nigeria. While individual countries production targets are still to be formalized, it is expected that Saudi Arabia, who is facing significant budget headwinds and was undoubtedly the artisan of the current deal, and other Gulf Cooperation Countries (GCC) will support the brunt of the production cuts. A formal decision is to be made at OPEC's next scheduled meeting in November, however, the Algier round announcement is likely to provide some support and deter short trading in crude oil until then.

The Manager continues to believe that the fundamental operations of our energy holdings remain robust, even in this challenging environment. As such, we have continued to maintain elevated levels of exposure to the energy sector, through our three oil and gas exploration and production holdings, and plan on doing so until we see a substantial recovery in the energy space. As at September 30, 2016, energy holdings constituted 53.6% (of which 48.6% in the oil and gas production and exploration space) and 39.9% (of which 35.3% in the oil and gas production and exploration space) of the portfolios' total assets, for Everest and McKinley, respectively.

We continue to believe that the current oil prices are unsustainable, as evidenced by the 20% drop in global oil industry capex in 2015, which is estimated to be followed by a similar drop in 2016 and add up to some $1 trillion in overall spending cuts towards finding and developing reserves by 2020. Back to back capex cuts of such magnitude are unprecedented and are sowing the seeds of future supply shortfall as demand continues to grow. In other words, the longer lower oil prices stay low, the higher the eventual rebound.

Energy companies held in Everest and McKinley have responded to the protracted low price environment and uncertain near-term outlook by further curtailing capital expenditures, extending financing facilities, raising capital to strengthen balance sheets and continuing their broad hedging programs, while maintaining robust production levels. They have been and are likely to continue to benefit from significant cost reductions and improvements in production efficiency compared to 2014.

It needs to be emphasized, we believe, that the recovery in the market values of oil and gas exploration and production (E&P) companies is not a linear function of the crude oil prices, but rather a combination of the prices, operating leverage and balance sheet leverage. As such, there are likely a couple of inflection points in the performance of E&P companies. In broad terms, a WTI level in the low $30/barrel could signify potential liquidity and solvency issues for many operators, with the associated drops in valuations, while levels in the $50 to $60/barrel range are more indicative of cash flow positive operations and significant uplift in valuations.

The performance of our energy holdings was overall positive during the past twelve months, though it did exhibit significant volatility as the crude oil prices cycled through very depressed levels followed by a partial recovery. Over the same period, Whitecap Resources Inc. trimmed its dividend payout by 40% and Crescent Point Energy

Corp. announced a further 70% reduction in its dividend in an effort to preserve their financial flexibility and operational momentum. This ultimately impacted the ability to pay fully funded distributions to their unitholders. With the aim of improving the dividend income generating capabilities for Everest and McKinley, while at the same time preserving exposure to an eventual rebound in the energy markets, we initiated three new positions in Veresen Inc., Pattern Energy Group Inc. and Cardinal Energy Ltd. during the period. Concurrently, we have profitably reduced our holdings in Northland Power Inc., Transalta Renewables Inc. and Whitecap Resources, which all had enjoyed sizeable returns.

Veresen is a Canadian mid-stream/pipeline operator which until recently had been out of favour due to its exposure to the oil and gas extractive industry. Veresen is paying an attractive and, we believe, well supported dividend. Recent funding decisions, including pursuing the sale of its non-core power generating assets and the suspension of its DRIP program, have improved the sustainability of its dividend (the former) as well as the attractiveness to the institutional investor base (the latter).

Pattern Energy Group is a North American centric power producer. Pattern Energy owns and operates roughly 2,644MW of installed capacity across 18 wind projects, in the US, Canada and Chile, with roughly 89% of the volume contracted on PPAs (power purchase agreements) with A-weighted average rated counterparties. Pattern Energy is sponsored by Riverstone Holdings LLC, the power infrastructure arm of The Carlyle Group, the private equity group. Pattern Energy has an attractive asset base and well panned out growth prospects as well as experienced management steeped in a private business culture.

Cardinal Energy is an intermediate Canadian oil and gas producer, focused on mature, low decline assets in Alberta. Cardinal pays a sizeable dividend, reasonably covered, afforded by the company's focus on low risk operations (low production decline and extensive use of hedging).

Outside of the energy space, the holdings had performed well, led by some of our more interest sensitive holdings, such as Brookfield Infrastructure Partners L.P. and Ares Capital Corporation, as it became apparent than the US Fed was unlikely to proceed with their next interest rate raise, at least not until December of this year. Likewise, the independent power producers held in Everest and McKinley, Northland Power and Transalta Renewables, were also helped by continued expectations for low interest rates, but also by mergers and acquisitions deals innuendo.

FINANCIAL HIGHLIGHTS

For the period from September 30, 2015 to September 30, 2016, the Funds' benchmark, the S&P/TSX Composite Total Return Index had a return of 14.2%. For the same period, Everest and McKinley Series F units had a return of 33.3% and 51.7%, respectively. Unlike the Index, these returns are after the deduction of fees and expenses. Everest's outperformance was due to the Fund's utilities sector (overweight) and the healthcare sector (underweight) (i.e. not holding Valeant Pharmaceuticals International Inc.) holdings positive relative contribution, offset by the negative relative contribution of Everest being underweight in the materials sector. McKinley's outperformance was due to the Fund's utilities sector (overweight) and the healthcare sector (underweight) (i.e. not holding Valeant) holdings positive relative contribution, offset by the negative relative contribution of McKinley being underweight in the materials sector. Leverage amplified the outperformance for both Everest and McKinley.

As at September 30, 2016, based on Everest's total assets, the top 5 sector exposure was constituted by energy 53.6%, utilities 18.7%, financials 18.6%, telecommunication 8.2% and healthcare 0.5%. Similarly, based on McKinley's total assets, the top 5 sector exposure was constituted by energy 39.9%, utilities 25.8%, financials 19.1%, telecommunication services 9.6% and consumer staples 4.0%.

Everest and McKinley make use of low-cost leverage to invest in a portfolio with a dividend yield that currently provides a substantial spread over the cost of borrowing. Based on settlement date activity, leverage was, as of September 30, 2016, 67.0% and 65.6% of the portfolio, for Everest and McKinley, respectively. As of the same date, the underlying portfolios' dividend yield was 4.1% and 4.4% for Everest and McKinley, respectively, which, upon the application of leverage, translates into a gross 12.5% and 12.7% yield to the equity, for Everest and McKinley, respectively. The Manager believes that the stream of dividends generated by the underlying investments provide an attractive entry point for investors looking for equity based high yield. As of September 30, 2016, the Funds provide a 9.3% and 7.6% distribution yield for investors in the Series F of Everest and McKinley, respectively.

Going forward, we believe that Everest and McKinley are well-positioned to meet their investment objectives which are to provide income and achieve, over the long-term, an above average return by combining a leveraged investment strategy with focused investment primarily in a limited number of long securities positions.

Notes

Certain statements included in this Commentary 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 Everest and McKinley. 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 Funds. 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 Everest and McKinley, 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.

PORTFOLIO MANAGEMENT TEAM	**Michael Lee-Chin** Executive Chairman, Chief Executive Officer and Portfolio Manager	**Dragos Berbecel** Portfolio Manager

Portland Advantage Plus – Value Fund

SEPTEMBER 30, 2016

RECENT DEVELOPMENTS AND OUTLOOK

Portland Advantage Plus – Value Fund (Value+) aims to generate an above average return by combining a leveraged investment strategy with focused investment primarily in a limited number of long securities positions. Value+, which was launched on January 30, 2015, invests in a small number of quality equities, ordinarily selected from liquid, large cap stocks, domiciled in long-term growth industries, which 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, value discipline and prudent use of leverage. A distinguishing feature of Value+ is focused investing. 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 Value+ in meeting its investment objectives. As of September 30, 2016, Value+ underlying portfolio held 11 investments.

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.

During the period, central banks across the globe, including developed and developing nations, have continued their unprecedented accommodative stances and, indeed, accentuated their commitment to further monetary easing, driven by concerns related to slow economic growth, but also by geo-political concerns, such as the fallout from the Brexit vote. 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. At its December, 2015 Federal Open Market Committee meeting, the US Fed initiated a monetary tightening cycle, for the first time in nine years. Further US interest rate increases are contemplated by the US central bankers, though the likelihood continued to diminish during the period. In the wake of the unexpected outcome of the Brexit vote and ahead of the US presidential elections, the US Federal Reserve chose not to raise the interest rates in September, though it provided rather strong signals that it would do so in December. As the excessive liquidity is, albeit gradually, mopped up, we expect value based strategies to start outperforming the overall market.

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.

John Malone-backed Liberty Global PLC offered to buy Cable & Wireless Communications PLC for £3.6 billion (CAD $5.5 billion) to extend its reach in the Caribbean, a testament of attractiveness of the core Columbus assets, which had only been acquired by Cable & Wireless at the end of the first quarter of 2015 . As a result of the transaction, Cable & Wireless assets have been combined with Liberty Global's Latin American business, whose performance is tracked by the NASDAQ listed LiLAC shares. The combined business serves 10 million video, data, voice and mobile subscribers. The Liberty Global offer valued the Cable & Wireless at about $8.2 billion, including debt. Subsequent to the announcement of the transaction, we initiated a position in LiLAC shares which we then increased by converting all Liberty Global shares received as compensation for Cable & Wireless. Liberty Global PLC completed the demerger of its LiLAC Group interest in July, which significantly increased the liquidity of the LiLAC Group tracking shares (effectively tripling LiLAC Group's stock market capitalization), but created a lot of selling pressure from a number of investors that were either not interested in exposure to LiLAC Group's performance (formerly only representing about 11% of Liberty Global's overall business) or are precluded from investing in tracking shares. The forced selling initiated by the demerger process and an underwhelming set of results for the first quarter of the legacy LiLAC Group businesses and Cable & Wireless together (driven chiefly by conversion to the acquirer's accounting standards) have weighed on LiLAC's Group stock performance. We regard the above issues affecting LiLAC's performance as transitory (and quite common in the process of merging two businesses) and continue to be excited about the company's mid to long term prospects as the likely leader of the telecom industry in a region (Central and Latin America) which is ripe for consolidation. We have continued to opportunistically add to our investment in Liberty Global (LiLAC).

During the period, we have profitably sold out of Northland Power Inc., Brookfield Property Partners L.P., Brookfield Infrastructure Partners L.P. and Zoetis Inc., all on valuation concerns, as we were able to identify opportunities with what we believed was better upside and better fit with the Fund's mandate. We used the proceeds to initiate an investment in Brookfield Business Partners L.P. and Nomad Foods Limited, as well as to increase the weights of some of our existing investments. Having experienced solid performance over the past year, Northland Power announced its intention to start looking for a buyer, which further increased its market valuation. Similarly, Zoetis' strong operational performance and recent changes to further streamline its business, driven at least in part by Bill Ackman's Pershing Square Holdings Ltd. involvement, met with great recognition from the markets.

Brookfield Business Partners L.P. (BBU) is Brookfield Asset Management Inc.'s fourth (and most recent) publicly listed limited partnership, focused on private equity opportunities originated by the broader Brookfield group. BBU effectively acts as the publicly listed private equity vehicle of Brookfield, with an emphasis on actively managing the businesses it invests in, investing counter-cyclically and in underperforming/distressed situations. BBU's operations are focused on business services and industrial operations where the broader Brookfield platform provides for competitive advantage.

Nomad Foods is an acquisitive company active in the European frozen foods market, founded by Martin Franklin (who also founded Jarden and grew it to a consumer goods giant before it sold it to Newell Brands Inc. for more than $15 billion), and anchored by Bill Ackman's Pershing Square, who holds 18% of the company. Other notable shareholders include Wellington Management Company, LLP at 8%, Corvex Management LP at 8%, Birds Eye Iglo Limited Partnership Inc. at 8% and Third Point LLC at 7% (with top 10 shareholders owning 62% of the company, it is quite closely held). Through its acquisition of Birds Eye Iglo Limited Partnership Inc. and Findus, Nomad is now the owner of a number of leading European food brands and pioneers of the frozen foods industry. Nomad has a leading market share in European frozen foods, 2.7x larger than the next competitor, Nestlé SA. Initially listed in London in 2014, Nomad was re-listed on Nasdaq in 2015. The stock has a thin following and it trades, we believe, at a meaningful discount to its intrinsic value, in addition to trading at about half of the valuation afforded to its peers.

The Fund has a material exposure to energy holdings, which we believe have currently depressed valuations and which, as at September 30, 2016, constituted 30.0% of the portfolio's assets.

Just when everyone least expected, OPEC (Organization of the Petroleum Exporting Countries) managed to reach an agreement, albeit preliminary, for a production target of 32.5 to 33 million boed (barrels of oil equivalent per day). If implemented, such a target could effectively translate in a production cut of as much as 750,000 boed, down from the current level of about 33.25 boed, if the lower limit is achieved. The higher limit of the production target range is meant to accommodate any potential production recovery from the conflict affected OPEC nations of Libya and Nigeria. While individual countries production targets are still to be formalized, it is expected that Saudi Arabia, who is facing significant budget headwinds and was undoubtedly the artisan of the current deal, and other Gulf Cooperation Countries (GCC) will support the brunt of the production cuts. A formal decision is to be made at OPEC's next scheduled meeting in November, however, the Algier round announcement is likely to provide some support and deter short trading in crude oil until then.

We continue to believe that the current oil prices are unsustainable, as evidenced by the 20% drop in global oil industry capex in 2015, which is estimated to be followed by a similar drop in 2016 and add up to some $1 trillion in overall spending cuts towards finding and developing reserves by 2020. Back to back capex cuts of such magnitude are unprecedented and are sowing the seeds of future supply shortfall as demand continues to grow. In other words, the longer lower oil prices stay low, the higher the eventual rebound.

It needs to be emphasized, we believe, that the recovery in the market values of oil and gas exploration and production companies (E&P) is not a linear function of the crude oil prices, but rather a combination of the prices, operating leverage and balance sheet leverage. As such, there are likely a couple of inflection points in the performance of E&P companies. In broad terms, a WTI level in the low $30/barrel could signify potential liquidity and solvency issues for many operators, with the associated drops in valuations, while levels in the $50 to $60/barrel range are more indicative of cash flow positive operations and significant uplift in valuations.

FINANCIAL HIGHLIGHTS

For the period from September 30, 2015, to September 30, 2016, the benchmark of Value+, the MSCI World Total Return Index, had a return of 9.0%. For the same period, Value+ Series F units had a return of 20.1%. Key relative performance contributors in Value+ were Cable & Wireless Communications, Northland Power and Brookfield Business Partners L.P., while relative performance detractors were Liberty Global (LiLAC), Pershing Square Holdings Ltd. and Hertz Global Holdings, Inc. Use of leverage in Value+ amplified the outperformance.

As at September 30, 2016, based on total assets of Value+, the top 5 sector exposure was constituted by energy 30.0%, consumer discretionary 26.1%, financials 22.5%, industrials 14.8% and consumer staples 6.6%. Value+ makes use of low-cost leverage to augment its long term returns. Leverage within Value+ was at inception, lower than 60% and ordinarily is not expected to exceed 70% of the portfolio (market value of securities). As at September 30, 2016, leverage in the Fund was 57.0% of the portfolio.

Notes

Certain statements included in this Commentary 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 Value+. These forward-looking statements are not historical facts, but reflect the current expectations of the portfolio management team regarding future results or events of Value+. 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 Value+, 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.

PORTFOLIO MANAGEMENT TEAM

Christopher Wain-Lowe
Chief Investment Officer, Executive Vice-President and Portfolio Manager

Portland Global Aristocrats Plus Fund

SEPTEMBER 30, 2016

OVERVIEW

The investment objective of the Portland Global Aristocrats Plus Fund (the Fund) is to provide income and achieve, over the long term, preservation of capital and a satisfactory return.

To achieve this investment objective, the Fund will employ the following core techniques:

1. Time in the Market: investing in a globally diversified portfolio comprising of equities and American depository receipts (ADRs) of companies focused on growing dividends, income securities, preferred shares and exchange traded funds (ETFs); and
2. Timing the Market: accessing low cost borrowing to use leverage to purchase securities on margin.

By long term, we believe this should encompass a period long enough to encompass a full stock market cycle – typically seven to nine years. We therefore believe a minimum period reasonable for measuring performance for this Fund is four to six years and as such all investors in the Fund should intend to invest for at least that long.

The Fund's approach towards investing requires the analysis of opportunities which offer both safety of principal and a satisfactory return, while recognizing that at times the Fund can borrow to acquire assets. Borrowing at a tax deductible low cost should enhance investment returns but can cut both ways and as such is the servant rather than the master technique being deployed by this Fund.

While investors in the Fund should be able to tolerate volatility, we believe that volatility is not the same thing as risk. Higher returns should not be equated with a need to invest in more volatile investments. The Fund intends to have enough investments in lower-volatility companies, domiciled in sectors such as utilities, real estate and consumer staples that on average its holdings are less volatile than the overall market. In contrast to its holdings, when the Fund borrows to invest, its net asset value per unit might be more volatile than the overall stock markets even though its underlying investments might not be. In this way, through focusing on quality investments, combined with prudent levels of borrowing, the Fund's investment objectives should be achieved.

RESULTS OF OPERATIONS

For the full period since the launch of the Fund on June 30, 2016 to September 30, 2016, the broad-based benchmark, the MSCI World Total Return Index rose 6.0%. For the same period, the Fund's Series F units had a return of 6.1%. Whereas the preferred shares and equity holdings each in aggregate were broadly stable, the higher exposure to preferred shares, in a rising equity market somewhat constrained this short period of modest outperformance for the period to September 30, 2016. Unlike the benchmark, the Fund's return is after the deduction of its fees and expenses.

The Fund's equity component (21% of the Fund) is to comprise mostly large companies and members of the dividend aristocrats indices, exhibiting we believe, attractive dividend policies. These large companies should benefit more than others when global growth accelerates. Initially however, the equity component of the Fund comprises of one ETF, the iShares MSCI World ETF.

The Fund's preferred share component (79% of the Fund) are all actively selected Canadian listed shares of the following five issuers: Brookfield Office Properties Inc., Brookfield Renewable Partners L.P., Brookfield Infrastructure Partners L.P., Westcoast Energy Inc. and The Bank of Nova Scotia. All five preferred shares feature interest rate floors built into their structure whereby investors have the comfort of knowing the dividend rate cannot be adjusted lower than the initial rate of 6%, 5.75%, 5.35%, 5.20% and 4.19% above the then 5-year Government of Canada Bond yield, respectively. Brookfield Infrastructure, Westcoast and The Bank of Nova Scotia were purchased at their initial public offerings at $25 per unit. These preferred shares 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.

As at September 30, 2016, the Fund is currently borrowing Canadian and US dollars. Its leverage ratio is 18% (inclusive of subscriptions receivable). The current cost of borrowing in US dollar is 1.35% per annum and in Canadian dollar is 1.40% per annum.

The Fund has a target of a 5% distribution per annum based on the opening net asset value of $50.00 per unit which it has met since inception. The paid distributions were lower than the Fund's earnings from dividends, interest, derivatives and net realized gains. Indicators that the Fund may continue to reach its 5% distribution target include the dividend yield (a financial ratio that shows how much a company pays out in dividends relative to its share price) of the equities of the Fund and current yields (a financial ratio that shows annual income (interest or dividends) divided by the current share price) of the preferred shares and fixed income securities. Sourced from Thomson Reuters and Bloomberg these component yields are as follows:

- equity's trailing weighted average dividend yield was 2.2%,
- preferred share's trailing weighted average current yield was 5.2%.

The unlevered portfolio yield is 4.6%. The levered portfolio dividend yield 6.8%.

During the period, the Fund received subscriptions, incurred no redemptions and was primarily invested in Canadian preferred shares and global equities through the ETF, with representation across all industry sectors.

RECENT DEVELOPMENTS AND OUTLOOK

Regarding the market outlook and the UK's unexpected decision to leave the EU, geopolitical concerns and global economic slowdown overshadow the near-term investment horizon, exacerbated by volatile energy prices. For the UK and Europe, three issues in particular will be in focus: what new agreement will regulate the US $575 billion of annual trade between Britain and the rest of the EU; on what terms will UK companies be able to access the EU's US$13.6 trillion single market and whether banks domiciled in the UK will continue to be able to do business in the rest of the EU? There appear to be three broad options:

- The Norwegian model: by staying in the looser European Economic Area, the UK would still have access to the EU's single market and participate in free movement of workers but without any say in how they evolve, and it would still contribute to the EU budget. We believe UK banks may prefer this model because it would preserve their access to EU customers but politicians have long since spurned the special interest of banks.

- World Trade Organization (WTO) rules: trading with the EU under WTO rules would avoid the hassle of setting up a complex new agreement and the UK could set its own trade tariffs just like Russia and Brazil do. But it would have no favorable relationship with the EU or any other country.
- New Deal: negotiating its own free-trade agreement would limit most trade tariffs between the UK and the 27-nation bloc but it would take years to work out the extent of Britain's market access. The EU's trade agreement with Canada took seven years to negotiate and still isn't ratified. Britain's Prime Minister has announced plans to repeal the 1972 European Communities Act which gives direct effect to EU law in Britain and said that all existing EU laws would be transposed into domestic legislation. In stating that the UK would become by 2019 a "fully independent, sovereign" country, the Prime Minister appears to be favoring a New Deal and a willingness to pay a price in terms of economic disruption.

The shale gas 'revolution' in the US has made world energy markets less vulnerable to events in the Middle East but more sensitive to oversupply with the resultant effect of lower oil prices being akin to a tax cut to help stimulate consumer confidence and activity, particularly in the US We believe the US is well on the way through a long-term recovery plan and, post US Presidential election fever, the economic prospects for the next decade look brighter. For the UK and Eurozone, we are hopeful that the UK decision to exit the EU will be the catalyst that starts the EU on a path of implementing the structural reforms that are so vital if it is to break out of the cycle of consistently poor economic performance that stretches back many years. Similarly Japan is rigorously pursuing stimulative measures, whereas China's future growth trajectory remains more of a conundrum. Generally, the World Bank now believes developing countries are facing a 'structural slowdown' likely to last for years and are ceding their role as the world's growth engine to more mature countries such as the US This transition is causing global economic weakness and we believe the mature countries now need bolder agendas to assimilate and integrate workforces around large-scale investment and infrastructure and initiate dramatic reforms of education and training. The withdrawal of stimulus from the US, the exit of UK from the EU, and a strengthening US dollar may engender continued elevated levels of volatility.

In a slower global economic environment, the Fund's focus will be on value and stable growing companies – those firms able to deliver more consistent and visible (albeit slower) earnings and cash flows. While this theme has recently lagged the overall market, we believe it should reassert leadership and that overall, 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.

Notes

Certain statements included in this Commentary 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.

Management's Responsibility for Financial Reporting

The accompanying financial statements of Portland Advantage Plus - Everest Fund, Portland Advantage Plus - McKinley Fund, Portland Advantage Plus - Value Fund and Portland Global Aristocrats Plus Fund (the Funds) have been prepared by Portland Investment Counsel Inc. in its capacity as manager (Manager) of the Funds. The Manager of the Funds is responsible for the information and representations contained in these financial statements. The Board of Directors of the Manager, in its capacity as trustee of the Funds, has approved these financial statements.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies which management believes are appropriate for the Funds are described in note 3 to the financial statements.

PricewaterhouseCoopers LLP is the external auditor of the Funds. They have audited the financial statements in accordance with Canadian Generally Accepted Auditing Standards to enable them to express to the unitholders their opinion on the financial statements. Their report is attached.

"Michael Lee-Chin"

Michael Lee-Chin
Director
December 5, 2016

"Robert Almeida"

Robert Almeida
Director
December 5, 2016

Independent Auditor's Report

December 5, 2016

To the Unitholders of:

Portland Advantage Plus - Everest Fund
Portland Advantage Plus - McKinley Fund
Portland Advantage Plus - Value Fund
Portland Global Aristocrats Plus Fund
(collectively the Funds)

We have audited the accompanying financial statements of each of the Funds, which comprise the statements of financial position, comprehensive income, changes in net assets attributable to holders of redeemable units, and cash flows as at and for the periods indicated in Note 1, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each of the Funds in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements of each of the Funds based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of each of the Funds present fairly, in all material respects, the financial position, financial performance and cash flows of each of the Funds as at and for the periods indicated in Note 1 in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

Statements of Financial Position

As at September 30,	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	$ -	$ 54,617
Subscriptions receivable	123,296	33,000
Receivable for investments sold	342,232	482,344
Dividends receivable	46,775	32,865
Investments (note 5)	860,510	-
Investments - pledged as collateral (note 5 and 11)	11,656,861	6,281,458
	13,029,674	6,884,284
Liabilities		
Current Liabilities		
Margin loan and borrowing (note 11)	8,149,089	4,768,003
Management fees payable	1,235	614
Expenses payable	10,431	-
Redemptions payable	3,679	40,318
Payable for investments purchased	572,660	-
Distributions payable	10,683	7,338
Organization expenses payable (note 8)	5,212	4,149
	8,752,989	4,820,422
Non-current Liabilities		
Organization expenses payable (note 8)	16,672	20,754
	8,769,661	4,841,176
Net Assets Attributable to Holders of Redeemable Units	$ 4,260,013	$ 2,043,108
Net Assets Attributable to Holders of Redeemable Units Per Series		
Series A	$ 1,362,355	$ 610,247
Series F	$ 2,897,658	$ 1,432,861
Number of Redeemable Units Outstanding (note 6)		
Series A	255,076	130,711
Series F	539,482	306,885
Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	$ 5.34	$ 4.67
Series F	$ 5.37	$ 4.67

Approved by the Board of Directors of Portland Investment Counsel Inc.

"Michael Lee-Chin" — Director

"Robert Almeida" — Director

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

for the periods ended September 30,	2016	2015
Income		
Net gain (loss) on investments		
Dividends	$ 438,766	$ 1,156,146
Interest for distribution purposes	-	2,092
Net realized gain (loss) on investments	(1,954,977)	(6,325,650)
Change in unrealized appreciation (depreciation) on investments	2,822,035	(3,957,939)
	1,305,824	(9,125,351)
Other income		
Foreign exchange gain (loss) on cash and other net assets	(21,427)	(715,336)
Total income (net)	1,284,397	(9,840,687)
Expenses		
Management fees (note 8)	91,836	163,730
Securityholder reporting costs	49,753	66,273
Audit fees	8,238	8,569
Custodial fees	766	-
Legal fees	4,249	3,696
Independent review committee fees	3,882	4,287
Interest expense and bank charges	92,981	153,561
Withholding tax expense	14,316	23,597
Transaction costs	23,816	30,818
Total expenses	289,837	454,531
Less: management fees waived by Manager	(80,054)	(95,586)
Less: expenses absorbed by Manager	(66,889)	(65,930)
Net expenses	142,894	293,015
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ 1,141,503	$ (10,133,702)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	$ 374,242	$ (3,488,311)
Series F	$ 767,261	$ (6,645,391)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	$ 1.80	$ (35.04)
Series F	$ 1.72	$ (28.42)

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

for the periods ended September 30,	2016	2015
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period		
Series A	$ 610,247	$ 2,729,078
Series F	1,432,861	3,803,498
	2,043,108	6,532,576
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Series A	374,242	(3,488,311)
Series F	767,261	(6,645,391)
	1,141,503	(10,133,702)
Distributions to Holders of Redeemable Units		
From net investment income		
Series A	(121,068)	(229,200)
Series F	(289,802)	(550,418)
Net Decrease from Distributions to Holders of Redeemable Units	(410,870)	(779,618)
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	434,969	1,880,573
Series F	866,976	4,725,197
	1,301,945	6,605,770
Reinvestments of distributions to holders of redeemable units		
Series A	77,832	124,998
Series F	201,519	322,497
	279,351	447,495
Redemptions of redeemable units		
Series A	(13,867)	(406,891)
Series F	(81,157)	(222,522)
	(95,024)	(629,413)
Net Increase (Decrease) from Redeemable Unit Transactions	1,486,272	6,423,852
Net Assets Attributable to Holders of Redeemable Units at End of Period		
Series A	1,362,355	610,247
Series F	2,897,658	1,432,861
	$ 4,260,013	$ 2,043,108

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

for the periods ended September 30,		2016		2015
Cash Flow from Operating Activities				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$	1,141,503	$	(10,133,702)
Adjustments for:				
Net realized (gain) loss on investments		1,954,977		6,325,650
Change in unrealized (appreciation) depreciation on investments		(2,822,035)		3,957,939
Unrealized foreign exchange (gain) loss on cash		(20,400)		-
(Increase) decrease in dividends receivable		(13,910)		71,421
Increase (decrease) in management fees payable and expenses payable		11,052		(19,450)
Increase (decrease) in organization expenses payable		(3,019)		102
Purchase of investments		(11,859,479)		(28,662,860)
Proceeds from sale of investments		7,203,396		29,883,923
Net Cash Generated (Used) by Operating Activities		(4,407,915)		1,423,023
Cash Flows from Financing Activities				
Increase (decrease) in margin loan and borrowing		3,381,086		(7,187,884)
Distributions to holders of redeemable units, net of reinvested distributions		(128,174)		(364,772)
Proceeds from redeemable units issued		1,211,649		6,630,247
Amount paid on redemption of redeemable units		(131,663)		(612,796)
Net Cash Generated (Used) by Financing Activities		4,332,898		(1,535,205)
Net increase (decrease) in cash and cash equivalents		(75,017)		(112,182)
Unrealized foreign exchange gain (loss) on cash		20,400		-
Cash and cash equivalents - beginning of period		54,617		166,799
Cash and cash equivalents - end of period	$	-	$	54,617
Cash and cash equivalents comprise:				
Cash at bank		-		54,617
Short-term investments		-		-
	$	-	$	54,617
From operating activities:				
Interest received, net of witholding tax	$	-	$	2,092
Dividends received, net of withholding tax	$	410,540	$	511,909
From financing activities:				
Interest paid	$	87,802	$	147,947

The accompanying notes are an integral part of these financial statements.

Schedule of Investment Portfolio

as at September 30, 2016

No. of Shares	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES				
Bermuda				
12,147	Brookfield Infrastructure Partners L.P.	$ 416,756	$ 552,032	
20,509	Brookfield Property Partners L.P.	593,133	616,704	
		1,009,889	1,168,736	27.4%
Canada				
272,718	Baytex Energy Corp.	3,475,659	1,519,039	
9,619	BCE Inc.	551,844	582,815	
78,000	Cardinal Energy Ltd.	630,744	670,800	
150,713	Crescent Point Energy Corp.	3,621,480	2,607,335	
17,677	IGM Financial Inc.	692,760	626,119	
29,951	Northland Power Inc.	556,336	732,003	
5,035	The Bank of Nova Scotia	308,004	350,033	
27,060	TransAlta Renewables Inc.	309,805	398,594	
47,000	Veresen Inc.	586,961	629,800	
116,495	Whitecap Resources, Inc.	1,096,371	1,276,785	
		11,829,964	9,393,323	220.5%
United States				
36,604	Ares Capital Corporation	702,232	744,351	
8,300	AT&T Inc.	416,563	442,210	
400	Johnson & Johnson	55,274	61,992	
22,357	Pattern Energy Group Inc.	684,955	659,660	
400	The Procter & Gamble Company	42,791	47,099	
		1,901,815	1,955,312	45.9%
	Total investment portfolio	14,741,668	12,517,371	293.8%
	Transaction costs	(19,237)	-	-
		$ 14,722,431	12,517,371	293.8%
	Liabilities less other assets		(8,257,358)	(193.8%)
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		$ 4,260,013	100.0%

The accompanying notes are an integral part of these financial statements.

(a) OFFSETTING ASSETS AND LIABILITIES

The Fund borrows on margin for the purposes of making investments. Collateral in the form of securities is required to secure the margin loans and borrowing. Securities pledged as collateral have not been offset against the borrowing, but are presented separately on the statement of financial position as investments that are pledged as collateral. The broker holding the collateral has the right to sell or re-pledge such securities in order to pay back the loan. However, the Fund does not have the right of offset.

(b) FINANCIAL INSTRUMENTS BY CATEGORY

The following tables present the carrying amounts of the Fund's financial instruments by category as at September 30, 2016:

Assets	Held for Trading ($)	Financial assets at FVTPL Designated at Inception ($)	Financial assets at amortized cost ($)	Total ($)
Subscriptions receivable	-	-	123,296	123,296
Receivable for investments sold	-	-	342,232	342,232
Dividends receivable	-	-	46,775	46,775
Investments	-	860,510	-	860,510
Investments - pledged as collateral	-	11,656,861	-	11,656,861
Total	**-**	**12,517,371**	**512,303**	**13,029,674**

Liabilities	Held for Trading ($)	Financial liabilities at FVTPL Designated at Inception ($)	Financial liabilities at amortized cost ($)	Total ($)
Margin loan and borrowing	-	-	8,149,089	8,149,089
Management fees payable	-	-	1,235	1,235
Expenses payable	-	-	10,431	10,431
Redemptions payable	-	-	3,679	3,679
Payable for investments purchased	-	-	572,660	572,660
Distributions payable	-	-	10,683	10,683
Organization expenses payable	-	-	21,884	21,884
Total	**-**	**-**	**8,769,661**	**8,769,661**

The following tables present the carrying amounts of the Fund's financial instruments by category as at September 30, 2015:

Assets	Held for Trading ($)	Financial assets at FVTPL Designated at Inception ($)	Financial assets at amortized cost ($)	Total ($)
Cash and cash equivalents	-	-	54,617	54,617
Subscriptions receivable	-	-	33,000	33,000
Receivable for investments sold	-	-	482,344	482,344
Dividends receivable	-	-	32,865	32,865
Investments - pledged as collateral	-	6,281,458	-	6,281,458
Total	**-**	**6,281,458**	**602,826**	**6,884,284**

Liabilities	Held for Trading ($)	Financial liabilities at FVTPL Designated at Inception ($)	Financial liabilities at amortized cost ($)	Total ($)
Margin loan and borrowing	-	-	4,768,003	4,768,003
Management fees payable	-	-	614	614
Redemptions payable	-	-	40,318	40,318
Distributions payable	-	-	7,338	7,338
Organizational expenses payable	-	-	24,903	24,903
Total	**-**	**-**	**4,841,176**	**4,841,176**

The following table presents the net gains (losses) on financial instruments at fair value through profit and loss (FVTPL) by category for the years ending September 30, 2016 and September 30, 2015:

	Net gains (losses) ($)	
Category	2016	2015
Financial assets at FVTPL:		
Held for trading	-	-
Designated at inception	1,305,824	(9,125,351)
Total financial assets at FVTPL	**1,305,824**	**(9,125,351)**

(c) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (NOTE 5)

Price Risk

Please see note 5 for a description of Price Risk. The Manager moderates this risk through diversification of securities and other financial instruments within the limits of the Fund's investment objectives and strategy.

If the price of investments held by the Fund on September 30, 2016 had been higher or lower by 5%, the net assets attributable to holders of redeemable units of the Fund would have been higher or lower by $625,869 (2015: $314,073). Actual results may differ from the above sensitivity analysis and the difference could be material.

Concentration Risk

The following tables present the Fund's exposure as a percentage of the total carrying value of the investments by geographic region and by industry sector as at September 30, 2016 and September 30, 2015.

By Geographic Region	September 30, 2016	September 30, 2015
Canada	75.1%	83.2%
United States	15.6%	13.2%
Bermuda	9.3%	3.6%
Total	**100.0%**	**100.0%**

By Industry Sector	September 30, 2016	September 30, 2015
Energy	53.6%	48.4%
Utilities	18.7%	26.3%
Financials	18.6%	14.9%
Telecommunication Services	8.2%	8.3%
Health Care	0.5%	1.2%
Consumer Staples	0.4%	0.9%
Total	**100.0%**	**100.0%**

Currency Risk

Please see Note 5 for a description of Currency Risk. As the Fund may invest in securities traded in foreign currencies, its net assets and cash flows, when measured in Canadian dollars, will, to the extent that they have not been fully hedged, be affected by changes in the value of these currencies relative to the Canadian dollar.

During the period, the Fund made use of borrowings denominated in US dollars, which in effect mitigated the currency risk of the Fund being invested in US listed securities. The Manager may use either Canadian dollar or US dollar denominated borrowings based on the interest cost differential and the Fund's currency exposure, including the revenue sensitivity of the underlying investments.

The tables below indicate the foreign currencies to which the Fund had significant exposure at September 30, 2016 and September 30, 2015 in Canadian dollar terms. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 5% in relation to each of the other currencies, with all other variables held constant.

September 30, 2016

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non - monetary ($)	Total ($)	Monetary ($)	Non - monetary ($)	Total ($)
United States Dollar	(2,271,101)	3,124,047	852,946	(113,555)	156,202	42,647
Total	**(2,271,101)**	**3,124,047**	**852,946**	**(113,555)**	**156,202**	**42,647**
% of net assets attributable to holders of redeemable units	(53.3%)	73.3%	20.0%	(2.7%)	3.7%	1.0%

September 30, 2015

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non - monetary ($)	Total ($)	Monetary ($)	Non - monetary ($)	Total ($)
United States Dollar	(559,648)	1,050,500	490,852	(27,982)	52,525	24,543
Total	**(559,648)**	**1,050,500**	**490,852**	**(27,982)**	**52,525**	**24,543**
% of net assets attributable to holders of redeemable units	(27.4%)	51.4%	24.0%	(1.4%)	2.6%	1.2%

Interest Rate Risk

Please see note 5 for a description of Interest Rate Risk. As at September 30, 2016 and September 30, 2015, the Fund had significant direct exposure to interest rate risk from its use of margin loan and borrowing. The amount borrowed as at September 30, 2016 was $8,149,089 (2015: $4,768,003) and was repayable on demand.

If interest rates had doubled during the period, interest expense would have been higher and ending net assets attributable to holders of redeemable units would have been lower by $87,802 (2015: $147,947).

Credit Risk

Please see note 5 for a description of Credit Risk. As at September 30, 2016 and September 30, 2015, the Fund did not have significant exposure to credit risk.

Liquidity Risk

The Fund is exposed to liquidity risk on its obligations, including any issued redeemable units, margin loan and borrowing, management fee payable, accounts payable, redemptions payable, payable for securities purchased, organization expenses payable and distributions payable.

The liquidity risk associated with issued redeemable units is managed by investing in a portfolio of highly liquid equity securities.

The main concentration of liquidity risk arises from the Fund's borrowing activities. Borrowings are repayable on demand and are partially covered by collateral held on account at the broker with whom the borrowings are made.

Obligations of the Fund including management fee payable, accounts payable, redemptions payable, payable for securities purchased and distributions payable, as applicable, are due within 6 months from the financial reporting date. Organization expenses payable is due and payable over a 60 month period commencing in January, 2016. Prior to September 30, 2015, the commencement date was to have been July 2015.

The tables below present the Fund's financial liabilities in relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

September 30, 2016	< 6 months ($)	> 6 months ($)	Total ($)
Margin loan and borrowing	8,149,089	-	8,149,089
Redemptions payable	3,679	-	3,679
Payable for Investments purchased	572,660	-	572,660
Distributions payable	10,683	-	10,683
Management fees and expenses payable	11,666	-	11,666
Organization expenses payable	3,138	23,534	26,672

September 30, 2015	< 6 months ($)	> 6 months ($)	Total ($)
Margin loan and borrowing	4,768,003	-	4,768,003
Redemptions payable	40,318	-	40,318
Distributions payable	7,338	-	7,338
Management fees and expenses payable	614	-	614
Organization expenses payable	1,569	29,810	31,379

Leverage Risk

Please see note 5 for a description of Leverage Risk. The Fund may generally borrow up to 70% of its total assets. The Fund was subject to leverage risk as at September 30, 2016 and September 30, 2015. The Fund pledges securities as collateral and is able to borrow up to limits imposed by the broker it has pledged the collateral to. The amount of borrowing allowed by the broker depends on the nature of the securities pledged. The Fund pays interest on the amounts borrowed. Interest is accrued daily and paid monthly.

As at September 30, 2016 the amount borrowed was $8,149,089 (2015: $4,768,003) representing 67.0% (2015: 68.3%) of the total assets of the Fund. Interest expense for the period ended September 30, 2016 was $272,253 (2015: $147,947).

(d) FAIR VALUE MEASUREMENTS

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at September 30, 2016 and September 30, 2015:

	Assets at fair value as at September 30, 2016			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	12,517,371	-	-	12,517,371
Total	**12,517,371**	**-**	**-**	**12,517,371**

	Assets at fair value as at September 30, 2015			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	6,281,458	-	-	6,281,458
Total	**6,281,458**	**-**	**-**	**6,281,458**

A financial instrument is classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. All liabilities of the Fund are carried at amortized cost and therefore are not presented in the tables above.

The accompanying notes are an integral part of these financial statements.

Statements of Financial Position

As at September 30,		2016		2015
Assets				
Current Assets				
Cash and cash equivalents	$	-	$	324,866
Subscriptions receivable		28,284		37,500
Receivable for investments sold		469,502		579,903
Dividends receivable		61,040		44,029
Investments (note 5)		1,193,666		-
Investments - pledged as collateral (note 5 and 11)		14,453,400		8,415,806
		16,205,892		9,402,104
Liabilities				
Current Liabilities				
Margin loan and borrowing (note 11)		10,106,027		6,320,864
Management fees payable		12,116		7,694
Expenses payable		14,080		1,399
Redemptions payable		3,605		-
Payable for investments purchased		621,762		-
Distributions payable		3,131		2,832
Organization expenses payable (note 8)		5,171		4,145
		10,765,892		6,336,934
Non-current Liabilities				
Organization expenses payable (note 8)		18,359		22,344
		10,784,251		6,359,278
Net Assets Attributable to Holders of Redeemable Units	$	5,421,641	$	3,042,826
Net Assets Attributable to Holders of Redeemable Units Per Series				
Series A	$	1,549,827	$	966,876
Series F	$	3,871,814	$	2,075,950
Number of Redeemable Units Outstanding (note 6)				
Series A		125,017		107,971
Series F		312,494		231,794
Net Assets Attributable to Holders of Redeemable Units per Unit				
Series A	$	12.40	$	8.95
Series F	$	12.39	$	8.96

Approved by the Board of Directors of Portland Investment Counsel Inc.

"Michael Lee-Chin"	*"Robert Almeida"*
Director	Director

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

for the periods ended September 30,	2016	2015
Income		
Net gain (loss) on investments		
Dividends	$ 566,448	$ 1,037,075
Interest for distribution purposes	-	3,943
Net realized gain (loss) on investments	(1,643,378)	(2,415,071)
Change in unrealized appreciation (depreciation) on investments	3,152,599	(5,467,401)
	2,075,669	(6,841,454)
Other income		
Foreign exchange gain (loss) on cash and other net assets	(65,594)	(759,689)
Total income (net)	2,010,075	(7,601,143)
Expenses		
Management fees (note 8)	113,018	154,067
Securityholder reporting costs	48,910	63,673
Audit fees	8,310	8,796
Custodial fees	887	-
Legal fees	4,286	3,794
Independent review committee fees	3,917	4,401
Interest expense and bank charges	107,682	122,173
Withholding tax expense	18,528	25,107
Transaction costs	20,448	13,108
Total expenses	325,986	395,119
Less: management fees waived by Manager	(33,861)	-
Less: expenses absorbed by Manager	(50,498)	(47,178)
Net expenses	241,627	347,941
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ 1,768,448	$ (7,949,084)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	$ 516,508	$ (2,602,987)
Series F	$ 1,251,940	$ (5,346,097)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	$ 4.44	$ (31.29)
Series F	$ 4.47	$ (33.69)

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

for the periods ended September 30,	2016	2015
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period		
Series A	$ 966,876	$ 1,759,803
Series F	2,075,950	5,102,077
	3,042,826	6,861,880
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Series A	516,508	(2,602,987)
Series F	1,251,940	(5,346,097)
	1,768,448	(7,949,084)
Distributions to Holders of Redeemable Units		
From net investment income		
Series A	(98,969)	(191,289)
Series F	(270,542)	(425,841)
Net Decrease from Distributions to Holders of Redeemable Units	(369,511)	(617,130)
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	241,239	1,823,243
Series F	633,259	4,040,446
	874,498	5,863,689
Reinvestments of distributions to holders of redeemable units		
Series A	90,945	178,106
Series F	243,050	359,924
	333,995	538,030
Redemptions of redeemable units		
Series A	(166,772)	-
Series F	(61,843)	(1,654,559)
	(228,615)	(1,654,559)
Net Increase (Decrease) from Redeemable Unit Transactions	979,878	4,747,160
Net Assets Attributable to Holders of Redeemable Units at End of Period		
Series A	1,549,827	966,876
Series F	3,871,814	2,075,950
	$ 5,421,641	$ 3,042,826

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

for the periods ended September 30,	2016	2015
Cash Flow from Operating Activities		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ 1,768,448	$ (7,949,084)
Adjustments for:		
Net realized (gain) loss on investments	1,643,378	2,415,071
Change in unrealized (appreciation) depreciation on investments	(3,152,599)	5,467,401
Unrealized foreign exchange (gain) loss on cash	(5,619)	-
(Increase) decrease in dividends receivable	(17,011)	31,854
Increase (decrease) in management fees payable and expenses payable	17,103	(4,476)
Increase (decrease) in organization expenses payable	(2,959)	1,928
Purchase of investments	(10,773,139)	(16,459,230)
Proceeds from sale of investments	5,783,263	12,663,231
Net Cash Generated (Used) by Operating Activities	(4,739,135)	(3,833,305)
Cash Flows from Financing Activities		
Increase (decrease) in margin loan and borrowing	3,785,163	(872,669)
Distributions to holders of redeemable units, net of reinvested distributions	(35,217)	(85,764)
Proceeds from redeemable units issued	840,986	5,856,189
Amount paid on redemption of redeemable units	(182,282)	(1,654,559)
Net Cash Generated (Used) by Financing Activities	4,408,650	3,243,197
Net increase (decrease) in cash and cash equivalents	(330,485)	(590,108)
Unrealized foreign exchange gain (loss) on cash	5,619	-
Cash and cash equivalents - beginning of period	324,866	914,974
Cash and cash equivalents - end of period	$ -	$ 324,866
Cash and cash equivalents comprise:		
Cash at bank	-	324,866
	$ -	$ 324,866
From operating activities:		
Interest received, net of witholding tax	$ -	$ 3,943
Dividends received, net of withholding tax	$ 530,909	$ 400,926
From financing activities:		
Interest paid	$ 104,732	$ 116,529

The accompanying notes are an integral part of these financial statements.

Schedule of Investment Portfolio

as at September 30, 2016

No. of Shares	Security Name		Average Cost		Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES						
Bermuda						
16,090	Brookfield Infrastructure Partners L.P.	$	557,195	$	731,225	
23,485	Brookfield Property Partners L.P.		675,534		706,192	
			1,232,729		1,437,417	26.5%
Canada						
206,967	Baytex Energy Corp.		3,680,879		1,152,806	
12,232	BCE Inc.		698,422		741,137	
76,000	Cardinal Energy Ltd.		621,923		653,600	
162,252	Crescent Point Energy Corp.		4,577,610		2,806,960	
19,564	IGM Financial Inc.		839,950		692,957	
78,168	Northland Power Inc.		1,408,383		1,910,426	
10,480	The Bank of Nova Scotia		664,855		728,569	
47,697	TransAlta Renewables Inc.		556,924		702,577	
54,000	Veresen Inc.		676,081		723,600	
83,660	Whitecap Resources, Inc.		818,725		916,913	
			14,543,752		11,029,545	203.4%
United States						
42,376	Ares Capital Corporation		801,387		861,726	
14,270	AT&T Inc.		712,695		760,281	
1,580	Johnson & Johnson		206,962		244,869	
23,357	Pattern Energy Group Inc.		716,663		689,166	
5,300	The Procter & Gamble Company		562,405		624,062	
			3,000,112		3,180,104	58.7%
	Total investment portfolio		18,776,593		15,647,066	288.6%
	Transaction costs		(22,384)		-	-
		$	18,754,209		15,647,066	288.6%
	Liabilities less other assets				(10,225,425)	(188.6%)
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			$	5,421,641	100.0%

The accompanying notes are an integral part of these financial statements.

(a) OFFSETTING ASSETS AND LIABILITIES

The Fund borrows on margin for the purposes of making investments. Collateral in the form of securities is required to secure the margin loans and borrowing. Securities pledged as collateral have not been offset against the borrowing, but are presented separately on the statement of financial position as investments that are pledged as collateral. The broker holding the collateral has the right to sell or re-pledge such securities in order to pay back the loan. However, the Fund does not have the right of offset.

(b) FINANCIAL INSTRUMENTS BY CATEGORY

The following tables present the carrying amounts of the Fund's financial instruments by category as at September 30, 2016:

Assets	Held for Trading ($)	Financial assets at FVTPL Designated at Inception ($)	Financial assets at amortized cost ($)	Total ($)
Subscriptions receivable	-	-	28,284	28,284
Receivable for investments sold	-	-	469,502	469,502
Dividends receivable	-	-	61,040	61,040
Investments	-	1,193,666	-	1,193,666
Investments - pledged as collateral	-	14,453,400	-	14,453,400
Total	**-**	**15,647,066**	**558,826**	**16,205,892**

Liabilities	Held for Trading ($)	Financial liabilities at FVTPL Designated at Inception ($)	Financial liabilities at amortized cost ($)	Total ($)
Margin loan and borrowing	-	-	10,106,027	10,106,027
Management fees payable	-	-	12,116	12,116
Expenses payable	-	-	14,080	14,080
Redemptions payable	-	-	3,605	3,605
Payable for investments purchased	-	-	621,762	621,762
Distributions payable	-	-	3,131	3,131
Organization expenses payable	-	-	23,530	23,530
Total	**-**	**-**	**10,784,251**	**10,784,251**

The following tables present the carrying amounts of the Fund's financial instruments by category as at September 30, 2015:

Assets	Held for Trading ($)	Financial assets at FVTPL Designated at Inception ($)	Financial assets at amortized cost ($)	Total ($)
Cash and cash equivalents	-	-	324,866	324,866
Subscriptions receivable	-	-	37,500	37,500
Receivable for investments sold	-	-	579,903	579,903
Dividends receivable	-	-	44,029	44,029
Investments - pledged as collateral	-	8,415,806	-	8,415,806
Total	**-**	**8,415,806**	**986,298**	**9,402,104**

Liabilities	Held for Trading ($)	Financial liabilities at FVTPL Designated at Inception ($)	Financial liabilities at amortized cost ($)	Total ($)
Margin loan and borrowing	-	-	6,320,864	6,320,864
Management fees payable	-	-	7,694	7,694
Accounts payable	-	-	1,399	1,399
Distributions payable	-	-	2,832	2,832
Organizational expenses payable	-	-	26,489	26,489
Total	**-**	**-**	**6,359,278**	**6,359,278**

The following table presents the net gains (losses) on financial instruments at fair value through profit and loss (FVTPL) by category for the years ending September 30, 2016 and September 30, 2015:

	Net gains (losses) ($)	
Category	2016	2015
Financial assets at FVTPL:		
Held for trading	-	-
Designated at inception	2,075,669	(6,841,454)
Total financial assets at FVTPL	**2,075,669**	**(6,841,454)**

(c) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (NOTE 5)

Price Risk

Please see note 5 for a description of Price Risk. The Manager moderates this risk through diversification of securities and other financial instruments within the limits of the Fund's investment objectives and strategy.

If the price of investments held by the Fund on September 30, 2016 had been higher or lower by 5%, the net assets attributable to holders of redeemable units of the Fund would have been higher or lower by $782,353 (2015: $420,790). Actual results may differ from the above sensitivity analysis and the difference could be material.

Concentration Risk

The following tables present the Fund's exposure as a percentage of the total carrying value of the investments by geographic region and by industry sector as at September 30, 2016 and September 30, 2015.

By Geographic Region	September 30, 2016	September 30, 2015
Canada	70.4%	80.0%
United States	20.4%	15.3%
Bermuda	9.2%	4.7%
Total	**100.0%**	**100.0%**

By Industry Sector	September 30, 2016	September 30, 2015
Energy	39.9%	37.5%
Utilities	25.8%	30.1%
Financials	19.1%	18.1%
Telecommunication Services	9.6%	11.6%
Consumer Staples	4.0%	0.8%
Health Care	1.6%	1.9%
Total	**100.0%**	**100.0%**

Currency Risk

Please see Note 5 for a description of Currency Risk. As the Fund may invest in securities traded in foreign currencies, its net assets and cash flows, when measured in Canadian dollars, will, to the extent that they have not been fully hedged, be affected by changes in the value of these currencies relative to the Canadian dollar.

During the period, the Fund made use of borrowings denominated in US dollars, which in effect mitigated the currency risk of the Fund being invested in US listed securities. The Manager may use either Canadian dollar or US dollar denominated borrowings based on the interest cost differential and the Fund's currency exposure, including the revenue sensitivity of the underlying investments.

The tables below indicate the foreign currencies to which the Fund had significant exposure at September 30, 2016 and September 30, 2015 in Canadian dollar terms. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 5% in relation to each of the other currencies, with all other variables held constant.

September 30, 2016

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non - monetary ($)	Total ($)	Monetary ($)	Non - monetary ($)	Total ($)
United States Dollar	(3,350,673)	4,617,521	1,266,848	(167,534)	230,876	63,342
Total	**(3,350,673)**	**4,617,521**	**1,266,848**	**(167,534)**	**230,876**	**63,342**
% of net assets attributable to holders of redeemable units	(61.8%)	85.2%	23.4%	(3.1%)	4.3%	1.2%

September 30, 2015

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non - monetary ($)	Total ($)	Monetary ($)	Non - monetary ($)	Total ($)
United States Dollar	(1,007,071)	1,692,989	685,918	(50,354)	84,649	34,295
Total	**(1,007,071)**	**1,692,989**	**685,918**	**(50,354)**	**84,649**	**34,295**
% of net assets attributable to holders of redeemable units	(33.1%)	55.6%	22.5%	(1.7%)	2.8%	1.1%

Interest Rate Risk

Please see note 5 for a description of Interest Rate Risk. As at September 30, 2016 and September 30, 2015, the Fund had significant direct exposure to interest rate risk from its use of margin loan and borrowing. The amount borrowed as at September 30, 2016 was $10,106,027 (2015: $6,320,864) and was repayable on demand.

If interest rates had doubled during the period, interest expense would have been higher and ending net assets attributable to holders of redeemable units would have been lower by $104,752 (2015: $116,529).

Credit Risk

Please see note 5 for a description of Credit Risk. As at September 30, 2016 and September 30, 2015, the Fund did not have significant exposure to credit risk.

Liquidity Risk

The Fund is exposed to liquidity risk on its obligations, including any issued redeemable units, margin loan and borrowing, management fee payable, accounts payable, redemptions payable, payable for securities purchased, organization expenses payable and distributions payable.

The liquidity risk associated with issued redeemable units is managed by investing in a portfolio of highly liquid equity securities.

The main concentration of liquidity risk arises from the Fund's borrowing activities. Borrowings are repayable on demand and are partially covered by collateral held on account at the broker with whom the borrowings are made.

Obligations of the Fund including management fee payable, accounts payable, payable for securities purchased and distributions payable, as applicable, were due within 6 months from the financial reporting date. Organization expenses payable is due and payable over a 60 month period commencing in January, 2016. Prior to September 30, 2016, the commencement date was to have been July 2015.

The tables below presents the Fund's financial liabilities in relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

September 30, 2016	< 6 months ($)	> 6 months ($)	Total ($)
Margin loan and borrowing	10,106,027	-	10,106,027
Redemptions payable	3,605	-	3,605
Management fee and expenses payable	26,196	-	26,196
Payable for investments purchased	621,762	-	621,762
Distributions payable	3,131	-	3,131
Organizational expense payable	3,138	23,534	26,672

September 30, 2015	< 6 months ($)	> 6 months ($)	Total ($)
Margin loan and borrowing	6,320,864	-	6,320,864
Distributions payable	2,832	-	2,832
Management fee and expenses payable	9,093	-	9,093
Organization expenses payable	1,569	29,810	31,379

Leverage Risk

Please see note 5 for a description of Leverage Risk. The Fund may generally borrow up to 70% of its total assets. The Fund was subject to leverage risk as at September 30, 2016 and September 30, 2015. The Fund pledges securities as collateral and is able to borrow up to limits imposed by the broker it has pledged the collateral to. The amount of borrowing allowed by the broker depends on the nature of the securities pledged. The Fund pays interest on the amounts borrowed. Interest is accrued daily and paid monthly.

As at September 30, 2016 the amount borrowed was $10,106,027 (2015: $6,320,864) representing 65.6% (2015: 67.5%) of the total assets of the Fund. Interest expense for the period ended September 30, 2016 was $353,057 (2015: $116,529).

(d) FAIR VALUE MEASUREMENTS

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at September 30, 2016 and September 30, 2015:

	Assets at fair value as at September 30, 2016			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	15,647,066	-	-	15,647,066
Total	**15,647,066**	**-**	**-**	**15,647,066**

	Assets at fair value as at September 30, 2015			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	8,415,806	-	-	8,415,806
Total	**8,415,806**	**-**	**-**	**8,415,806**

Fair value is classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. All liabilities of the Fund are carried at amortized cost and therefore are not presented in the tables above.

Statements of Financial Position

As at September 30,	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	$ -	$ 92,396
Subscriptions receivable	100,000	-
Receivable for investments sold	-	8,524
Dividends receivable	1,236	937
Investments (note 5)	218,571	-
Investments - pledged as collateral (note 5 and 11)	1,779,276	527,889
	2,099,083	629,746
Liabilities		
Current Liabilities		
Margin loan and borrowing (note 11)	1,111,573	345,822
Management fees payable	210	375
Expenses payable	2,882	105
Payable for investments purchased	26,944	-
Organization expenses payable (note 8)	2,308	1,512
	1,143,917	347,814
Non-current Liabilities		
Organization expenses payable (note 8)	10,634	11,430
	1,154,551	359,244
Net Assets Attributable to Holders of Redeemable Units	$ 944,532	$ 270,502
Net Assets Attributable to Holders of Redeemable Units Per Series		
Series A	$ 220,089	$ 92,832
Series F	$ 724,443	$ 177,670
Number of Redeemable Units Outstanding (note 6)		
Series A	7,644	3,774
Series F	25,097	7,672
Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	$ 28.79	$ 24.60
Series F	$ 28.87	$ 23.16

Approved by the Board of Directors of Portland Investment Counsel Inc.

"Michael Lee-Chin" Director

"Robert Almeida" Director

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income

for the periods ended September 30,		2016		2015*
Income				
Net gain (loss) on investments				
Dividends	$	32,000	$	13,514
Interest for distribution purposes		74		473
Net realized gain (loss) on investments		75,156		(1,004)
Change in unrealized appreciation (depreciation) on investments		(6,439)		(144,110)
		100,791		(131,127)
Other income				
Foreign exchange gain (loss) on cash and other net assets		25,833		(37,533)
Interest		-		2,180
Total income (net)		126,624		(166,480)
Expenses				
Management fees (note 8)		14,089		2,687
Securityholder reporting costs		51,018		34,210
Audit fees		8,309		8,299
Custodial fees		205		-
Legal fees		4,285		3,182
Independent review committee fees		3,916		2,856
Interest expense and bank charges		11,621		3,128
Organization expenses		-		15,122
Withholding tax expense		132		297
Transaction costs		2,370		1,438
Total expenses		95,945		71,219
Less: management fees waived by Manager		-		(273)
Less: expenses absorbed by Manager		(63,941)		(47,832)
Net expenses		32,004		23,114
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$	94,620	$	(189,594)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series				
Series A	$	20,346	$	(8,236)
Series F	$	74,274	$	(181,358)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit				
Series A	$	3.09	$	(45.22)
Series F	$	4.14	$	(34.23)

** From January 30, 2015 (commencement of operations) to September 30, 2015*

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Net Assets Attributable to Holders of Redeemable Unit

for the periods ended September 30,	2016	2015*
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period		
Series A	$ 92,832	$ -
Series F	177,670	-
	270,502	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Series A	20,346	(8,236)
Series F	74,274	(181,358)
	94,620	(189,594)
Distributions to Holders of Redeemable Units		
From net investment income		
Series A	(241)	-
Series F	(4,339)	-
Net Decrease from Distributions to Holders of Redeemable Units	(4,580)	-
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	106,910	101,068
Series F	472,500	359,028
	579,410	460,096
Reinvestments of distributions to holders of redeemable units		
Series A	241	-
Series F	4,339	-
	4,580	-
Net Increase (Decrease) from Redeemable Unit Transactions	583,990	460,096
Net Assets Attributable to Holders of Redeemable Units at End of Period		
Series A	220,089	92,832
Series F	724,443	177,670
	$ 944,532	$ 270,502

** From January 30, 2015 (commencement of operations) to September 30, 2015*

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

for the periods ended September 30,	2016	2015*
Cash Flow from Operating Activities		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ 94,620	$ (189,594)
Adjustments for:		
Net realized (gain) loss on investments	(75,156)	1,004
Change in unrealized (appreciation) depreciation on investments	6,439	144,110
Unrealized foreign exchange (gain) loss on cash	(11,067)	-
(Increase) decrease in dividends receivable	(299)	(937)
Increase (decrease) in management fees payable and expenses payable	2,612	480
Increase (decrease) in organization expenses payable	-	12,942
Purchase of investments	(1,985,337)	(910,340)
Proceeds from sale of investments	619,564	228,813
Net Cash Generated (Used) by Operating Activities	(1,348,624)	(713,522)
Cash Flows from Financing Activities		
Increase (decrease) in margin loan and borrowing	765,751	345,822
Proceeds from redeemable units issued	479,410	460,096
Net Cash Generated (Used) by Financing Activities	1,245,161	805,918
Net increase (decrease) in cash and cash equivalents	(103,463)	92,396
Unrealized foreign exchange gain (loss) on cash	11,067	-
Cash and cash equivalents - beginning of period	92,396	-
Cash and cash equivalents - end of period	$ -	$ 92,396
Cash and cash equivalents comprise:		
Cash at bank	-	92,396
	$ -	$ 92,396
From operating activities		
Interest received, net of witholding tax	$ 74	$ 473
Dividends received, net of withholding tax	$ 31,569	$ 7,464
From financing activities		
Interest paid	$ 10,061	$ 1,962

** From January 30, 2015 (commencement of operations) to September 30, 2015*

The accompanying notes are an integral part of these financial statements.

Schedule of Investment Portfolio

as at September 30, 2016

No. of Shares	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES				
Bermuda				
4,707	Brookfield Business Partners L.P.	$ 126,852	$ 163,215	17.3%
British Virgin Islands				
8,500	Nomad Foods Limited	119,549	131,812	13.9%
Canada				
30,244	Baytex Energy Corp.	207,056	168,459	
3,355	Brookfield Asset Management Inc. 'A'	146,603	154,848	
12,409	Crescent Point Energy Corp.	255,316	214,676	
2,620	Restaurant Brands International Inc.	136,080	153,235	
19,820	Whitecap Resources, Inc.	207,495	217,227	
		952,550	908,445	96.2%
Guernsey				
8,200	Pershing Square Holdings Ltd.	196,989	150,612	15.9%
United Kingdom				
10,200	Liberty Global PLC LiLAC, 'A'	450,438	369,206	39.1%
United States				
755	Berkshire Hathaway Inc.	137,700	143,101	
2,495	Hertz Global Holdings, Inc.	166,391	131,456	
		304,091	274,557	29.1%
	Total investment portfolio	2,150,469	1,997,847	211.5%
	Transaction costs	(2,073)	-	-
		$ 2,148,396	1,997,847	211.5%
	Liabilities less other assets		(1,053,315)	(111.5%)
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		$ 944,532	100.0%

The accompanying notes are an integral part of these financial statements.

(a) OFFSETTING ASSETS AND LIABILITIES

The Fund borrows on margin for the purposes of making investments. Collateral in the form of securities is required to secure the margin loans and borrowing. Securities pledged as collateral have not been offset against the borrowing, but are presented separately on the statement of financial position as investments that are pledged as collateral. The broker holding the collateral has the right to sell or re-pledge such securities in order to pay back the loan. However, the Fund does not have the right of offset.

(b) FINANCIAL INSTRUMENTS BY CATEGORY

The following table presents the carrying amounts of the Fund's financial instruments by category as at September 30, 2016:

Assets	Held for Trading ($)	Financial assets at FVTPL Designated at Inception ($)	Financial assets at amortized cost ($)	Total ($)
Subscriptions receivable	-	-	100,000	100,000
Dividends receivable	-	-	1,236	1,236
Investments	-	218,571	-	218,571
Investments - pledged as collateral	-	1,779,276	-	1,779,276
Total	**-**	**1,997,847**	**101,236**	**2,099,083**

Liabilities	Held for Trading ($)	Financial liabilities at FVTPL Designated at Inception ($)	Financial liabilities at amortized cost ($)	Total ($)
Margin loan and borrowing	-	-	1,111,573	1,111,573
Management fees payable	-	-	210	210
Expenses payable	-	-	2,882	2,882
Payable for investments purchased	-	-	26,944	26,944
Organization expenses payable	-	-	12,942	12,942
Total	**-**	**-**	**1,154,551**	**1,154,551**

The following tables present the carrying amounts of the Fund's financial instruments by category as at September 30, 2015:

Assets	Held for Trading ($)	Financial assets at FVTPL Designated at Inception ($)	Financial assets at amortized cost ($)	Total ($)
Cash and cash equivalents	-	-	92,396	92,396
Subscriptions receivable	-	-	86,655	86,655
Receivable for investments sold	-	-	8,524	8,524
Dividends receivable	-	-	937	937
Investments - pledged as collateral	-	527,889	-	527,889
Total	**-**	**527,889**	**188,512**	**716,401**

Liabilities	Held for Trading ($)	Financial liabilities at FVTPL Designated at Inception ($)	Financial liabilities at amortized cost ($)	Total ($)
Margin loan and borrowing	-	-	345,822	345,822
Management fee payable	-	-	375	375
Accounts payable	-	-	105	105
Organization expenses payable	-	-	12,942	12,942
Total	**-**	**-**	**359,244**	**359,244**

The following table presents the net gains (losses) on financial instruments at fair value through profit and loss (FVTPL) by category for the year ending September 30, 2016 and the 8 month period ending September 30, 2015:

	Net gains (losses) ($)	
Category	2016	2015
Financial assets at FVTPL:		
Held for trading	-	-
Designated at inception	100,791	(131,127)
Total financial assets at FVTPL	**100,791**	**(131,127)**

(c) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (NOTE 5)

Price Risk

Please see note 5 for a description of Price Risk. The Manager moderates this risk through diversification of securities and other financial instruments within the limits of the Fund's investment objectives and strategy.

If the price of investments held by the Fund on September 30, 2016 had been higher or lower by 5%, the net assets attributable to holders of redeemable units of the Fund would have been higher or lower by $99,892 (2015: $26,394). Actual results may differ from the above sensitivity analysis and the difference could be material.

Concentration Risk

The following tables present the Fund's exposure as a percentage of the total carrying value of the investments by geographic region and by industry sector as at September 30, 2016 and September 30, 2015.

By Geographic Region	September 30, 2016	September 30, 2015
Canada	45.5%	41.9%
United Kingdom	18.4%	15.5%
United States	13.8%	20.2%
Bermuda	8.2%	15.0%
Guernsey	7.5%	7.4%
British Virgin Islands	6.6%	-
Total	**100.0%**	**100.0%**

By Industry Sector	September 30, 2016	September 30, 2015
Energy	30.0%	21.6%
Consumer Discretionary	26.1%	7.9%
Financials	22.5%	28.7%
Industrials	14.8%	7.1%
Consumer Staples	6.6%	-
Telecommunication Services	-	15.5%
Utilities	-	13.2%
Health Care	-	6.0%
Total	**100.0%**	**100.0%**

Currency Risk

Please see Note 5 for a description of Currency Risk. As the Fund may invest in securities traded in foreign currencies, its net assets and cash flows, when measured in Canadian dollars, will, to the extent that they have not been fully hedged, be affected by changes in the value of these currencies relative to the Canadian dollar.

During the period, the Fund made use of borrowings denominated in US dollars, which in effect mitigated the currency risk of the Fund being invested in US listed securities. The Manager may use either Canadian dollar or US dollar denominated borrowings based on the interest cost differential and the Fund's currency exposure, including the revenue sensitivity of the underlying investments.

The tables below indicate the foreign currencies to which the Fund had significant exposure at September 30, 2016 and September 30, 2015 in Canadian dollar terms. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 5% in relation to each of the other currencies, with all other variables held constant.

September 30, 2016

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non - monetary ($)	Total ($)	Monetary ($)	Non - monetary ($)	Total ($)
United States Dollar	(785,986)	1,397,485	611,499	(39,299)	69,874	30,575
Total	**(785,986)**	**1,397,485**	**611,499**	**(39,299)**	**69,874**	**30,575**
% of net assets attributable to holders of redeemable units	(83.2%)	147.9%	64.7%	(4.2%)	7.4%	3.2%

September 30, 2015

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non - monetary ($)	Total ($)	Monetary ($)	Non - monetary ($)	Total ($)
British Pound	(2,251)	81,740	79,489	(113)	4,087	3,974
United States Dollar	(447,648)	298,641	(149,007)	(22,381)	14,932	(7,449)
Total	**(449,899)**	**380,381**	**(69,518)**	**(22,494)**	**19,019**	**(3,475)**
% of net assets attributable to holders of redeemable units	(166.3%)	140.6%	(25.7%)	(8.3%)	7.0%	(1.3%)

Interest Rate Risk

Please see note 5 for a description of Interest Rate Risk. As at September 30, 2016 and September 30, 2015, the Fund had significant direct exposure to interest rate risk from its use of margin loan and borrowing. The amount borrowed as at September 30, 2016 was $1,111,573 (2015: $345,822) and was repayable on demand.

The accompanying notes are an integral part of these financial statements.

If interest rates had doubled during the period, interest expense would have been higher and ending net assets attributable to holders of redeemable units would have been lower by $10,061 (2015: $1,962).

Credit Risk

Please see note 5 for a description of Credit Risk. As at September 30, 2016 and September 30, 2015, the Fund did not have significant exposure to credit risk.

Liquidity Risk

The Fund is exposed to liquidity risk on its obligations, including any issued redeemable units, margin loan and borrowing, management fee payable, accounts payable, redemptions payable, payable for securities purchased, organization expenses payable and distributions payable.

The liquidity risk associated with issued redeemable units is managed by investing in a portfolio of highly liquid equity securities.

The main concentration of liquidity risk arises from the Fund's borrowing activities. Borrowings are repayable on demand and are partially covered by collateral held on account at the broker with whom the borrowings are made.

Obligations of the Fund including management fees payable, expenses payable, redemptions payable and payable for securities purchased, as applicable, are due within 6 months from the financial reporting date. Organization expenses payable is due and payable over a 60 month period commencing in December, 2016.

The table below analyzes the Fund's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

September 30, 2016	< 6 months ($)	> 6 months ($)	Total ($)
Margin loan and borrowing	1,111,573	-	1,111,573
Management fees and expenses payable	3,092	-	3,092
Payable for investments purchased	26,944	-	26,944
Organization expenses payable	1,008	14,114	15,122

September 30, 2015	< 6 months ($)	> 6 months ($)	Total ($)
Margin loan and borrowing	345,822	-	345,822
Management fees and expenses payable	480	-	480
Organizational expense payable	-	15,123	15,123

Leverage Risk

Please see note 5 for a description of Leverage Risk. The Fund may generally borrow up to 70% of its total assets. The Fund was subject to leverage risk as at September 30, 2016 and September 30, 2015. The Fund pledges securities as collateral and is able to borrow up to limits imposed by the broker it has pledged the collateral to. The amount of borrowing allowed by the broker depends on the nature of the securities pledged. The Fund pays interest on the amounts borrowed. Interest is accrued daily and paid monthly.

As at September 30, 2016 the amount borrowed was $1,111,573 (2015: $345,822) representing 57.0% (2015: 64.0%) of the total assets of the Fund. Interest expense for the period ended September 30, 2016 was $27,030 (2015: $1,962).

(d) FAIR VALUE MEASUREMENTS

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at September 30, 2016 and September 30, 2015:

	Assets at fair value as at September 30, 2016			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	1,997,847	-	-	1,997,847
Total	**1,997,847**	**-**	**-**	**1,997,847**

	Assets at fair value as at September 30, 2015			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	527,889	-	-	527,889
Total	**527,889**	**-**	**-**	**527,889**

Fair value is classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. All liabilities of the Fund are carried at amortized cost and therefore are not presented in the tables above.

Statement of Financial Position

As at September 30,		2016
Assets		
Current Assets		
Cash and cash equivalents	$	270
Subscriptions receivable		31,305
Dividends receivable		164
Investments (note 5)		50,557
Investments pledged as collateral (note 5 and 11)		88,891
		171,187
Liabilities		
Current Liabilities		
Margin loan and borrowing (note 11)		57,003
Management fees payable		83
Expenses payable		64
Distributions payable		21
		57,171
Net Assets Attributable to Holders of Redeemable Units	$	114,016
Net Assets Attributable to Holders of Redeemable Units Per Series		
Series A	$	57,859
Series F	$	56,157
Number of Redeemable Units Outstanding (note 6)		
Series A		1,105
Series F		1,072
Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	$	52.38
Series F	$	52.40

Approved by the Board of Directors of Portland Investment Counsel Inc.

"Michael Lee-Chin" — Director

"Robert Almeida" — Director

The accompanying notes are an integral part of these financial statements.

Statement of Comprehensive Income

for the periods ended September 30,	2016*
Income	
Net gain (loss) on investments	
Dividends	$ 673
Interest for distribution purposes	13
Change in unrealized appreciation (depreciation) on investments	3,460
	4,146
Other income	
Foreign exchange gain (loss) on cash and other net assets	(127)
Total income (net)	4,019
Expenses	
Management fees (note 8)	270
Securityholder reporting costs	13,820
Audit fees	8,471
Custodial fees	2
Independent review committee fees	888
Interest expense and bank charges	159
Transaction costs	25
	23,635
Less: management fees waived by Manager	(187)
Less: expenses absorbed by Manager	(23,181)
Total operating expenses	267
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ 3,752
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series	
Series A	$ 1,554
Series F	$ 2,198
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit	
Series A	$ 2.69
Series F	$ 3.03

** From June 30, 2016 (commencement of operations) to September 30, 2016*

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Net Assets Attributable to Holders of Redeemable Unit

for the periods ended September 30,	2016*
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period	
Series A	$ -
Series F	-
	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	
Series A	1,554
Series F	2,198
	3,752
Distributions to Holders of Redeemable Units	
From net investment income	
Series A	(61)
Series F	(175)
	(236)
From return of capital	
Series A	(223)
Series F	(277)
	(500)
Net Decrease from Distributions to Holders of Redeemable Units	(736)
Redeemable Unit Transactions	
Proceeds from redeemable units issued	
Series A	56,305
Series F	54,000
	110,305
Reinvestments of distributions to holders of redeemable units	
Series A	284
Series F	411
	695
Net Increase (Decrease) from Redeemable Unit Transactions	111,000
Net Assets Attributable to Holders of Redeemable Units at End of Period	
Series A	57,859
Series F	56,157
	$ 114,016

** From June 30, 2016 (commencement of operations) to September 30, 2016*

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

for the periods ended September 30,		2016*
Cash Flow from Operating Activities		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$	3,752
Adjustments for:		
Change in unrealized (appreciation) depreciation on investments		(3,460)
Unrealized foreign exchange (gain) loss on cash		57
(Increase) decrease in dividends receivable		(164)
Increase (decrease) in management fees payable and expenses payable		147
Purchase of investments		(135,988)
Net Cash Generated (Used) by Operating Activities		(135,656)
Cash Flows from Financing Activities		
Increase (decrease) in margin loan and borrowing		57,003
Distributions to holders of redeemable units, net of reinvested distributions		(20)
Proceeds from redeemable units issued		79,000
Net Cash Generated (Used) by Financing Activities		135,983
Net increase (decrease) in cash and cash equivalents		327
Unrealized foreign exchange gain (loss) on cash		(57)
Cash and cash equivalents - beginning of period		-
Cash and cash equivalents - end of period	$	270
Cash and cash equivalents comprise:		
Cash at bank		270
	$	270
From operating activities:		
Interest received, net of witholding tax	$	13
Dividends received, net of withholding tax	$	509
From financing activities:		
Interest paid	$	79

** From June 30, 2016 (commencement of operations) to September 30, 2016*

The accompanying notes are an integral part of these financial statements.

Schedule of Investment Portfolio

as at September 30, 2016

No. of Shares	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES				
Bermuda				
1,000	Brookfield Infrastructure Partners L.P., Preferred, Series 5	$ 25,000	$ 25,550	
800	Brookfield Renewable Partners L.P., Preferred, Series 9	20,260	20,400	
		45,260	45,950	40.3%
Canada				
1,000	Bank of Nova Scotia, Preferred, Series 38	25,000	25,840	
500	Brookfield Office Properties Inc., Preferred, Series CC	13,412	13,200	
1,000	Westcoast Energy Inc., Preferred, Series 12	25,000	25,860	
		63,412	64,900	56.9%
United States				
300	iShares MSCI World ETF	27,341	28,598	25.1%
	Total investment portfolio	136,013	139,448	122.3%
	Transaction costs	(25)	-	-
		$ 135,988	139,448	122.3%
	Liabilities less other assets		(25,432)	(22.3%)
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		$ 114,016	100.0%

The accompanying notes are an integral part of these financial statements.

(a) OFFSETTING ASSETS AND LIABILITIES

The Fund borrows on margin for the purposes of making investments. Collateral in the form of cash and securities is required to secure the margin loans and borrowing. Securities pledged as collateral have not been offset against the borrowing, but are presented separately on the statement of financial position as investments that are pledged as collateral. The broker holding the collateral has the right to sell or re-pledge such securities in order to pay back the loan. However, the Fund does not have the right of offset.

(b) FINANCIAL INSTRUMENTS BY CATEGORY

The following tables present the carrying amounts of the Fund's financial instruments by category as at September 30, 2016:

Assets	Held for Trading ($)	Financial assets at FVTPL Designated at Inception ($)	Financial assets at amortized cost ($)	Total ($)
Cash and cash equivalents	-	-	270	270
Subscriptions receivable	-	-	31,305	31,305
Dividends receivable	-	-	164	164
Investments	-	50,557	-	50,557
Investments - pledged as collateral	-	88,891	-	88,891
Total	**-**	**139,448**	**31,739**	**171,187**

Liabilities	Held for Trading ($)	Financial liabilities at FVTPL Designated at Inception ($)	Financial liabilities at amortized cost ($)	Total ($)
Margin loan and borrowing	-	-	57,003	57,003
Management fees payable	-	-	83	83
Expenses payable	-	-	64	64
Distributions payable	-	-	21	21
Total	**-**	**-**	**57,171**	**57,171**

The following table presents the net gains (losses) on financial instruments at fair value through profit and loss (FVTPL) by category for the period ending September 30, 2016:

Category	Net gains (losses) ($) 2016
Financial assets at FVTPL:	
Held for trading	-
Designated at inception	4,146
Total financial assets at FVTPL	**4,146**

(c) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (NOTE 5)

Price Risk

Please see note 5 for a description of Price Risk. The Manager moderates this risk through diversification of securities and other financial instruments within the limits of the Fund's investment objectives and strategy.

If the price of investments held by the Fund on September 30, 2016 had been higher or lower by 5%, the net assets attributable to holders of redeemable units of the Fund would have been higher or lower by $6,972. Actual results may differ from the above sensitivity analysis and the difference could be material.

Concentration Risk

The following tables present the Fund's exposure as a percentage of the total carrying value of the investments by geographic region and by industry sector as at September 30, 2016.

By Geographic Region	September 30, 2016
Canada	46.5%
Bermuda	33.0%
United States	20.5%
Total	**100%**

By Industry Sector	September 30, 2016
Utilities	51.4%
Financials	28.0%
Exchange Traded Funds	20.6%
Total	**100%**

The accompanying notes are an integral part of these financial statements.

Currency Risk

Please see Note 5 for a description of Currency Risk. As the Fund may invest in securities traded in foreign currencies, its net assets and cash flows, when measured in Canadian dollars, will, to the extent that they have not been fully hedged, be affected by changes in the value of these currencies relative to the Canadian dollar.

During the period, the Fund made use of borrowings denominated in US dollars, which in effect mitigated the currency risk of the Fund being invested in US listed securities. The Manager may use either Canadian dollar or US dollar denominated borrowings based on the interest cost differential and the Fund's currency exposure, including the revenue sensitivity of the underlying investments.

The table below indicates the foreign currencies to which the Fund had significant exposure at September 30, 2016 in Canadian dollar terms. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 5% in relation to each of the other currencies, with all other variables held constant.

September 30, 2016

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non - monetary ($)	Total ($)	Monetary ($)	Non - monetary ($)	Total ($)
United States Dollar	(27,525)	28,598	1,073	(1,376)	1,430	54
Total	(27,525)	28,598	1,073	(1,376)	1,430	54
"% of net asset attributable to holders of redeemable units"	(24.1%)	25.1%	1.0%	(1.2%)	1.2%	-

Interest Rate Risk

Please see note 5 for a description of Interest Rate Risk. As at September 30, 2016, the Fund had significant direct exposure to interest rate risk from its use of margin loan and borrowing. The amount borrowed as at September 30, 2016 was $57,003 and was repayable on demand.

If interest rates had doubled during the period, interest expense would have been higher and ending net assets attributable to holders of redeemable units would have been lower by $80.

Credit Risk

Please see note 5 for a description of Credit Risk. As at September 30, 2016, the Fund did not have significant exposure to credit risk.

Liquidity Risk

The Fund is exposed to liquidity risk on its obligations, including any issued redeemable units, margin loan and borrowing, management fee payable, accounts payable, redemptions payable, payable for securities purchased and distributions payable.

The liquidity risk associated with issued redeemable units is managed by investing in a portfolio of highly liquid equity securities.

The main concentration of liquidity risk arises from the Fund's borrowing activities. Borrowings are repayable on demand and are partially covered by collateral held on account at the broker with whom the borrowings are made.

Obligations of the Fund including management fees payable, expenses payable, redemptions payable, payable for securities purchased and distributions payable, as applicable, are due within 6 months from the financial reporting date.

The table below presents the Fund's financial liabilities in relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

September 30, 2016	< 6 months ($)	> 6 months ($)	Total ($)
Margin loan and borrowing	57,003	-	57,003
Management fees and expenses payable	147	-	147
Distributions	21	-	21

Leverage Risk

Please see note 5 for a description of Leverage Risk. The Fund may generally borrow up to 70% of its total assets. The Fund was subject to leverage risk as at September 30, 2016. The Fund pledges securities as collateral and is able to borrow up to limits imposed by the broker it has pledged the collateral to. The amount of borrowing allowed by the broker depends on the nature of the securities pledged. The Fund pays interest on the amounts borrowed. Interest is accrued daily and paid monthly.

As at September 30, 2016 the amount borrowed was $57,003 representing 40.9% of the total assets of the Fund. Interest expense for the period ended September 30, 2016 was $80.

(d) FAIR VALUE MEASUREMENTS

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at September 30, 2016:

	Assets at fair value as at September 30, 2016			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	139,448	-	-	139,448
Total	**139,448**	**-**	**-**	**139,448**

A financial instrument is classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. All liabilities of the Fund are carried at amortized cost and therefore are not presented in the tables above.

(e) STRUCTURED ENTITIES

Funds investments in ETFs are summarized below.

September 30, 2016	Fair Value of Funds Investments ($)	Net Asset Value of ETF ($ millions)	% of ETFs Net Assets
iShares MSCI World ETF	28,598	305	-

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

1. GENERAL INFORMATION

Portland Advantage Plus – Everest Fund (Everest), Portland Advantage Plus – McKinley Fund (McKinley), Portland Advantage Plus – Value Fund (Value+) and Portland Global Aristocrats Plus Fund (Global Aristocrats) (each a Fund, collectively the Funds) are open-end investment funds established under the laws of the Province of Ontario each as a separate trust pursuant to an amended and restated master declaration of trust dated as of December 13, 2013, as amended on March 31, 2014, May 23, 2014, January 2, 2015, February 26, 2015, April 14, 2015, September 23, 2015, March 1, 2016, and May 2, 2016, as may be amended from time to time. The Funds offer units to the public on a private placement basis under an offering memorandum and commenced operations as outlined in the table below.

Name of Fund	Formation Date of Fund	Commencement of Operations	
		Series A	Series F
Portland Advantage Plus – Everest Fund	March 31, 2014	April 30, 2014	April 30, 2014
Portland Advantage Plus – McKinley Fund	March 31, 2014	April 30, 2014	April 30, 2014
Portland Advantage Plus – Value Fund	January 2, 2015	January 30, 2015	January 30, 2015
Portland Global Aristocrats Plus Fund	April 30, 2016	June 30, 2016	June 30, 2016

Portland Investment Counsel Inc. (Manager) is the Investment Fund Manager, Portfolio Manager and Trustee of the Funds. The head office of the Funds is 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7. These financial statements are presented in Canadian dollars and were authorized for issue by the board of directors of the Manager on December 5, 2016. The Funds are authorized to issue an unlimited number of units in an unlimited number of series.

The investment objective of Everest and McKinley is to provide income and achieve, over the long term, an above average return by combining a leveraged investment strategy with focused investment primarily in a limited number of long security positions.

The investment objective of Value+ is to achieve, over the long term, an above average return by combining a leveraged investment strategy with focused investment primarily in a limited number of long securities positions.

The investment objective of Global Aristocrats is to provide income and achieve, over the long term, preservation of capital and a satisfactory return.

The statements of financial position of Everest, McKinley and Value+ are as at September 30, 2016 and September 30, 2015. The statement of financial position of Global Aristocrats is as at September 30, 2016. The statements of comprehensive income, changes in net assets attributable to holders of redeemable units, and cash flows of the Funds are for the years ended September 30, 2016 and September 30, 2015 unless the Fund commenced operations during either year, in which case the statements of comprehensive income, changes in net assets attributable to holders of redeemable units, and cash flows are for the period from commencement of operations in the above table to the applicable year end reporting date.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(a) Classification

The Funds recognize financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. The Funds' investments are designated at inception and are measured at fair value through profit and loss (FVTPL).

Each Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount.

All other financial assets and liabilities are classified as loans and receivables or other financial liabilities and are measured at amortized cost which approximates fair value using the effective interest method. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate.

The accounting policies for measuring the fair value of its financial assets and financial liabilities are similar to those used in measuring its net asset value (NAV) for unitholder transactions except for the treatment of organization expenses for Everest, McKinley and Value+. Such expenses are deductible from NAV over a five year period commencing in January 2016 for Everest and McKinley and December 2016 for Value+. The accounting policies for measuring the fair value of investments and derivatives are similar to those used in measuring its net asset value (NAV) for unitholder transactions. Therefore the NAV will be similar to the net assets attributable to holders of redeemable units for financial reporting purposes except for the treatment of organization expenses. Such expenses are deducted from NAV on a monthly basis over a five year period commencing in January 2016 or December 2016 the case of Value+, but are fully deductible in the first year of operations under IFRS. Therefore, the NAV is higher than the net assets attributable to holders of redeemable units in these financial statements. There is a comparison of NAV per Unit and net assets attributable to holders of redeemable units per unit within note 12.

Financial assets and liabilities will be offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy, certain events of default or termination of the contracts.

(b) Recognition, de-recognition and measurement

Purchases and sales of financial assets are recognized on their trade date - the date on which the Funds commit to purchase or sell the investment. Financial assets and liabilities at FVTPL are initially recognized at fair value. Transaction costs are expensed as incurred in the statements of comprehensive income.

Financial assets are de-recognized when the rights to receive cash flows from the investments have expired or the Funds have transferred substantially all the risks and rewards of ownership. Upon disposal, the difference between the amount received and the average cost to acquire the financial asset is included within "net realized gain (loss)" in the statements of comprehensive income.

Subsequent to initial recognition, all financial assets and liabilities at FVTPL are measured at fair value. Gains and losses arising from change in fair value of the FVTPL category are presented in the statements of comprehensive income within "change in unrealized appreciation (depreciation) on investments" in the period in which they arise.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread and the difference is material, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. If there has been no trade, the mid price (average bid and asking price) as of the close of the business on the reporting date is used to approximate fair value. The Funds' policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

Structured Entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes: (a) restricted activities; (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors; c) insufficient equity to permit the structured entity to finance its activities without subordinate financial support; and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Funds consider all of their investments in Exchange Traded Funds (ETFs) to be investments in unconsolidated structured entities. ETFs are bought and sold on the stock market on which they are traded and are valued at the last traded price as per above section on Fair Value Measurement.

Revenue recognition

"Interest for distribution purposes" shown on the statements of comprehensive income represents the coupon interest received by the Funds accounted for on an accrual basis. The Funds do not amortize premiums paid or discounts received on the purchase of fixed income securities other than zero coupon debt securities which are amortized on a straight line basis. Interest receivable is shown separately in the statements of financial position based on the debt instruments' stated rates of interest.

Dividends on equity investments and distributions on investments in other investment funds are recognized as income on the ex-dividend date.

Foreign currency translation

The functional and presentation currency of the Funds is the Canadian dollar. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates that transactions occur. Assets and liabilities denominated in a foreign currency are translated into the functional currency using the exchange rate prevailing at the reporting date. Foreign exchange gains and losses related to assets and liabilities at amortized cost are recognized in profit and loss and are presented as "foreign currency gain (loss) on cash and other net assets" on the statements of comprehensive income. Realized foreign exchange gains and losses related to assets and liabilities at FVTPL are recognized when incurred and are presented in the statements of comprehensive income within "net realized gain (loss)".

Unrealized exchange gains or losses on investments are included in "change in unrealized appreciation (depreciation)" in the statements of comprehensive income.

"Foreign exchange gain (loss) on currencies and other net assets" arise from sale of foreign currencies, currency gains or losses realized between trade and settlement dates on securities transactions, and the difference between the recorded amounts of dividend, interest and foreign withholding taxes and the Canadian dollar equivalent of the amounts actually received or paid.

Cash and cash equivalents

The Funds consider highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value to be cash equivalents. Cash is comprised of deposits with financial institutions.

Cost of investments

The cost of investments represents the average cost for each security excluding transaction costs. On the schedule of investment portfolio, transaction costs have been deducted in aggregate from the total cost of individual investments which include transaction costs.

Redeemable Units

Each Fund issued two series of redeemable units, which are redeemable at the holder's option and do not have identical rights. Redeemable units can be put back to each Fund at any dealing date for cash equal to a proportionate share of the Funds' NAV attributable to the unit series. Units are redeemable monthly.

The redeemable units are carried at the redemption amount that is payable at the statements of financial position date if the holder exercises the right to put the unit back to the Fund.

Redeemable units are issued and redeemed at the holder's option at prices based on the Fund's NAV per unit at the time of issue or redemption. The Funds' NAV per unit is calculated by dividing the net assets attributable to the holders of each series of redeemable units with the total number of outstanding redeemable units for each respective class. In accordance with the provisions of the Funds' offering memorandum, investment positions are valued based on the last traded market price for the purpose of determining the NAV per unit for subscriptions and redemptions.

The Funds' units do not meet the criteria in IAS 32 for classification as equity as the units are redeemable on demand for cash and therefore, have been classified as financial liabilities.

Expenses

Expenses of the Funds include management fees and other operating expenses recorded on an accrual basis.

Transaction costs associated with investment transactions for financial assets and liabilities at FVTPL, including brokerage commissions, have been expensed on the statements of comprehensive income.

Interest charged on margin borrowing is recorded on an accrual basis.

Increase (decrease) in net assets attributable to holders of redeemable units per unit

"Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit" in the statements of comprehensive income represents the Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series, divided by the weighted average units outstanding of that Series during the reporting period.

Distributions to Unitholders

Distributions will be made to Unitholders only at such times and in such amounts as may be determined in the discretion of the Manager. The Funds intend to distribute enough of their net income and net realized capital gains so that they do not have to pay ordinary income taxes. All distributions by the Funds on Series A Units and Series F Units will be automatically reinvested in additional units of the same Series of the Fund held by the investor at the NAV per unit thereof, unless the investor notifies the Manager in writing that cash distributions are preferred.

Allocation of income and expense, and realized and unrealized gains and losses

Management fees and other costs directly attributable to a series are charged to that series. Each Fund's shared operating expenses, income, and realized and unrealized gains and losses are generally allocated proportionately to each series based upon the relative NAV of each Series.

Collateral

Cash collateral provided by the Funds is identified in the statements of financial position as margin accounts and is not included as a component of cash and cash equivalents.

Collateral other than cash is classified in the statements of financial position separately from other assets and liabilities as pledged collateral if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral.

Future accounting changes

IFRS 9, Financial Instruments

The final version of IFRS 9, Financial Instruments, was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however is available for early adoption. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Funds are in the process of assessing the impact of IFRS 9.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates the Funds have made in preparing these financial statements.

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments under IAS 39, Financial Instruments - Recognition and Measurement, the Manager is required to make significant judgments about whether or not the investments of a Fund are considered held for trading or that the fair value option can be applied to those that are not. The Manager has concluded that the fair value option can be applied to a Fund's investments that are not considered held for trading. Such investments have been designated at FVTPL.

Functional and presentation currency

The Funds' investors are mainly from Canada, with subscriptions and redemptions of the redeemable units denominated in Canadian dollars. The primary activity of the Funds is to invest in Canadian and US securities and/or a globally diversified portfolio. The performance of the Funds is measured and reported to the investors in Canadian dollars. The manager considers the Canadian dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Canadian dollars, which is the Funds' functional and presentation currency.

Discount rate

The Manager is required to make an estimate of an appropriate discount rate for purposes of determining the fair value of organization expenses payable. The Manager uses observable data, to the extent practicable, in determining this rate. For Value+, changes in assumptions about this rate could have a material impact on the fair value of the organization expense liability.

5. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Funds' investment activities may be exposed to various financial risks, including market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Funds' risk management goals are to ensure that the outcome of activities involving risk is consistent with the Funds' investment objectives and risk tolerance per the Funds' offering documents. All investments result in a risk of loss of capital.

Refer to the 'Fund Specific Notes to the Financial Statements' for fund specific disclosure.

Price Risk

Price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk). Financial instruments held by the Funds are susceptible to market price risk arising from uncertainties about future prices of the instruments.

Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments, such as bonds and margin borrowings. The fair value and future cash flows of such instruments will fluctuate due to changes in market interest rates.

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Securities included in the Funds may be valued in or have exposure to currencies other than the Canadian dollar and when measured in Canadian dollars, be affected by fluctuations in the value of such currencies relative to the Canadian dollar.

Liquidity Risk

Liquidity risk is the risk that the Funds will encounter difficulty in meeting their obligations associated with financial liabilities. The Funds are exposed to monthly cash redemptions and borrow on margin to make investments. As a result, the Funds invest the majority of assets in investments that are traded in an active market and can be readily disposed of. There can be no assurance that an active trading market for the investments will exist at all times, or that the prices at which the securities trade accurately reflect their values.

Credit Risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Leverage Risk

Leverage is the use of various financial instruments or borrowed capital, such as margin, to increase the potential return of an investment. While leverage presents opportunities for increasing the Funds' total returns, it has the effect of potentially increasing losses as well. In accordance with their investment objectives and strategies, the Funds intend to use leverage to enhance their returns by borrowing funds against the assets of the Funds. Any event that adversely affects the value of an investment, either directly or indirectly is magnified when leverage is employed.

Fair value of financial instruments

Financial instruments measured at fair value are classified according to a fair value hierarchy that reflects the importance of the inputs used to perform each valuation. The fair value hierarchy is made up of the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; Level 3 - inputs are unobservable for the asset or liability.

The fair value hierarchy requires the use of observable data from the market if such data exists. A financial instrument is classified at the lowest level of the hierarchy for which significant input has been considered in measuring fair value.

6. REDEEMABLE UNITS

The Funds are permitted to issue an unlimited number of redeemable units issuable in Series A, Series F, Series O and/or Series N, having such terms and conditions as the Manager may determine. Additional series may be offered in future on different terms, including different fee and dealer compensation terms and different minimum subscription levels. Each unit of a series represents an undivided ownership interest in the net assets of the Fund attributable to that series of units.

Each Fund endeavors to invest capital in appropriate investments in conjunction with its investment objectives. The Funds maintain sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments, where necessary.

The principal difference between the series of units relates to the management fee payable to the Manager, the compensation paid to dealers, distributions and the expenses payable by the series. All units are entitled to participate in each Fund's liquidation of assets on a series basis. Units are issued as fully paid and non-assessable and are redeemable at the NAV per unit of the applicable series of units of the applicable Fund being redeemed, determined at the close of business on the redemption date, as outlined in the applicable offering memorandum.

Series A Units are available to all investors.

Series F Units are available to investors who participate in fee-based programs through their dealer and whose dealer has signed a Series F Agreement with the Manager, investors for whom the Fund does not incur distribution costs, or individual investors approved by the Manager.

Series N Units are available to investors who are considered non-residents of Canada for the purpose of the Excise Tax Act (Canada). The Funds have not yet issued any Series N Units. Global Aristocrats does not offer Series N.

Series O Units are available to certain institutional or other investors. Fees associated with Series O are negotiated with, and paid directly by the investor to the Manager. The Funds have not yet issued any Series O Units.

The number of units issued and outstanding for the period ended September 30, 2016 and September 20, 2015 were as follows:

Period ended September 30, 2016	Balance, Beginning of Period	Units Issued	Units Reinvested	Units Redeemed	Balance, End of Period	Average Number of Units
Portland Advantage Plus – Everest Fund						
Series A Units	130,711	109,892	16,895	2,422	255,076	208,232
Series F Units	306,885	207,243	43,413	18,059	539,482	446,380
Portland Advantage Plus – McKinley Fund						
Series A Units	107,971	23,121	8,795	14,870	125,017	116,250
Series F Units	231,794	62,935	23,437	5,672	312,494	279,959
Portland Advantage Plus – Value Fund						
Series A Units	3,774	3,861	9	-	7,644	6,582
Series F Units	7,672	17,259	166	-	25,097	17,947
Portland Global Aristocrats Plus Fund						
Series A Units	-	1,099	6	-	1,105	577
Series F Units	-	1,064	8	-	1,072	725

Period ended September 30, 2015	Balance, Beginning of Period	Units Issued	Units Reinvested	Units Redeemed	Balance, End of Period	Average Number of Units
Portland Advantage Plus – Everest Fund						
Series A Units	62,985	79,149	7,769	19,192	130,711	99,555
Series F Units	87,638	217,049	21,606	19,408	306,885	233,840
Portland Advantage Plus – McKinley Fund						
Series A Units	38,984	61,025	7,962	-	107,971	83,180
Series F Units	112,967	160,739	15,832	57,744	231,794	158,690
Portland Advantage Plus – Value Fund						
Series A Units	-	3,774	-	-	3,774	182
Series F Units	-	7,672	-	-	7,672	5,298

7. TAXATION

Value+ and Global Aristocrats are each a unit trust with registered investment status, and Everest and McKinley are each a mutual fund trust under the Income Tax Act (Canada). Each Fund calculates taxable income and net capital gains/(losses) in accordance with the Income Tax Act (Canada) and intends to distribute sufficient net income and net realized capital gains, if any, to ensure it does not have to pay ordinary income tax. As a result, the Funds do not record income taxes. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses, if any, are not reflected in the statements of financial position as deferred income tax assets.

The taxation year-end for each Fund is December 31. As at December 31, 2015, Everest, McKinley and Value + had unused capital loss carry-forwards of $4,903,918, $1,934,569 and $33,230, respectively, which can be carried forward indefinitely. None of the Funds had unused non-capital loss carry-forwards. Since Global Aristocrats is new, there are no prior year losses that can be carried forward.

8. MANAGEMENT FEES AND EXPENSES

Pursuant to the Funds' offering memorandum, the Funds agree to pay management fees to the Manager each month, calculated and accrued daily on the basis and the percentages as outlined below. Total Assets of each Fund is defined as the total fair value of the assets of the Fund without deduction for any liabilities of the Fund in respect of margin borrowing or redeemable units. The Total Assets of each Fund are attributable to each Series proportionately based on the NAV of the applicable Series.

Fund	Series	Management Fee as percentage of Total Assets	Management Fee as percentage of NAV
Portland Advantage Plus - Everest Fund	Series A Units	0.75%	1.00%
Portland Advantage Plus - McKinley Fund	Series F Units	0.75%	-
Portland Advantage Plus - Value Fund	Series N Units	0.75%	1.00%
Portland Global Aristocrats Plus Fund	Series A Units	-	2.00%
	Series F Units	-	1.00%

The Manager is also reimbursed for any operating expenses it incurs on behalf of the Funds, including transfer agency, fund accounting, regulatory filing fees, custodian fees, legal and audit fees, costs associated with the Independent Review Committee, bank charges, the costs of financial reporting, expenses related to conducting unitholder meetings, costs associated with providing FundServ access for registered dealers and all related sales taxes. GST and HST paid by the Funds on their expenses is not recoverable. The Manager also provides key management personnel to the Funds. The Manager may charge the Funds for actual time spent by its personnel (or those of its affiliates) in overseeing the day-to-day business affairs of the Funds. The amount charged for time spent by personnel is determined based on fully allocated costs and does not include a mark up or administration fee. The Manager may waive or absorb management fees and operating expenses of the Funds at its discretion but is under no obligation to do so.

The Funds are also responsible for the organization expenses associated with the formation and creation of the Funds and the offering of the Units, including but not limited to legal and audit costs, registration and regulatory filing fees, costs associated with due diligence by registered dealers, printing costs, postage and courier costs, time spent by personnel of the Manager at fully allocated costs, and project costs incurred to set up the Funds for record keeping and accounting services by their third party administrator. The Manager has paid the costs associated with the formation and creation of the Funds and the offering of Units and is entitled to re-imbursement from the Funds for such costs.

Everest and McKinley each incurred $27,769 (net of taxes) and Value+ incurred $13,383 (net of taxes) of such organization expenses which are the contractual amounts due and payable to the Manager over a 60 month period commencing in January 2016 for Everest and McKinley and December 2016 for Value+. The amount due to the Manager was discounted using an effective interest rate and reported on the statements of financial position as a liability and on the statements of comprehensive income as organization expense in the year of commencement of operations. The difference between the amounts paid and the present value of the obligation is recognized as interest expense over the 60 month period.

Global Aristocrats incurred $8,841 (net of taxes) which is the contractual amount due and payable to the Manager as reimbursement of such organization expenses. Such amount will be charged by the Manager to the Fund as an expense calculated and payable monthly at a rate which will not exceed 0.20% per annum of the NAV over sixty months commencing in January 2017 or such time as the manager in its discretion shall determine.

9. SOFT DOLLARS

Allocation of business to brokers of the Funds is made on the basis of coverage, trading ability and fundamental research expertise. The Manager may choose to affect portfolio transactions with dealers who provide research, statistical and other similar services to the Funds or to the Manager at prices which reflect such services (termed proprietary research). The dealers do not provide the Manager with an estimate of the cost of the research, statistical and other similar services (referred to as soft dollars).

Effective January 1, 2016, the Manager may use third party research, which is generally also available on a subscription basis, the value of which will be used to approximate the value of research and other similar services received from third parties through commission sharing arrangements with executing brokers. The ascertainable value of the third party soft dollar arrangements in connection with portfolio transactions for the period of January 1, 2016 to September 30, 2016 are presented in the table below:

For the period ended	September 30, 2016 ($)
Portland Advantage Plus – Everest Fund	2,104
Portland Advantage Plus – McKinley Fund	1,481
Portland Advantage Plus – Value Fund	311
Portland Global Aristocrats Plus Fund	8

10. RELATED PARTY TRANSACTIONS

The following tables outline the management fees and operating expense reimbursements that were paid to the Manager by the Funds during the period ended September 30, 2016 and the comparative period ended September 30, 2015. The tables include the amount of operating expense reimbursement that was paid to affiliates of the Manager and the amount of additional absorbed operating expenses that the Manager chose not to charge to the Funds. All of the dollar amounts in the table below exclude applicable GST or HST.

Period ended September 30, 2016	Management Fees ($)	Operating Expense Reimbursement ($)	Waived Management Fees and Absorbed Operating Expenses ($)	Operating Expenses Reimbursed to Affiliates of the Manager ($)	Organizational Expense Payments ($)
Portland Advantage Plus – Everest Fund	81,966	-	131,150	2,887	4,165
Portland Advantage Plus – McKinley Fund	99,998	13,990	74,640	2,887	4,165
Portland Advantage Plus – Value Fund	12,468	3,355	56,585	2,887	-
Portland Global Aristocrats Plus Fund	239	-	20,681	627	-

Period ended September 30, 2015	Management Fees ($)	Operating Expense Reimbursement ($)	Waived Management Fees and Absorbed Operating Expenses ($)	Operating Expenses Reimbursed to Affiliates of the Manager ($)
Portland Advantage Plus – Everest Fund	148,602	15,348	155,475	4,013
Portland Advantage Plus – McKinley Fund	136,343	29,632	41,750	4,020
Portland Advantage Plus – Value Fund	2,379	633	42,603	2,755

The Funds owed the following amounts to the Manager excluding applicable GST or HST:

As at September 30, 2016	Management Fees ($)	Operating Expenses Reimbursement ($)
Portland Advantage Plus – Everest Fund	1,102	-
Portland Advantage Plus – McKinley Fund	10,720	2,181
Portland Advantage Plus – Value Fund	1,327	356
Portland Global Aristocrats Plus Fund	74	-

As at September 30, 2015	Management Fees ($)	Operating Expenses Reimbursement ($)
Portland Advantage Plus – Everest Fund	544	-
Portland Advantage Plus – McKinley Fund	6,809	1,238
Portland Advantage Plus – Value Fund	332	92

As at September 30, 2016 an affiliate of the Manager held 20 Series A units (2015: 20) and 2,057 Series F units (2015: 2,020) of Value+. The Manager and its affiliates did not hold units of Everest, McKinley or Global Aristocrats on September 30, 2016 or September 30, 2015, as applicable.

Officers and directors are considered related parties to the Funds and may invest in units of the Funds from time to time in the normal course of business. All such transactions are measured at net asset value per unit. The percentage ownership of the Funds by related parties was as follows:

	As at September 30, 2016	As at September 30, 2015
Portland Advantage Plus – Everest Fund	2.3%	5.6%
Portland Advantage Plus – McKinley Fund	0.3%	0.8%
Portland Advantage Plus – Value Fund	42.3%	10.9%
Portland Global Aristocrats Plus Fund	12.5%	N/A

11. BROKERAGE FACILITY

The Funds have a Settlement Services Agreement with a Canadian broker for margin borrowing. The rate of interest payable on borrowed money in Canadian dollars is the Canadian Dealer Offered Rate + 50bps and in US dollars is the LIBOR + 50bps and the facility is repayable on demand. The Funds have placed securities on account with the dealer as collateral for borrowing. Such non-cash collateral has been classified separately within the statements of financial position from other assets and is identified as "Investments - pledged as collateral".

The minimum and maximum amounts borrowed and the amount of interest paid during the period ended September 30, 2016 and September 30, 2015 are presented below.

Margin loan and borrowing As at September 30	2016 ($)	2015 ($)
Portland Advantage Plus – Everest Fund	8,149,089	4,768,003
Portland Advantage Plus – McKinley Fund	10,106,027	6,320,864
Portland Advantage Plus – Value Fund	1,111,573	345,822
Portland Global Aristocrats Plus Fund	57,003	-

Period ended September 30, 2016	Minimum Amount Borrowed ($)	Maximum Amount Borrowed ($)	Interest Paid ($)
Portland Advantage Plus – Everest Fund	2,071,345	9,277,914	87,802
Portland Advantage Plus – McKinley Fund	3,714,565	10,214,547	104,732
Portland Advantage Plus – Value Fund	201,787	1,121,895	8,409
Portland Global Aristocrats Plus Fund	Nil	57,650	80

Period ended September 30, 2015	Minimum Amount Borrowed ($)	Maximum Amount Borrowed ($)	Interest Paid ($)
Portland Advantage Plus – Everest Fund	3,631,592	16,312,972	147,947
Portland Advantage Plus – McKinley Fund	5,012,130	11,662,965	116,529
Portland Advantage Plus – Value Fund	Nil	410,372	1,495

During the period ended September 30, 2015, Value+ entered into an additional margin and security agreement with another Canadian chartered bank for the operation of a loan facility (Loan Facility). The rate of interest payable on borrowed money was a floating rate based on either the London Interbank Offered Rate or the Canadian Dollar Offered Rate plus a negotiated basis points rate of up to 1% based on the size of the Loan Facility. The rates are subject to change upon 30 days notice.

The Loan Facility was cancelled during the year ended September 30, 2016.

The amounts borrowed under this agreement as at September 30, 2016 as well as the minimum and maximum amounts borrowed and the amount of interest paid during the year ended September 30, 2016 and the period ended September 30, 2015 are presented below.

Period ended September 30, 2016	Minimum Amount Borrowed ($)	Maximum Amount Borrowed ($)	Interest Paid ($)
Portland Advantage Plus – Value Fund	Nil	170,718	1,652

Period ended September 30, 2015	Minimum Amount Borrowed ($)	Maximum Amount Borrowed ($)	Interest Paid ($)
Portland Advantage Plus – Value Fund	Nil	112,103	467

12. RECONCILIATION OF NAV PER UNIT AND NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT

For Everest, McKinley and Value+, the NAV per unit is higher than the net assets attributable to holders of redeemable units per unit because of the difference in the accounting treatment of organization expenses. Such expenses have been recorded in these financial statements but are deducted from NAV on a monthly basis over a five year period commencing in January 2016 for Everest and McKinley and December 2016 for Value+. Therefore, the NAV per unit is higher than net assets attributable to holders of redeemable units per unit.

There is no difference between NAV per unit and net assets attributable to holders of redeemable units per unit for Global Aristocrats.

The table below provides a comparison of the per unit amounts as at September 30, 2016.

Fund/Series	NAV per Unit ($)	Net assets attributable to holders of redeemable units per unit ($)
Portland Advantage Plus - Everest Fund - Series A	5.37	5.34
Portland Advantage Plus - Everest Fund - Series F	5.40	5.37
Portland Advantage Plus - McKinley Fund - Series A	12.45	12.40
Portland Advantage Plus - McKinley Fund - Series F	12.44	12.39
Portland Advantage Plus - Value Fund - Series A	29.24	28.79
Portland Advantage Plus - Value Fund - Series F	29.24	28.87
Portland Global Aristocrats Plus Fund – Series A	52.38	52.38
Portland Global Aristocrats Plus Fund – Series F	52.40	52.40

The table below provides a comparison of the per unit amounts as at September 30, 2015.

Fund/Series	NAV per Unit ($)	Net assets attributable to holders of redeemable units per unit ($)
Portland Advantage Plus - Everest Fund - Series A	4.73	4.67
Portland Advantage Plus - Everest Fund - Series F	4.72	4.67
Portland Advantage Plus - McKinley Fund - Series A	9.04	8.95
Portland Advantage Plus - McKinley Fund - Series F	9.03	8.96
Portland Advantage Plus - Value Fund - Series A	24.68	24.60
Portland Advantage Plus - Value Fund - Series F	24.80	23.16

13. EXEMPTION FROM FILING

The Funds are relying on the exemption obtained in National Instrument 81-106, Part 2.11 to not file their financial statements on SEDAR.

Statement of Corporate Governance Practices

Canadian securities law requires certain reporting issuers to publish specific disclosure concerning their corporate governance practices. Although not required for the Funds, the Manager has established an Independent Review Committee consisting of three members appointed to provide independent advice to assist the Manager in performing its services and to consider and provide recommendations to the Manager on conflicts of interest to which the Manager is subject when managing the Funds.

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