PORTLAND
INVESTMENT COUNSEL®

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

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2018

2018 ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2018

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Chairman's Message

Optical tweezers, directed evolution of enzymes, phage display of peptides and antibodies, inhibition of negative immune regulation…these esoteric sounding concepts have come to the fore recently as the Nobel Foundation announced this year's laureates in the various scientific fields. These innovations bear the promise of a better life for all of us. A myriad of other scientific advances, which haven't made the cut, are likely to be equally if not bigger contributors to human progress. So much so that the Nobel prize for Economic Sciences went to an economist working to integrate technological innovations into long-run macroeconomic analysis. The world has made significant advances on many fronts, yet one wouldn't know it from reading what it passes these days as 'news'. HumanProgress.org, a broadly supported initiative tracking indicators of human progress around the world points to multidimensional improvements. They include "(in alphabetical order) increases in charitable contributions, improved communications, improving business environment and economic freedom, better access to education and cheap energy, a cleaner environment, more food, greater gender equality, improved governance (on average), better health, improved housing, an overall rise in human freedom, progress in labor (fewer work hours and fewer on-the-job injuries), more leisure time, falling prices of most natural resources, increased tourism, cheaper and safer transportation, declining violence and […] growing wealth" (emphasis added). As for the increase in wealth, a most meaningful improvement is the decrease of the proportion of the world population in extreme poverty (i.e. who consume less than $1.90 a day), which declined from 36% in 1990 to 10% in 2015, as World Bank has recently reported. During this period of time, almost 130,000 people rose from poverty every day. What made this possible? It was sustained high levels of economic growth, of course.

For growth to become a reality, innovation needs to happen. Entrepreneurs, risk-takers, industry disruptors and people with "skin in the game" drive innovation. Our role as investors and wealth creators is therefore to encourage and support growth and those driving it. As we have said many times, "wealth is created by business people". As owner-operators of entrepreneurial businesses ourselves, we naturally gravitate towards co-investing in businesses managed by individuals who are economically aligned and committed to the success of the enterprise, on the basis of the symmetry of risk and rewards, with a focus on growth and long-term goals. We are reminded of what Warren Buffett once said: "I am a better investor because I am a businessman". It is, I am sure, not a coincidence that one of the most successful wealth creators is an incorrigible optimist and believer in human potential and industriousness. Earlier in the year, Buffet concluded his Time-published article on sharing the secrets to wealth in America by saying: "In the years of growth that certainly lie ahead, I have no doubt that America can both deliver riches to many and a decent life to all. We must not settle for less."

As investors we ask ourselves: "Where within our portfolio of investments are we taking advantage of an opportunity? Where are we deriving growth? Where are we driving growth?" Most investors' portfolios are chockfull with low yielding investments and/or allocations to a market index. The asset management industry is swarming with index strategies, closet indexers, copycats or other forms of passive investing. Not surprisingly, results are mediocre. We, at Portland, believe there is a better way to create wealth. If you have been paying attention, you know that at Portland we have had our clients co-invest alongside some of the world's most eminent entrepreneurs, investors and institutions. We invested in subsea optical fiber communication cables before it was cool, our investments helped the adoption of renewable energy and energy efficiency in developing nations around the world, we've financed the development of many of Ontario's neighborhoods and supported Canadian businesses in need of growth capital.

Who knows from where the next opportunity may arrive? Are you ready?

"Michael Lee-Chin"

Director, Executive Chairman, CEO and Portfolio Manager
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, 2018

RESULTS OF OPERATIONS

For the twelve months ended September 30, 2018, the S&P/TSX Composite Total Return Index had a return of 5.9%. For the same period, Portland Advantage Plus - Everest Fund (Everest) and Portland Advantage Plus - McKinley Fund (McKinley) Series F units had a return of (15.2%) and (16.5%), respectively. Unlike the Index, these returns are after the deduction of fees and expenses. Everest's and McKinley's underperformance was due to being overweight in the energy and utilities sectors, partly offset by the positive relative contribution of not having any exposure to the materials sector. Leverage amplified the underperformance for both Everest and McKinley.

As at September 30, 2018, based on Everest's total assets, the top 5 sector exposure was constituted by energy 55.0%, utilities 19.7%, financials 10.3%, telecommunication services 9.4% and real estate 5.6%. Similarly, based on McKinley's total assets, the top 5 sector exposure was constituted by energy 44.1%, utilities 23.4%, financials 15.6%, telecommunication services 11.0% and real estate 5.9%.

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 2018, 66.1% and 66.8% of the portfolio, 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, 2018, the portfolios provide a 13.1% and 10.6% 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.

RECENT DEVELOPMENTS AND OUTLOOK

One of the key tenets of Portland Investment Counsel Inc.'s (the Manager) investment strategy for Everest and McKinley has been to acquire cash generative businesses with a history of consistently paying dividends and 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, 2018, each of the underlying portfolios held 14 investments.

Over the course of the past twelve months, the energy markets have continued their journey towards recovery, meandering around news related to the Organization of Petroleum Exporting Countries (OPEC)/Russia agreed production caps, production related developments in the U.S. shale (in particular the Permian basin) and weekly crude oil and refined product U.S. inventory levels. During the reporting period, the West Texas Intermediate (WTI), the North American crude oil price benchmark, moved from $51.67/barrel (bbl) to $73.25/bbl, a roughly 42% advance over the period. On May 8th, Donald Trump announced the U.S. has pulled out of the Iran nuclear accord and the re-imposition of economic sanctions, including severe restriction on crude oil exports. Prices have recovered steadily as the date for the re-imposition of Iran sanctions (November 4th) moved closer and there has been plenty of evidence that compliance with the sanctions by the importing nations is likely to be stronger than initially expected. At the same time, global demand seems to be increasing steadily, with the International Energy Agency (IEA) currently expecting demand to exceed 100 million barrels per day (bpd) by the end of this year. Unfortunately, the performance of our energy holdings has lagged during the period, as has the Canadian oil and gas producing sector as a whole. The Western Canadian producers continue to grapple with serious market access issues (lack of transportation infrastructure, in particular pipelines) which have caused crude oil price differential between the WTI and Western Canadian Select, for heavy crude, and Edmonton Par, for light crude, to expand dramatically. To this point, as we write this, a Canadian Heavy producer is only receiving about 40% of the WTI price for its crude. The causes for such a discrepancy are numerous, with some more transitory, but substantially related to the lack of regulatory and governmental support for new pipelines. During the period, the Trans Mountain expansion project, which the Canadian federal government acquired for roughly CAD $5 billion from Kinder Morgan Canada Ltd., was stopped in its tracks by a court ruling. Other factors impacting the differential were an increase in the heavy oil production from some of Suncor Energy Inc.'s properties, a key refinery temporary shut-down, maintenance work at refineries and lower than expected shipments of crude by rail. There are expectations that some of the marketing restrictions are being addressed. Crude-by-rail is ramping up, local refining and processing is encouraged and gradually there seems to be progress on volume through the Keystone pipeline as well as the expansion of Enbridge's Line 3 and the eventual restarting of the Trans Mountain project. This is coupled, as signaled, with a more disciplined approach by the oil sands producers. As upcoming quarterly reporting may reveal significantly improved profitability in the improved commodity environment, we expect our holdings to re-rate towards more normalized levels.

The combination of synchronized global economic expansion and lower oil prices led to a surge in crude oil demand, which is expected to continue through 2018, with the Energy Information Administration estimating a further 1.5 million bpd increase, followed by a similar level of growth in 2019. Meanwhile, expectations for crude supply being removed from the market due to Iran sanctions are varying from 1 million to 2 million bpd, while there are growing concerns in regards to amount of spare capacity which may be available worldwide, which potentially includes a very small number of countries, such as Saudi Arabia, Kuwait and Russia.

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 oil and gas exploration and production holdings, and plan on doing so until we see a substantial recovery in the energy space. We've said many times in the past that low oil prices are unsustainable and that the significant curtailment in oil and gas capital expenditures, amounting to some $1 trillion in overall spending cuts towards finding and developing reserves by 2020, has created the conditions for demand to catch up with supply.

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.

During the period, Baytex Energy Corp. acquired Raging River Exploration Inc., which changed its production profile to the point to which heavy crude is a considerable lower proportion of its revenues. Crescent Point appointed a new CEO in the person of Craig Bryksa, an internal candidate with a long track record of overseeing the company's operations, and presented a revamped strategy for addressing investor concerns around capital discipline and production per share growth. Whitecap Resources, Inc. continued to deliver strong operational performance and cashflow, which has been supporting its very rational buy-back program.

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

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

During the period, the existing positions in Johnson & Johnson and The Procter & Gamble Company were sold, as the positions became reduced and provided a reduced income spread in the current environment.

Notes

Certain statements included in this Commentary constitute forwardlooking 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 Everest and McKinley. 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 Value Plus Fund

SEPTEMBER 30, 2018

RESULTS OF OPERATIONS

For the period ended September 30, 2018, the benchmark of Portland Value Plus Fund (Value Plus), the MSCI World Total Return Index, had a return of 15.3%. For the same period, Value Plus Series F units had a return of 9.3%. Key relative performance detractors for Value Plus were Liberty Latin America Ltd., Whitecap Resources, Inc. and Linamar Corporation, while relative performance contributors were Brookfield Business Partners L.P., Nomad Foods Limited and Pershing Square, Ltd. Use of leverage in Value Plus amplified the underperformance.

As at September 30, 2018, based on total assets, the top 5 sector exposure was constituted by financials 22.4%, energy 21.5%, consumer staples 19.2%, consumer discretionary 19.2% and industrials 14.6%. Value Plus makes use of low-cost leverage to augment its long term returns. Leverage within Value Plus 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, 2018, leverage in Value Plus was 54.8% of the portfolio.

RECENT DEVELOPMENTS AND OUTLOOK

Value Plus aims to generate an above average return by combining a leveraged investment strategy with focused investing primarily in a limited number of long securities positions. Value Plus invests in equity securities, ordinarily selected from liquid, large cap stocks, domiciled in long-term growth industries, securities which Portland Investment Counsel Inc. (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 Plus 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 Plus in meeting its investment objectives. As of September 30, 2018, the underlying portfolio of Value Plus held 13 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. Activist investors achieve their goals by cooperating with other institutional investors, acquiring board representation and/or changing the management of the target company.

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

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

Nonetheless, the excessive liquidity available to the capital markets is being removed, albeit gradually. Such a development, we believe, is likely to favour value-based investment strategies, which have otherwise underperformed growth strategies since the beginning of the current market cycle, some nine years earlier. 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.

As expected, given the focused mandate of Value Plus, the performance was mainly driven by company specific developments, the most important of which are detailed below.

As at the end of 2017, Liberty Global executed a full split-off of the Latam assets and Liberty Global LiLAC was renamed Liberty Latin America (LILA). LILA is a fully integrated Caribbean market leader with ability to offer a quad product (wireless, fixed phone, broadband internet and cable TV). The company is also beneficiary of a revamped management team, including veteran Liberty Global executives instrumental in the company's growth in Europe. During the period, Liberty telecommunications and media empire's founder, John Malone, increased his direct stake to 6% from 4%. At the beginning of the period, hurricanes impacted LILA's key markets of Puerto Rico and Cable & Wireless Communications Ltd. (Caribbean). Since, the company has worked hard to re-establish service to the affected areas and recapture the lost revenue and earnings streams. LILA has property and business interruption insurance and expects recoveries. LILA's most recent set of results was encouraging, with both revenue and operating earnings arriving ahead of the expectations, while the Puerto Rico's network has been nearly fully restored. During the period, LILA increased its stake in its Jamaican business and bought 80% of Cabletica (Costa Rica) for $250 million (all-cash) or 6.3x Earnings Before Interest Taxes Depreciation and Amortization. Nonetheless, amongst the corporate and management changes and affected by the uncertainty around the recovery post the 2017 hurricane season, LILA was the single largest detractor from the performance of the fund during the period.

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

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

Brookfield Business Partners L.P. (BBU) continued to benefit from its earlier investments and reported strong full-year 2017 results, driven by the company's business services and industrial operations, partly offset by results at its construction division. BBU also undertook an initial public offering for its GrafTech International Holdings Inc. business, which makes graphite electrodes for steelmaking. BBU bought GrafTech in 2015 for $855 million during an industry slump. As we write these lines, GrafTech is valued at around $5 billion. BBU also announced and completed one of its largest deals during the period, the acquisition of Westinghouse Electrical Company for $4.6 billion. Other deals included: the acquisition of the extra 2% of Teekay Offshore Partners LP to obtain control (51% of the outstanding shares) of the offshore operator; the agreement to acquire a 55% controlling interest in Ouro Verde Locacao E Sevicos SA, a leading Brazilian heavy equipment and light vehicle fleet management company; as well as selling Quadrant Energy to Santos Ltd. for USD $2.15 billion.

Nomad Foods continued to impress during the period, with the most recent results showing steady improvement for organic revenue and reported profit. Recent acquisitions are proving complementary. Goodfella's Pizza, a leading frozen pizza business in the British islands, performing well in and Aunt Bessie's, a leading potato based frozen foods business, which is expected to be accretive. We suspect there are more deals to come for this platform company who has already become the largest frozen foods operator in Europe.

Pershing Square Holding's underlying performance has improved markedly during the period, with the fund reporting a net return of 15.8% calendar year-to-date through the end of September after posting a net loss of 4% in 2017 following a 13.5% drop in 2016. The performance of listed entity was also helped by a buy-back program involving Bill Ackman and the managerial team at Pershing Square. During the period, Ackman added United Technologies Corporation to the fund's investment and, subsequent to the period end, it announced a sizeable position in Starbucks Corporation.

During the period, Value Plus made a USD $200,000 commitment to EnTrustPermal Special Opportunities Fund IV Ltd. (EPSO4), which employs an investment strategy closely aligned to Value Plus' own investment strategy and objectives. EPSO4 aims to invest in highly attractive, select co-investment opportunities alongside pre-eminent alternative investment managers. EPSO4 has already made capital calls against the commitment made by Value Plus and is expected to call substantially all the committed capital within the three years following the first close of EPSO4 which occurred in March, 2018.

Effective October 16, 2017, Portland Advantage Plus – Value Fund was renamed Portland Value Plus Fund.

Notes

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PORTFOLIO MANAGEMENT TEAM

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

Portland Global Aristocrats Plus Fund

SEPTEMBER 30, 2018

OVERVIEW

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

To achieve this investment objective, Global Aristocrats 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 the Global Aristocrats is four to six years and as such all investors in the fund should intend to invest for at least that long.

The Global Aristocrats' approach towards investing requires the analysis of opportunities which offer both safety of principal and a satisfactory return, while recognizing that at times the Global Aristocrats can borrow to acquire assets. Borrowing at 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 Global Aristocrats 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. Global Aristocrats 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 Global Aristocrats borrows to invest, its net asset value per unit then 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 Global Aristocrats' investment objectives should be achieved.

RESULTS OF OPERATIONS

For the period September 30, 2017 to September 30, 2018, while the Series F units of Global Aristocrats rose 3.9%, the Global Aristocrats' broad-based benchmark, the MSCI World Total Return Index rose 15.3%. For the full period since the launch of Global Aristocrats on June 1, 2016 to September 30, 2018, the MSCI World Total Return Index rose 15.2%. For the same period, the Global Aristocrats' Series F units had a return of 9.5%. Unlike the benchmark, Global Aristocrats' return is after the deduction of its fees and expenses.

During the period, the Fund's preferred share component contributed most to performance compared to the equity component. The Fund's exposure to materials and energy were the top equity contributors (notably BHP Billiton PLC, Royal Dutch Shell PLC and Total SA) whereas being significantly underweight in information technology (a low dividend paying sector) and exposure to telecommunications, real estate and selective financials, detracted and so muted Fund performace compared to its benchmark (notably TransAlta Renewables Inc. and Nordea Bank AB).

The Global Aristocrats hedges its U.S. dollar exposure by funding its U.S. dollar purchases through borrowing U.S. dollars. As at September 30, 2018 the Global Aristocrats was borrowing U.S. dollars and Canadian dollars, and its leverage ratio (i.e. debt/portfolio of investments) was about 27% based on settlement date activity. The current cost of borrowing in U.S. dollars is 2.9% per annum and in Canadian dollar is 2.52% per annum.

The preferred share component of the Global Aristocrats (80% of the total assets of the fund) is all actively selected Canadian listed shares which are all investment grade rated by DBRS Limited (the rating agency formerly called Dun & Bradstreet Rating Services) and/or by Standard & Poor's rating agency and were mostly purchased via initial public offerings. Apart from the preferred securities of Bank of Montreal (BMO), Bank of Nova Scotia (BNS) and Canadian and Imperial Bank of Commerce (CIBC), all of the preferred shares feature interest rate floors built into their structure whereby investors have the comfort that the dividend rate cannot be adjusted lower than the initial offering rate, ranging from 4.75% to 6.25%. Preferred share holdings in BMO, BNS and CIBC are non-cumulative 5-year rate reset preferred shares and were launched with initial dividends ranging from 4.4% to 4.85%.

The equity component of the Global Aristocrats (59% of the total assets 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. During the period, Global Aristocrats added a new position in The Kraft Heinz Company and increased its positions in AT&T Inc., BCE Inc., Brookfield Property Partners LP, Nordea Bank AB, TransAlta Renewables Inc., and Walgreens Boots Alliance Inc. and profitably reduced its positions in Archer-Daniels-Midland Company, BHP Billiton PLC, Royal Dutch Shell PLC, Total SA and Wal-Mart Stores Inc.

Kraft Heinz is one of the largest food and beverage companies in the world which post the acquisition of Heinz, aided in part by Warren Buffet's Berkshire Hathaway Inc., enjoyed a strong share price appreciation but which abated as its potential for growth and further cost cutting became questioned, presenting a relatively attractive entry price for this dividend paying staple.

AT&T's deal to acquire Time Warner Inc. to consolidate its position as a large telecommunications and content provider, become entangled in political rather than regulatory issues which pressured its share price but finally gained unconditional U.S. Court approval on June 12th, 2018.

Brookfield is a multinational commercial real estate owner, operator and investor, encompassing approximately 280 million square feet of retail and 47 million square feet of industrial space. News that Brookfield was contemplating an acquisition that was not particularly attractive in the short term, created weakness in its share price which we deemed an attractive opportunity to increase the fund's stake.

Walgreens, the largest drugstore retailer in the U.S. (Walgreens) with a substantial presence in the U.K. and Europe (Boots), Mexico (Benavides) and Chile (Ahumada) has experienced pressure on its share price on fears that Amazon.com Inc. will start direct delivery of pharmaceuticals and so cause increased competition for drug distribution companies and retail drugstore chains. While we are not complacent, we do believe that Walgreen's current valuation has factored in the disruptive threats of competition and so underestimates its ability to use its considerable free cash flows to good effect, for instance on share repurchases as its stock price has fallen to a 3 year low.

The Global Aristocrats 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 Global Aristocrats' earnings from dividends, derivatives and net realized gains exceed the paid distributions. 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 held 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 5.2%.
- preferred share's trailing weighted average current yield was 4.9%.
- unlevered portfolio yield is 5.0%. The levered portfolio dividend yield was 5.9%.

During the period, Global Aristocrats grew in size. It is primarily invested in Canadian preferred shares and global equities including ETFs, with representation across all industry sectors.

RECENT DEVELOPMENTS AND OUTLOOK

This period since the Great Recession is one of the longest ever stretches of rising markets. U.S. Stocks have recorded the longest-ever bull run, making the post-financial crisis rally the longest stretch of rising prices without a 20% drop, the level typically associated with a bear market. Cyclically and inflationary adjusted earnings over the last ten years compared to prices suggests in our view that the current market is fully valued. In addition, the U.S. Treasury Yield curve, reflecting the difference between 2-year and 10-year Treasury yields have flattened to levels not seen in a decade. A negative yield is ordinarily an indicator of recession and therefore while we do not see a near-term catalyst to initiate a market correction, such as recession or weakening confidence, such a correction is, at least statistically, due in our view and vulnerable to geopolitical events, not least trade protectionism and a tightening credit policy in China.

In the near-term, while strengthening economies trump the shenanigans of popularity politics across Europe and the Americas, bond markets face rising rates for the first time in some four decades, which is likely to create significant asset reallocations and liquidity issues leading to increased periods of volatility. Despite, the political turmoil, central bankers have steered the global economy away from the Great Recession. While increased volatility may be unsettling, it is to be expected as rates rise and quantitative easing (i.e. bond purchasing) is replaced with quantitative firming (i.e. bonds sales by Central Banks) as Central Banks wean their countries off support mechanisms and towards more normal rates and markets. Also as the U.S. proceeds towards trade 'wars' rather than an infrastructure agenda and the U.K.'s 'Brexit' negotiations with the E.U. remain protracted there is plenty of scope for turmoil. And markets remind us from time to time that they can veer from complacency to panic over a week-end.

At such times, we believe a pivot towards 'value' rather than 'growth' criteria is likely to predominate as investors seek businesses that are priced reasonably, particularly in a reflationary environment. Overall, we believe that 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 Global Aristocrats. These forward-looking statements are not historical facts, but reflect the current expectations of the portfolio management team regarding future results or events of Global Aristocrats. 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 Global Aristocrats, 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 Value Plus Fund and Portland Global Aristocrats Plus Fund (the Funds) have been prepared by Portland Investment Counsel Inc. in its capacity as manager (the 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 6, 2018

"Robert Almeida"

Robert Almeida
Director
December 6, 2018

Independent Auditor's Report

December 6, 2018

To the Unitholders of:

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

We have audited the accompanying September 30, 2018 annual 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,	2018	2017
Assets		
Current Assets		
Cash and cash equivalents	$ 24,802	$ -
Dividends receivable	38,810	44,739
Investments (note 5)	142,834	41,041
Investments - pledged as collateral (note 5 and 11)	7,524,010	9,592,683
	7,730,456	9,678,463
Liabilities		
Current Liabilities		
Borrowing (note 11)	5,112,975	6,307,787
Management fees payable	588	595
Expenses payable	11,873	9,846
Redemptions payable	28,541	825
Organization expenses payable (note 8)	4,450	4,844
	5,158,427	6,323,897
Non-current Liabilities		
Organization expenses payable (note 8)	7,180	12,099
	5,165,607	6,335,996
Net Assets Attributable to Holders of Redeemable Units	$ 2,564,849	$ 3,342,467
Net Assets Attributable to Holders of Redeemable Units Per Series		
Series A	662,927	740,321
Series F	1,901,922	2,602,146
	$ 2,564,849	$ 3,342,467
Number of Redeemable Units Outstanding (note 6)		
Series A	249,607	211,313
Series F	717,867	741,489
Net Assets Attributable to Holders of Redeemable Units Per Unit		
Series A	2.66	3.50
Series F	2.65	3.51

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,	2018	2017
Income		
Net gain (loss) on investments		
Dividends	$ 423,070	$ 479,311
Interest for distribution purposes	-	33,626
Net realized gain (loss) on investments	(1,027,234)	809,067
Change in unrealized appreciation (depreciation) on investments	333,383	(2,454,916)
	(270,781)	(1,132,912)
Other income		
Foreign exchange gain (loss) on cash and other net assets	(61,325)	75,846
Total income (net)	(332,106)	(1,057,066)
Expenses		
Interest expense and bank charges	136,854	123,360
Management fees (note 8)	81,486	109,988
Securityholder reporting costs	59,205	75,687
Withholding tax expense	22,462	27,708
Transaction costs	11,965	10,572
Audit fees	8,825	8,246
Independent review committee fees	2,960	3,429
Custodial fees	136	-
Legal fees	-	364
Total operating expenses	323,893	359,354
Less: management fees waived by Manager	(73,591)	(97,740)
Less: expenses absorbed by Manager	(71,128)	(87,725)
Net operating expenses	179,174	173,889
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ (511,280)	$ (1,230,955)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	(99,939)	(378,626)
Series F	(411,341)	(852,329)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	(0.44)	(1.54)
Series F	(0.58)	(1.37)

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,	2018	2017
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period		
Series A	$ 740,321	$ 1,362,355
Series F	2,602,146	2,897,658
	3,342,467	4,260,013
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Series A	(99,939)	(378,626)
Series F	(411,341)	(852,329)
	(511,280)	(1,230,955)
Distributions to Holders of Redeemable Units		
From net investment income		
Series A	(69,647)	(84,472)
Series F	(247,079)	(256,748)
	(316,726)	(341,220)
From return of capital		
Series A	-	(14,544)
Series F	(2,420)	(28,810)
	(2,420)	(43,354)
Net Decrease from Distributions to Holders of Redeemable Units	(319,146)	(384,574)
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	140,922	94,331
Series F	174,043	742,871
	314,965	837,202
Reinvestments of distributions		
Series A	48,368	60,608
Series F	172,810	194,790
	221,178	255,398
Redemptions of redeemable units		
Series A	(97,098)	(299,331)
Series F	(386,237)	(95,286)
	(483,335)	(394,617)
Net Increase (Decrease) from Redeemable Unit Transactions	52,808	697,983
Net Assets Attributable to Holders of Redeemable Units at End of Period		
Series A	662,927	740,321
Series F	1,901,922	2,602,146
	$ 2,564,849	$ 3,342,467

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

Statements of Cash Flows

for the periods ended September 30,		2018		2017
Cash Flows from Operating Activities				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$	(511,280)	$	(1,230,955)
Adjustments for:				
Net realized (gain) loss on investments		1,027,234		(809,067)
Change in unrealized (appreciation) depreciation on investments		(333,383)		2,454,916
Unrealized foreign exchange (gain) loss on cash		130		(24)
(Increase) decrease in dividends receivable		5,929		2,036
Increase (decrease) in management fees and expenses payable		2,020		(1,225)
Increase (decrease) in organization expenses payable		(5,313)		(4,941)
Purchase of investments		(4,759,186)		(5,356,676)
Proceeds from sale of investments		6,032,215		6,364,046
Net Cash Generated (Used) by Operating Activities		1,458,366		1,418,110
Cash Flows from Financing Activities				
Increase (decrease) in borrowing		(1,194,812)		(1,841,302)
Distributions to holders of redeemable units, net of reinvested distributions		(97,968)		(139,859)
Proceeds from redeemable units issued (note 3)		271,041		708,812
Amount paid on redemption of redeemable units (note 3)		(411,695)		(145,785)
Net Cash Generated (Used) by Financing Activities		(1,433,434)		(1,418,134)
Net increase (decrease) in cash and cash equivalents		24,932		(24)
Unrealized foreign exchange gain (loss) on cash		(130)		24
Cash and cash equivalents - beginning of period		-		-
Cash and cash equivalents - end of period		24,802		-
Cash and cash equivalents comprise:				
Cash at bank	$	24,802	$	-
From operating activities:				
Interest received, net of withholding tax	$	-	$	33,626
Dividends received, net of withholding tax	$	406,537	$	453,639
From financing activities:				
Interest paid	$	(133,297)	$	(122,438)

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

Schedule of Investment Portfolio
as at September 30, 2018

No. of Shares	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES				
Bermuda				
4,147	Brookfield Infrastructure Partners L.P.	$ 202,100	$ 213,616	
16,047	Brookfield Property Partners L.P.	435,651	432,989	
		637,751	646,605	25.2%
Canada				
252,528	Baytex Energy Corp.	2,673,151	946,980	
8,269	BCE Inc.	453,289	432,717	
189,627	Cardinal Energy Ltd.	1,332,308	1,010,712	
160,495	Crescent Point Energy Corp.	3,336,294	1,319,269	
6,727	IGM Financial Inc.	257,299	238,808	
4,511	Northland Power Inc.	101,738	97,889	
2,235	The Bank of Nova Scotia	169,350	172,073	
37,746	TransAlta Renewables Inc.	483,834	434,079	
119,355	Whitecap Resources, Inc.	1,141,961	935,743	
		9,949,224	5,588,270	217.9%
United States				
17,167	Ares Capital Corporation	331,737	381,167	
6,784	AT&T Inc.	288,566	294,247	
29,478	Pattern Energy Group Inc.	801,872	756,555	
		1,422,175	1,431,969	55.8%
	Total investment portfolio	12,009,150	7,666,844	298.9%
	Transaction costs	(15,713)	-	-
		$ 11,993,437	7,666,844	298.9%
	Liabilities less other assets		(5,101,995)	(198.9%)
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		$ 2,564,849	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 borrowing. Securities pledged as collateral have not been offset against the borrowing, but are presented separately on the statements 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) RISK MANAGEMENT

Please see Note 5 for a description of the various financial risks detailed below.

Price Risk

The Manager moderates price 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, 2018 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 $383,342 (September 30, 2017: $481,686). 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, 2018 and September 30, 2017:

By Geographic Region	September 30, 2018	September 30, 2017
Canada	72.9%	73.7%
United States	18.7%	22.0%
Bermuda	8.4%	4.3%
Total	**100.0%**	**100.0%**

By Industry Sector	September 30, 2018	September 30, 2017
Energy	55.0%	56.7%
Utilities	19.7%	18.1%
Financials	10.3%	14.7%
Telecommunication Services	9.4%	6.6%
Real Estate	5.6%	3.5%
Consumer Staples	-	0.2%
Health Care	-	0.2%
Total	**100.0%**	**100.0%**

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 U.S. dollars, which in effect mitigated the currency risk of the Fund being invested in U.S. listed securities. The Manager may use either Canadian dollar or U.S. 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, 2018 and September 30, 2017 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, 2018:

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
United States Dollar	(1,236,069)	2,078,574	842,505	(61,803)	103,929	42,126
Total	**(1,236,069)**	**2,078,574**	**842,505**	**(61,803)**	**103,929**	**42,126**
% of net assets attributable to holders of redeemable units	(48.2%)	81.0%	32.8%	(2.4%)	4.0%	1.6%

September 30, 2017:

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
United States Dollar	(1,219,907)	2,539,879	1,319,972	(60,995)	126,994	65,999
Total	**(1,219,907)**	**2,539,879**	**1,319,972**	**(60,995)**	**126,994**	**65,999**
% of net assets attributable to holders of redeemable units	(36.5%)	76.0%	39.5%	(1.8%)	3.8%	2.0%

Interest Rate Risk

As at September 30, 2018 and September 30, 2017, the Fund had significant direct exposure to interest rate risk from its use of borrowing. The amount borrowed as at September 30, 2018 was $5,112,975 (September 30, 2017: $6,307,787) 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 $135,184 (September 30, 2017: $120,613).

Credit Risk

As at September 30, 2018 and September 30, 2017, the Fund did not have significant exposure to credit risk.

Liquidity Risk

The Fund is exposed to liquidity risk on its obligations associated with financial liabilities.

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 are due within 3 months from the financial reporting date. Organization expenses payable is due and payable over a 60 month period commencing in January 2016.

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, 2018	< 6 months ($)	> 6 months ($)	Total ($)
Borrowing	5,112,975	-	5,112,975
Redemptions payable	28,541	-	28,541
Management fees and expenses payable	12,461	-	12,461
Organization expenses payable	3,138	10,983	14,121

September 30, 2017	< 6 months ($)	> 6 months ($)	Total ($)
Borrowing	6,307,787	-	6,307,787
Redemptions payable	825	-	825
Management fees and expenses payable	10,441	-	10,441
Organization expenses payable	3,138	17,258	20,396

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, 2018 and September 30, 2017. 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, 2018, the amount borrowed was $5,112,975 (September 30, 2017: $6,307,787). The lender nets the amount borrowed with any cash balances held by the Fund and includes the impact of any securities bought or sold that are not yet paid by or to the Fund. When calculated this way, the borrowing percentage as at September 30, 2018 was 66.1% (September 30, 2017: 65.2%). Interest expense for the period ended September 30, 2018 was $135,184 (September 30, 2017: $120,613).

(c) FAIR VALUE MEASUREMENTS

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at September 30, 2018 and September 30, 2017:

	Assets (Liabilities)			
As at September 30, 2018	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	7,666,844	-	-	7,666,844
Total	**7,666,844**	-	-	**7,666,844**

	Assets (Liabilities)			
As at September 30, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	9,633,724	-	-	9,633,724
Total	**9,633,724**	-	-	**9,633,724**

(d) Structured Entities

As at September 30, 2018 and September 30, 2017, the Fund did not have any investments in structured entities.

Statements of Financial Position

As at September 30,	2018	2017
Assets		
Current Assets		
Cash and cash equivalents	$ 240,434	$ 3,286
Subscriptions receivable	2,400	-
Dividends receivable	42,410	49,716
Investments (note 5)	-	369,593
Investments - pledged as collateral (note 5 and 11)	8,192,589	9,659,523
	8,477,833	10,082,118
Liabilities		
Current Liabilities		
Borrowing (note 11)	5,664,606	6,515,136
Management fees payable	644	846
Expenses payable	12,756	10,782
Redemptions payable	214,276	-
Organization expenses payable (note 8)	4,612	4,792
	5,896,894	6,531,556
Non-current Liabilities		
Organization expenses payable (note 8)	8,752	13,848
	5,905,646	6,545,404
Net Assets Attributable to Holders of Redeemable Units	$ 2,572,187	$ 3,536,714
Net Assets Attributable to Holders of Redeemable Units Per Series		
Series A	708,411	1,014,824
Series F	1,863,776	2,521,890
	$ 2,572,187	$ 3,536,714
Number of Redeemable Units Outstanding (note 6)		
Series A	107,557	115,636
Series F	283,004	287,823
Net Assets Attributable to Holders of Redeemable Units Per Unit		
Series A	6.59	8.78
Series F	6.59	8.76

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,	2018	2017
Income		
Net gain (loss) on investments		
Dividends	$ 478,775	$ 585,236
Interest for distribution purposes	-	40,230
Net realized gain (loss) on investments	(1,199,449)	738,107
Change in unrealized appreciation (depreciation) on investments	378,877	(2,317,829)
	(341,797)	(954,256)
Other income		
Foreign exchange gain (loss) on cash and other net assets	(62,039)	88,858
Total income (net)	(403,836)	(865,398)
Expenses		
Interest expense and bank charges	142,280	146,302
Management fees (note 8)	87,743	132,140
Securityholder reporting costs	64,639	74,170
Withholding tax expense	27,935	32,448
Audit fees	8,902	8,305
Transaction costs	7,786	9,019
Independent review committee fees	2,985	3,453
Custodial fees	103	-
Legal fees	-	366
Total operating expenses	342,373	406,203
Less: management fees waived by Manager	(78,012)	(40,578)
Less: expenses absorbed by Manager	(76,628)	(69,189)
Net operating expenses	187,733	296,436
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ (591,569)	$ (1,161,834)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	(173,295)	(370,778)
Series F	(418,274)	(791,056)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	(1.53)	(2.99)
Series F	(1.39)	(2.62)

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,	2018	2017
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period		
Series A	$ 1,014,824	$ 1,549,827
Series F	2,521,890	3,871,814
	3,536,714	5,421,641
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Series A	(173,295)	(370,778)
Series F	(418,274)	(791,056)
	(591,569)	(1,161,834)
Distributions to Holders of Redeemable Units		
From net investment income		
Series A	(81,703)	(66,207)
Series F	(235,776)	(209,083)
	(317,479)	(275,290)
From return of capital		
Series A	-	(28,482)
Series F	-	(60,978)
	-	(89,460)
Net Decrease from Distributions to Holders of Redeemable Units	(317,479)	(364,750)
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	33,569	10,751
Series F	91,754	160,021
	125,323	170,772
Reinvestments of distributions		
Series A	74,908	86,307
Series F	207,130	243,586
	282,038	329,893
Redemptions of redeemable units		
Series A	(159,892)	(166,594)
Series F	(302,948)	(692,414)
	(462,840)	(859,008)
Net Increase (Decrease) from Redeemable Unit Transactions	(55,479)	(358,343)
Net Assets Attributable to Holders of Redeemable Units at End of Period		
Series A	708,411	1,014,824
Series F	1,863,776	2,521,890
	$ 2,572,187	$ 3,536,714

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

Statements of Cash Flows

for the periods ended September 30,		2018		2017
Cash Flows from Operating Activities				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$	(591,569)	$	(1,161,834)
Adjustments for:				
Net realized (gain) loss on investments		1,199,449		(738,107)
Change in unrealized (appreciation) depreciation on investments		(378,877)		2,317,829
Unrealized foreign exchange (gain) loss on cash		141		(15)
(Increase) decrease in dividends receivable		7,306		11,324
Increase (decrease) in management fees and expenses payable		1,772		(14,568)
Increase (decrease) in organization expenses payable		(5,276)		(4,890)
Purchase of investments		(2,715,527)		(3,446,671)
Proceeds from sale of investments		3,731,482		7,332,639
Net Cash Generated (Used) by Operating Activities		1,248,901		4,295,707
Cash Flows from Financing Activities				
Increase (decrease) in borrowing		(850,530)		(3,590,891)
Distributions to holders of redeemable units, net of reinvested distributions		(35,441)		(37,988)
Proceeds from redeemable units issued (note 3)		56,952		119,634
Amount paid on redemption of redeemable units (note 3)		(182,593)		(783,191)
Net Cash Generated (Used) by Financing Activities		(1,011,612)		(4,292,436)
Net increase (decrease) in cash and cash equivalents		237,289		3,271
Unrealized foreign exchange gain (loss) on cash		(141)		15
Cash and cash equivalents - beginning of period		3,286		-
Cash and cash equivalents - end of period		240,434		3,286
Cash and cash equivalents comprise:				
Cash at bank	$	240,434	$	3,286
From operating activities:				
Interest received, net of withholding tax	$	-	$	40,230
Dividends received, net of withholding tax	$	458,146	$	564,112
From financing activities:				
Interest paid	$	(139,616)	$	(145,648)

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

Schedule of Investment Portfolio
as at September 30, 2018

No. of Shares	Security Name		Average Cost		Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES						
Bermuda						
5,220	Brookfield Infrastructure Partners L.P.	$	243,345	$	268,887	
17,807	Brookfield Property Partners L.P.		493,810		480,479	
			737,155		749,366	29.1%
Canada						
173,937	Baytex Energy Corp.		2,403,073		652,264	
7,922	BCE Inc.		439,794		414,558	
172,173	Cardinal Energy Ltd.		1,257,302		917,682	
169,465	Crescent Point Energy Corp.		4,170,111		1,393,002	
9,674	IGM Financial Inc.		403,886		343,427	
10,841	Northland Power Inc.		199,953		235,250	
3,010	The Bank of Nova Scotia		202,513		231,740	
42,991	TransAlta Renewables Inc.		514,002		494,397	
83,470	Whitecap Resources, Inc.		818,586		654,405	
			10,409,220		5,336,725	207.5%
United States						
31,699	Ares Capital Corporation		599,470		703,828	
11,216	AT&T Inc.		497,496		486,478	
35,698	Pattern Energy Group Inc.		1,014,903		916,192	
			2,111,869		2,106,498	81.9%
	Total investment portfolio		13,258,244		8,192,589	318.5%
	Transaction costs		(19,561)		-	-
		$	13,238,683		8,192,589	318.5%
	Liabilities less other assets				(5,620,402)	(218.5%)
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			$	2,572,187	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 borrowing. Securities pledged as collateral have not been offset against the borrowing, but are presented separately on the statements 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) RISK MANAGEMENT

Please see Note 5 for a description of the various financial risks detailed below.

Price Risk

The Manager moderates price 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, 2018 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 $409,629 (September 30, 2017: $501,456). 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, 2018 and September 30, 2017:

By Geographic Region	September 30, 2018	September 30, 2017
Canada	65.1%	68.3%
United States	25.7%	25.6%
Bermuda	9.2%	6.1%
Total	**100.0%**	**100.0%**

By Industry Sector	September 30, 2018	September 30, 2017
Energy	44.1%	45.2%
Utilities	23.4%	23.4%
Financials	15.6%	16.4%
Telecommunication Services	11.0%	10.2%
Real Estate	5.9%	4.1%
Consumer Staples	-	0.4%
Health Care	-	0.3%
Total	**100.0%**	**100.0%**

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 U.S. dollars, which in effect mitigated the currency risk of the Fund being invested in U.S. listed securities. The Manager may use either Canadian dollar or U.S. 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, 2018 and September 30, 2017 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, 2018:

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
United States Dollar	(1,802,570)	2,855,864	1,053,294	(90,128)	142,793	52,665
Total	**(1,802,570)**	**2,855,864**	**1,053,294**	**(90,128)**	**142,793**	**52,665**
% of net assets attributable to holders of redeemable units	(70.1%)	111.0%	40.9%	(3.5%)	5.6%	2.1%

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

September 30, 2017:

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
United States Dollar	(1,742,459)	3,171,687	1,429,228	(87,123)	158,584	71,461
Total	**(1,742,459)**	**3,171,687**	**1,429,228**	**(87,123)**	**158,584**	**71,461**
% of net assets attributable to holders of redeemable units	(49.3%)	89.7%	40.4%	(2.5%)	4.5%	2.0%

Interest Rate Risk

As at September 30, 2018 and September 30, 2017, the Fund had significant direct exposure to interest rate risk from its use of borrowing. The amount borrowed as at September 30, 2018 was $5,664,606 (September 30, 2017: $6,515,136) 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 $141,470 (September 30, 2017: $143,436).

Credit Risk

As at September 30, 2018 and September 30, 2017, the Fund did not have significant exposure to credit risk.

Liquidity Risk

The Fund is exposed to liquidity risk on its obligations associated with financial liabilities.

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 were due within 3 months from the financial reporting date. Organization expenses payable is due and payable over a 60 month period commencing in January 2016.

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, 2018	< 6 months ($)	> 6 months ($)	Total ($)
Borrowing	5,664,606	-	5,664,606
Management fee and expenses payable	13,400	-	13,400
Redemptions payable	214,276	-	214,276
Organization expense payable	3,138	10,983	14,121

September 30, 2017	< 6 months ($)	> 6 months ($)	Total ($)
Borrowing	6,515,136	-	6,515,136
Management fee and expenses payable	11,682	-	11,682
Organization expense payable	3,138	17,258	20,396

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, 2018 and September 30, 2017. 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, 2018, the amount borrowed was $5,664,606 (September 30, 2017: $6,515,136). The lender nets the amount borrowed with any cash balances held by the Fund and includes the impact of any securities bought or sold that are not yet paid by or to the Fund. When calculated this way, the borrowing percentage as at September 30, 2018 was 66.8% (September 30, 2017: 64.6%). Interest expense for the period ended September 30, 2018 was $141,470 (September 30, 2017: $143,436).

(c) FAIR VALUE MEASUREMENTS

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at September 30, 2018 and September 30, 2017:

	Assets (Liabilities)			
As at September 30, 2018	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	8,192,589	-	-	8,192,589
Total	**8,192,589**	**-**	**-**	**8,192,589**

	Assets (Liabilities)			
As at September 30, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	10,029,116	-	-	10,029,116
Total	**10,029,116**	**-**	**-**	**10,029,116**

(d) Structured Entities

As at September 30, 2018 and September 30, 2017, the Fund did not have any investments in structured entities.

Statements of Financial Position

As at September 30,	2018	2017
Assets		
Current Assets		
Cash and cash equivalents	$ 3,473	$ 543
Receivable for investments sold	-	149,062
Dividends receivable	1,129	1,438
Investments (note 5)	388,677	145,216
Investments - pledged as collateral (note 5 and 11)	1,874,093	1,720,068
	2,267,372	2,016,327
Liabilities		
Current Liabilities		
Borrowing (note 11)	1,243,228	1,173,540
Management fees payable	1,720	1,380
Expenses payable	3,279	2,333
	1,248,227	1,177,253
Non-current Liabilities		
Organization expenses payable (note 8)	13,635	13,247
	1,261,862	1,190,500
Net Assets Attributable to Holders of Redeemable Units	$ 1,005,510	$ 825,827
Net Assets Attributable to Holders of Redeemable Units Per Series		
Series A	163,613	166,875
Series F	841,897	658,952
	$ 1,005,510	$ 825,827
Number of Redeemable Units Outstanding (note 6)		
Series A	6,418	6,964
Series F	33,920	27,945
Net Assets Attributable to Holders of Redeemable Units Per Unit		
Series A	25.49	23.96
Series F	24.82	23.58

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,	2018	2017
Income		
Net gain (loss) on investments		
Dividends	$ 18,376	$ 13,140
Interest for distribution purposes	549	2,984
Net realized gain (loss) on investments	(13,803)	77,869
Change in unrealized appreciation (depreciation) on investments	154,839	(224,948)
	159,961	(130,955)
Other income		
Foreign exchange gain (loss) on cash and other net assets	(20,122)	41,753
Total income (net)	139,839	(89,202)
Expenses		
Securityholder reporting costs	50,491	55,534
Interest expense and bank charges	28,466	19,328
Management fees (note 8)	19,631	19,058
Audit fees	8,903	8,307
Minimum tax	3,708	1,319
Independent review committee fees	2,986	3,453
Transaction costs	791	542
Withholding tax expense	383	-
Custodial fees	156	89
Legal fees	-	1,317
Total operating expenses	115,515	108,947
Less: expenses absorbed by Manager	(57,136)	(63,952)
Net operating expenses	58,379	44,995
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ 81,460	$ (134,197)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	14,276	(34,009)
Series F	67,184	(100,188)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	2.11	(4.29)
Series F	2.06	(3.67)

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,	2018	2017
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period		
Series A	$ 166,875	$ 220,089
Series F	658,952	724,443
	825,827	944,532
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Series A	14,276	(34,009)
Series F	67,184	(100,188)
	81,460	(134,197)
Distributions to Holders of Redeemable Units		
From net realized gains on investments		
Series A	(3,068)	(5,354)
Series F	(30,776)	(35,744)
Net Decrease from Distributions to Holders of Redeemable Units	(33,844)	(41,098)
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	-	18,556
Series F	125,482	61,400
	125,482	79,956
Reinvestments of distributions		
Series A	3,068	5,354
Series F	30,650	35,370
	33,718	40,724
Redemptions of redeemable units		
Series A	(17,538)	(37,761)
Series F	(9,595)	(26,329)
	(27,133)	(64,090)
Net Increase (Decrease) from Redeemable Unit Transactions	132,067	56,590
Net Assets Attributable to Holders of Redeemable Units at End of Period		
Series A	163,613	166,875
Series F	841,897	658,952
	$ 1,005,510	$ 825,827

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

Statements of Cash Flows

for the periods ended September 30,		2018		2017
Cash Flows from Operating Activities				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$	81,460	$	(134,197)
Adjustments for:				
Net realized (gain) loss on investments		13,803		(77,869)
Change in unrealized (appreciation) depreciation on investments		(154,839)		224,948
Unrealized foreign exchange (gain) loss on cash		(22)		4
(Increase) decrease in dividends receivable		309		(202)
Increase (decrease) in management fees and expenses payable		1,286		621
Increase (decrease) in organization expenses payable		388		305
Purchase of investments		(402,532)		(334,295)
Proceeds from sale of investments		295,144		143,773
Net Cash Generated (Used) by Operating Activities		(165,003)		(176,912)
Cash Flows from Financing Activities				
Increase (decrease) in borrowing		69,688		61,967
Distributions to holders of redeemable units, net of reinvested distributions		(126)		(374)
Proceeds from redeemable units issued (note 3)		107,944		175,900
Amount paid on redemption of redeemable units (note 3)		(9,595)		(60,034)
Net Cash Generated (Used) by Financing Activities		167,911		177,459
Net increase (decrease) in cash and cash equivalents		2,908		547
Unrealized foreign exchange gain (loss) on cash		22		(4)
Cash and cash equivalents - beginning of period		543		-
Cash and cash equivalents - end of period		3,473		543
Cash and cash equivalents comprise:				
Cash at bank	$	3,473	$	543
From operating activities:				
Interest received, net of withholding tax	$	549	$	2,984
Dividends received, net of withholding tax	$	18,302	$	12,938
From financing activities:				
Interest paid	$	(27,227)	$	(18,233)

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

Schedule of Investment Portfolio

as at September 30, 2018

No. of Shares	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES				
Bermuda				
4,507	Brookfield Business Partners L.P.	$ 120,814	$ 266,274	
10,400	Liberty Latin America Ltd. Class A	447,614	279,947	
		568,428	546,221	54.3%
British Virgin Islands				
11,600	Nomad Foods Limited	161,181	303,558	30.2%
Canada				
44,809	Baytex Energy Corp.	240,877	168,034	
2,105	Brookfield Asset Management Inc. Class A	91,982	121,073	
18,449	Crescent Point Energy Corp.	323,514	151,651	
2,600	Linamar Corporation	154,346	154,726	
21,320	Whitecap Resources, Inc.	222,623	167,149	
		1,033,342	762,633	75.9%
Guernsey				
10,300	Pershing Square Holdings, Ltd.	232,837	203,019	20.2%
United States				
655	Berkshire Hathaway Inc. Class B	119,461	181,144	
2,995	Hertz Global Holdings, Inc.	182,130	63,172	
1,400	Walgreens Boots Alliance, Inc.	119,416	131,826	
		421,007	376,142	37.4%
	Total equities	2,416,795	2,191,573	218.0%
UNDERLYING FUNDS				
Cayman Islands				
52	EnTrustPermal Special Opportunities Fund IV Ltd.	69,309	71,197	7.1%
	Total underlying funds	69,309	71,197	7.1%
	Total investment portfolio	2,486,104	2,262,770	225.1%
	Transaction costs	(2,676)	-	-
		$ 2,483,428	2,262,770	225.1%
	Liabilities less other assets		(1,257,260)	(125.1%)
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		$ 1,005,510	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 borrowing. Securities pledged as collateral have not been offset against the borrowing, but are presented separately on the statements 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) RISK MANAGEMENT

Please see Note 5 for a description of the various financial risks detailed below.

Price Risk

The Manager moderates price 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, 2018 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 $113,139 (September 30, 2017: $93,264). 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, 2018 and September 30, 2017:

By Geographic Region	September 30, 2018	September 30, 2017
Canada	33.7%	42.5%
Bermuda	24.2%	8.9%
United States	16.6%	12.5%
British Virgin Islands	13.4%	11.3%
Guernsey	9.0%	8.2%
Cayman Islands	3.1%	-
United Kingdom	-	16.6%
Total	**100.0%**	**100.0%**

By Industry Sector	September 30, 2018	September 30, 2017
Financials	22.4%	23.7%
Energy	21.5%	28.5%
Consumer Staples	19.2%	11.3%
Consumer Discretionary	19.2%	23.1%
Industrials	14.6%	13.4%
Private/Alternative Funds	3.1%	-
Total	**100.0%**	**100.0%**

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 U.S. dollars, which in effect mitigated the currency risk of the Fund being invested in U.S. listed securities. The Manager may use either Canadian dollar or U.S. 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, 2018 and September 30, 2017 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, 2018:

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
United States Dollar	(833,524)	1,621,211	787,687	(41,676)	81,061	39,385
Total	**(833,524)**	**1,621,211**	**787,687**	**(41,676)**	**81,061**	**39,385**
% of net assets attributable to holders of redeemable units	(82.9%)	161.2%	78.3%	(4.1%)	8.1%	4.0%

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

September 30, 2017:

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
United States Dollar	(564,799)	1,211,993	647,194	(28,240)	60,600	32,360
Total	**(564,799)**	**1,211,993**	**647,194**	**(28,240)**	**60,600**	**32,360**
% of net assets attributable to holders of redeemable units	(68.4%)	146.8%	78.4%	(3.4%)	7.3%	3.9%

Interest Rate Risk

As at September 30, 2018 and September 30, 2017, the Fund had significant direct exposure to interest rate risk from its use of borrowing. The amount borrowed as at September 30, 2018 was $1,243,228 (September 30, 2017: $1,173,540) 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 $28,236 (September 30, 2017: $18,958).

Credit Risk

As at September 30, 2018 and September 30, 2017, the Fund did not have significant exposure to credit risk.

Liquidity Risk

The Fund is exposed to liquidity risk on its obligations associated with financial liabilities.

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 are due within 3 months from the financial reporting date. Organization expenses payable is due and payable over a 60 month period to commencing at such time as the Manager shall determine.

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, 2018	< 6 months ($)	> 6 months ($)	Total ($)
Borrowing	1,243,228	-	1,243,228
Management fees and expenses payable	4,999	-	4,999
Organization expenses payable	-	15,122	15,122

September 30, 2017	< 6 months ($)	> 6 months ($)	Total ($)
Borrowing	1,173,540	-	1,173,540
Management fees and expenses payable	3,713	-	3,713
Organization expenses payable	-	15,122	15,122

Liquidity risk is also the risk that the Fund, or EnTrustPermal Special Opportunities Fund IV Ltd. (the Underlying Fund), will not be able to meets its liabilities as they fall due.

The Fund is committed and invested in an unlisted Underlying Fund which does not permit redemptions during the three years following its initial commitment, plus a potential one-year extension. Following this period, the Fund may redeem shares of the Underlying Fund quarterly upon 95 days' notice. As a result, the Fund may not be able to quickly liquidate its Underlying Fund investment at amounts which approximate fair value, or be able to respond to specific events such as deterioration of creditworthiness of the issuer. The Fund's capital commitment to the Underlying Fund can be called within a notice period as outlined in the subscription agreement between the Fund and the Underlying Fund. The Manager manages the capital calls through cash flow management.

As at September 30, 2018, the Fund's total commitment to the Underlying Fund was U.S. $200,000, of which U.S. $53,374 has already been called and U.S. $146,626 remained uncalled.

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, 2018 and September 30, 2017. 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, 2018, the amount borrowed was $1,243,228 (September 30, 2017: $1,173,540). The lender nets the amount borrowed with any cash balances held by the Fund and includes the impact of any securities bought or sold that are not yet paid by or to the Fund. When calculated this way, the borrowing percentage as at September 30, 2018 was 54.8% (September 30, 2017: 58.2%). Interest expense for the period ended September 30, 2018 was $28,236 (September 30, 2017: $18,958).

(c) FAIR VALUE MEASUREMENTS

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at September 30, 2018 and September 30, 2017:

As at September 30, 2018	Assets (Liabilities) Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	2,191,573	-	-	2,191,573
Underlying Funds	-	71,197	-	71,197
Total	**2,191,573**	**71,197**	**-**	**2,262,770**

As at September 30, 2017	Assets (Liabilities) Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	1,865,284	-	-	1,865,284
Total	**1,865,284**	**-**	**-**	**1,865,284**

(d) Structured Entities

The Fund's investment in the Underlying Fund is subject to the terms and conditions of its offering documents and are susceptible to market price risk arising from uncertainties about future values. The Manager makes investment decisions after extensive due diligence on the strategy and overall quality of the Underlying Fund's manager.

The exposure to investment in the Underlying Fund at fair value as at September 30, 2018 is presented in the following table. This investment is included at fair value in financial assets at FVTPL in the statements of financial position. The Manager's best estimate of the maximum exposure to loss from the Fund's investment in Underlying Funds is the fair value below.

September 30, 2018:

Description	Investment at fair value ($)	Net asset value of Underlying Funds ($)	% of Net asset value of Underlying Fund
EnTrustPermal Special Opportunities Fund IV Ltd.	71,197	322,792,666	-

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

Statements of Financial Position

As at September 30,	2018	2017
Assets		
Current Assets		
Cash and cash equivalents	$ 480	$ 172
Subscriptions receivable	-	20,100
Dividends receivable	1,953	2,484
Investments (note 5)	685,583	595,196
Investments - pledged as collateral (note 5 and 11)	436,656	373,165
	1,124,672	991,117
Liabilities		
Current Liabilities		
Borrowing (note 11)	305,962	250,462
Management fees payable	1,241	1,169
Expenses payable	1,099	686
	308,302	252,317
Non-current Liabilities		
Organization expenses payable (note 8)	1,619	923
	309,921	253,240
Net Assets Attributable to Holders of Redeemable Units	$ 814,751	$ 737,877
Net Assets Attributable to Holders of Redeemable Units Per Series		
Series A	525,829	513,669
Series F	288,922	224,208
	$ 814,751	$ 737,877
Number of Redeemable Units Outstanding (note 6)		
Series A	9,581	9,268
Series F	5,238	4,035
Net Assets Attributable to Holders of Redeemable Units Per Unit		
Series A	54.88	55.42
Series F	55.16	55.57

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,	2018	2017
Income		
Net gain (loss) on investments		
Dividends	$ 53,308	$ 25,991
Interest for distribution purposes	4	559
Net realized gain (loss) on investments	11,905	(3)
Change in unrealized appreciation (depreciation) on investments	(4,404)	14,865
	60,813	41,412
Other income		
Foreign exchange gain (loss) on cash and other net assets	(7,721)	9,501
Total income (net)	53,092	50,913
Expenses		
Securityholder reporting costs	51,132	45,185
Management fees (note 8)	15,026	8,613
Audit fees	8,902	8,305
Interest expense and bank charges	7,430	2,755
Independent review committee fees	2,984	3,453
Withholding tax expense	2,184	1,480
Organization expenses (note 8)	696	923
Minimum tax	175	-
Custodial fees	145	315
Transaction costs	143	452
Legal fees	-	50
Total operating expenses	88,817	71,531
Less: management fees waived by Manager	-	(2,006)
Less: expenses absorbed by Manager	(58,591)	(55,807)
Net operating expenses	30,226	13,718
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ 22,866	$ 37,195
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	13,230	25,450
Series F	9,636	11,745
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	1.40	4.38
Series F	1.84	5.04

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,	2018	2017
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period		
Series A	$ 513,669	$ 57,859
Series F	224,208	56,157
	737,877	114,016
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Series A	13,230	25,450
Series F	9,636	11,745
	22,866	37,195
Distributions to Holders of Redeemable Units		
From net investment income		
Series A	(11,669)	(7,361)
Series F	(8,073)	(2,170)
	(19,742)	(9,531)
From return of capital		
Series A	(7,237)	(4,260)
Series F	(5,007)	(3,642)
	(12,244)	(7,902)
Net Decrease from Distributions to Holders of Redeemable Units	(31,986)	(17,433)
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	55,612	430,360
Series F	89,617	156,800
	145,229	587,160
Reinvestments of distributions		
Series A	18,906	11,621
Series F	11,549	5,318
	30,455	16,939
Redemptions of redeemable units		
Series A	(56,682)	-
Series F	(33,008)	-
	(89,690)	-
Net Increase (Decrease) from Redeemable Unit Transactions	85,994	604,099
Net Assets Attributable to Holders of Redeemable Units at End of Period		
Series A	525,829	513,669
Series F	288,922	224,208
	$ 814,751	$ 737,877

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

Statements of Cash Flows

for the periods ended September 30,		2018		2017
Cash Flows from Operating Activities				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$	22,866	$	37,195
Adjustments for:				
Net realized (gain) loss on investments		(11,905)		3
Change in unrealized (appreciation) depreciation on investments		4,404		(14,865)
Unrealized foreign exchange (gain) loss on cash		(4)		1
(Increase) decrease in dividends receivable		531		(2,320)
Increase (decrease) in management fees and expenses payable		485		1,708
Increase (decrease) in organization expenses payable		696		923
Purchase of investments		(252,820)		(814,048)
Proceeds from sale of investments		106,443		(3)
Net Cash Generated (Used) by Operating Activities		(129,304)		(791,406)
Cash Flows from Financing Activities				
Increase (decrease) in borrowing		55,500		193,459
Distributions to holders of redeemable units, net of reinvested distributions		(1,531)		(515)
Proceeds from redeemable units issued (note 3)		127,312		598,365
Amount paid on redemption of redeemable units (note 3)		(51,673)		-
Net Cash Generated (Used) by Financing Activities		129,608		791,309
Net increase (decrease) in cash and cash equivalents		304		(97)
Unrealized foreign exchange gain (loss) on cash		4		(1)
Cash and cash equivalents - beginning of period		172		270
Cash and cash equivalents - end of period		480		172
Cash and cash equivalents comprise:				
Cash at bank	$	480	$	172
From operating activities:				
Interest received, net of withholding tax	$	4	$	559
Dividends received, net of withholding tax	$	51,655	$	22,191
From financing activities:				
Interest paid	$	(6,822)	$	(1,995)

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

Schedule of Investment Portfolio

as at September 30, 2018

No. of Shares	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES - Preferred				
Bermuda				
1,000	Brookfield Infrastructure Partners L.P., Preferred, Series 5, Fixed-Reset	$ 25,000	$ 25,650	
1,000	Brookfield Infrastructure Partners L.P., Preferred, Series 7, Fixed-Reset	25,000	25,150	
1,000	Brookfield Infrastructure Partners L.P., Preferred, Series 11, Fixed-Reset	25,000	25,080	
800	Brookfield Renewable Partners L.P., Preferred, Series 9, Fixed-Reset	20,260	20,848	
1,000	Brookfield Renewable Partners L.P., Preferred, Series 11, Fixed-Reset	25,000	24,950	
800	Brookfield Renewable Partners L.P., Preferred, Series 13, Fixed-Reset	20,000	19,680	
		140,260	141,358	17.3%
Canada				
1,000	AltaGas Ltd. Preferred, Series K, Fixed-Reset	25,000	24,330	
500	Artis Real Estate Investment Trust, Preferred, Series I, Fixed-Reset	12,500	12,650	
1,000	Bank of Montreal, Preferred, Series 38, Fixed-Reset	25,000	26,270	
1,000	Bank of Montreal, Preferred, Series 42, Fixed-Reset	25,000	25,340	
1,000	Brookfield Asset Management Inc., Preferred, Series 46, Fixed-Reset	25,000	25,920	
500	Brookfield Office Properties Inc., Preferred, Series CC, Fixed-Reset	13,412	12,960	
1,000	Brookfield Office Properties Inc., Preferred, Series EE, Fixed-Reset	25,000	25,100	
1,000	Brookfield Office Properties Inc., Preferred, Series GG, Fixed-Reset	25,000	23,830	
1,000	Canadian Imperial Bank of Commerce, Preferred, Series 45, Fixed-Reset	25,000	25,180	
1,000	Capital Power Corp, Preferred, Series 9, Fixed-Reset	25,000	25,750	
2,200	ECN Capital Corp., Preferred, Series C, Fixed-Reset	52,738	47,916	
1,000	Emera Incorporated, Preferred, Series H, Fixed-Reset	25,000	25,370	
1,000	Enbridge Inc., Preferred, Series 17, Fixed-Reset	25,000	25,450	
1,000	Kinder Morgan Canada Ltd, Preferred, Series 1, Fixed-Reset	25,000	25,080	
1,000	National Bank of Canada, Preferred, Series 38, Fixed-Reset	25,000	25,320	
1,000	Pembina Pipeline Corporation, Preferred, Series 21, Fixed-Reset	25,000	25,440	
1,000	The Bank of Nova Scotia, Preferred, Series 38, Fixed-Reset	25,000	26,130	
1,000	The Toronto-Dominion Bank, Preferred, Series 16, Fixed-Reset	25,000	25,260	
1,000	TransCanada Corporation, Preferred, Series 15, Fixed-Reset	25,000	26,080	
1,000	Westcoast Energy Inc., Preferred, Series 12, Fixed-Reset	25,000	25,650	
		503,650	505,026	62.0%
	Total equities - preferred	643,910	646,384	79.3%
EQUITIES - Common				
Bermuda				
2,000	Brookfield Property Partners L.P.	55,829	54,020	6.5%
Canada				
400	BCE Inc.	22,714	20,932	
534	Fortis Inc.	22,474	22,364	
4,000	TransAlta Renewables Inc.	54,380	46,000	
		99,568	89,296	11.0%
France				
201	TOTAL SA ADR	13,611	16,717	2.1%
Sweden				
2,500	Nordea Bank AB	38,012	35,193	4.3%
Switzerland				
300	Roche Holding AG ADR	10,997	11,687	1.5%
United Kingdom				
500	BHP Billiton PLC	20,139	28,403	
300	Royal Dutch Shell PLC ADR Class A	21,590	26,404	
		41,729	54,807	6.7%
United States				
100	Archer-Daniels-Midland Company	5,574	6,493	
900	AT&T Inc.	40,388	39,036	
250	iShares MSCI World ETF	22,784	29,643	
3,000	Oaktree Strategic Income Corporation	35,109	33,518	
500	SPDR S&P Global Dividend ETF	41,634	43,839	
200	The Kraft Heinz Company	14,485	14,237	
400	Walgreens Boots Alliance, Inc.	37,164	37,665	
80	Wal-Mart Stores, Inc.	7,861	9,704	
		204,999	214,135	26.3%
	Total equities - common	464,745	475,855	58.4%
	Total investment portfolio	1,108,655	1,122,239	137.7%
	Transaction costs	(387)	-	-
		$ 1,108,268	1,122,239	137.7%
	Liabilities less other assets		(307,488)	(37.7%)
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		$ 814,751	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 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) RISK MANAGEMENT

Please see Note 5 for a description of the various financial risks detailed below.

Price Risk

The Manager moderates price 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, 2018 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 $56,112 (September 30, 2017: $48,418). 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, 2018 and September 30, 2017.

By Geographic Region	September 30, 2018	September 30, 2017
Canada	53.1%	53.5%
United States	19.2%	20.7%
Bermuda	17.2%	12.4%
United Kingdom	4.9%	6.6%
Sweden	3.1%	3.5%
France	1.5%	2.1%
Switzerland	1.0%	1.2%
Total	**100.0%**	**100.0%**

By Industry Sector	September 30, 2018	September 30, 2017
Financials	26.4%	30.5%
Utilities	25.5%	21.0%
Energy	15.1%	16.6%
Real Estate	11.4%	8.9%
Exchange Traded Funds	6.5%	7.7%
Consumer Staples	6.2%	6.6%
Telecommunication Services	5.4%	4.8%
Materials	2.5%	2.7%
Health Care	1.0%	1.2%
Total	**100.0%**	**100.0%**

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 U.S. dollars, which in effect mitigated the currency risk of the Fund being invested in U.S. listed securities. The Manager may use either Canadian dollar or U.S. 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, 2018 and September 30, 2017 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, 2018:

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
Swedish Krona	–	35,193	35,193	–	1,760	1,760
United States Dollar	(138,395)	297,346	158,951	(6,920)	14,867	7,947
Total	**(138,395)**	**332,539**	**194,144**	**(6,920)**	**16,627**	**9,707**
% of net assets attributable to holders of redeemable units	(17.0%)	40.8%	23.8%	(0.8%)	2.0%	1.2%

September 30, 2017:

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
Swedish Krona	-	33,825	33,825	-	1,691	1,691
United States Dollar	(174,129)	296,786	122,657	(8,706)	14,839	6,133
Total	**(174,129)**	**330,611**	**156,482**	**(8,706)**	**16,530**	**7,824**
% of net assets attributable to holders of redeemable units	(23.6%)	44.8%	21.2%	(1.2%)	2.3%	1.1%

Interest Rate Risk

As at September 30, 2018 and September 30, 2017, the Fund had significant direct exposure to interest rate risk from its use of borrowing. The amount borrowed as at September 30, 2018 was $305,962 (September 30, 2017: $250,462) 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 $7,159 (September 30, 2017: $2,315).

The Fund also had exposure to interest rate risk from its holdings of interest bearing financial instruments. If there had been a parallel upward shift of interest rates of 25 basis points on September 30, 2018, the net assets of the Fund would have been lower by approximately $7,399 (September 30, 2017: $5,979). Similarly, if there had been a parallel downward shift of interest rates of 25 basis points the net assets of the Fund would have been higher by approximately $6,414 (September 30, 2017: $5,873).

Credit Risk

The table below shows preferred shares as a percentage of net assets held under each credit rating. Credit ratings are obtained from Standard & Poors.

	Percentage of Net Assets	
Portfolio by Rating Category	As at September 28, 2018	As at September 28, 2017
P-1	-	-
P-2	25.0%	20.9%
P-3	50.3%	52.6%
N/R	4.0%	-

Liquidity Risk

The Fund is exposed to liquidity risk on its obligations associated with financial liabilities.

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 are due within 3 months from the financial reporting date. Organization expenses payable is due and payable over a 60 month period to commencing at such time as the Manager shall determine.

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, 2018	< 6 months ($)	> 6 months ($)	Total ($)
Borrowing	305,962	-	305,962
Management fees and expenses payable	2,340	-	2,340
Organization expenses payable	-	1,619	1,619

September 30, 2017	< 6 months ($)	> 6 months ($)	Total ($)
Borrowing	250,462	-	250,462
Management fees and expenses payable	1,855	-	1,855
Organization expenses payable	-	923	923

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, 2018 and September 30, 2017. 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, 2018, the amount borrowed was $305,962 (September 30, 2017: $250,462). The lender nets the amount borrowed with any cash balances held by the Fund and includes the impact of any securities bought or sold that are not yet paid by or to the Fund. When calculated this way, the borrowing percentage as at September 30, 2018 was 27.2% (September 30, 2017: 25.3%). Interest expense for the period ended September 30, 2018 was $7,159 (September 30, 2017: $2,315).

(c) FAIR VALUE MEASUREMENTS

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at September 30, 2018:

	Assets (Liabilities)			
As at September 30, 2018	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	1,122,239	-	-	1,122,239
Total	**1,122,239**	**-**	**-**	**1,122,239**

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at September 30, 2017:

	Assets (Liabilities)			
As at September 30, 2017	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	968,361	-	-	968,361
Total	**968,361**	**-**	**-**	**968,361**

(d) STRUCTURED ENTITIES

The Fund's investments in ETFs are susceptible to market price risk arising from uncertainties about future values. The Manager makes investment decisions after its due diligence on the strategy and overall quality of the ETFs manager.

The Fund's investments in ETFs are summarized below:

September 30, 2018	Fair Value of Funds Investments ($)	Net Asset Value of ETF ($)	% of ETFs Net Assets
iShares MSCI World ETF	29,643	699,583,473	-
SPDR S&P Global Dividend ETF	43,839	267,415,466	-

September 30, 2017	Fair Value of Funds Investments ($)	Net Asset Value of ETF ($)	% of ETFs Net Assets
iShares MSCI World ETF	31,477	650,524,445	-
SPDR S&P Global Dividend ETF	42,380	207,661,785	-

Notes to Financial Statements

1. GENERAL INFORMATION

Portland Advantage Plus – Everest Fund (Everest), Portland Advantage Plus – McKinley Fund (McKinley), Portland Value Plus Fund (Value Plus) and Portland Global Aristocrats Plus Fund (Global Aristocrats) (each a Fund and 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 December 13, 2013, as amended and restated from time to time. The Funds offer units to the public on a private placement basis under an offering memorandum (Offering Memorandum). The formation date of the Funds and inception dates of each series of the Funds are as follows:

Name of Fund	Formation Date of Fund	Inception Date	
		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 Value Plus 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. (the 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 6, 2018. 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 Plus 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, Value Plus and Global Aristocrats are as at September 30, 2018 and September 30, 2017. 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, 2018 and September 30, 2017, 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 the formation date in the above table to the applicable year end reporting date.

Effective October 16, 2017, Portland Advantage Plus - Value Fund was renamed Portland Value Plus Fund.

2. BASIS OF PRESENTATION

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS).

The date of initial application for the new classification and measurement standards in IFRS 9 - Financial Instruments is for fiscal years beginning on or after January 1, 2018. The Funds have early adopted IFRS 9 in these financial statements and IFRS 9 has been applied retrospectively by the Funds. There were no changes in measurement attributes for any of the financial assets and liabilities held by the Funds as at January 1, 2018, however, some of the classifications have changed compared to the previous classification under IAS 39.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(a) Classification

The Funds have adopted IFRS 9 for the first time in these financial statements. IFRS 9 replaced IAS 39 and provides a new framework for classification and measurement of financial assets and liabilities, as well as new standards for hedge accounting. The Funds do not have arrangements in place that meet the criteria for hedge accounting, so those aspects of the standard have not been applied in these financial statements.

The Funds classify financial assets based on the business model used for managing such financial assets and the contractual cash flow characteristics of those financial assets. Each Fund may be divided into sub-portfolios that have different business models. Where contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI test), the financial asset will be classified as a financial asset at amortized cost.

The Funds recognize financial instruments at fair value upon initial recognition, inclusive of transaction costs in the case of financial instruments not measured at fair value. Purchases and sales of financial assets are recognized as at their trade date. The Funds classify their investment in equities and fixed income securities as financial assets or financial liabilities at fair value through profit or loss (FVTPL). Other investment funds (the Underlying Fund or EnTrustPermal Special Opportunities Fund IV Ltd. (EPSO4)) held by Value Plus do not meet the SPPI test and therefore have been classified as financial assets at fair value through profit and loss (FVTPL).

All other financial assets and liabilities are recognized at amortized cost and are reflected at the amount required to be paid, discounted to reflect the time value of money when appropriate.

The Funds' obligation for net assets attributable to holders of redeemable units does not meet the criteria for equity treatment and therefore is presented as a liability on the statement of financial position. The Funds have elected to classify their obligations for net assets attributable to holders of redeemable units as financial liabilities at FVTPL.

All remaining liabilities of the Funds are classified as financial liabilities at amortized cost and are reflected at the amount required to be paid, discounted to reflect the time value of money when appropriate.

The Funds' accounting policies for measuring the fair value of its investments 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 deductible from NAV over a five-year period commencing in January 2016 for Everest and McKinley and at a future time to be determined by the Manager for Value Plus and Global Aristocrats. For Everest, McKinley and Value Plus, such expenses are fully deductible in the first year of operations under IFRS. For Global Aristocrats, the amount of organization expenses incurred and expensed in the statements of comprehensive income is based on the maximum amount allowed to be charged to Global Aristocrats of 0.20% per annum multiplied by the NAV, regardless of whether or not the Manager has commenced deducting the amount from Global Aristocrats NAV for transaction purposes. 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 may 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 Funds may enter 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 are initially recognized at fair value. Transaction costs incurred to acquire financial assets at FVTPL are expensed as incurred in the statement of comprehensive income. Subsequent to initial recognition, all financial assets and liabilities at FVTPL are measured at fair value. Unrealized gains and losses arising from changes 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. Financial assets at amortized cost are subsequently measured at amortized cost, less any impairment losses. Transaction costs incurred on financial assets or liabilities at amortized cost are amortized over the life of the asset or liability.

Financial assets are de-recognized when the rights to receive cash flows 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 (for financial assets at FVTPL) or the amortized cost (for financial assets at amortized cost) is included within 'Net realized gain (loss) on investments' in the statements of comprehensive income.

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.

The Underlying Fund does not trade on an active market hence its fair value is determined using valuation techniques. The fair value is primarily determined based on the latest available price of the Underlying Fund as reported by Citco Fund Services (Curacao) B.V. (Citco), the administrator of the Underlying Fund. Adjustments may be made, if necessary, based on considerations such as the value date of the price provided, cash flows (calls/distributions) since the latest value date, the estimated total return reported by the manager of the Underlying Fund if a price is unavailable, restrictions on redemptions and the basis of accounting, if not at fair value. The Manager will monitor these estimates regularly and update them as necessary if macro or individual fund changes warrant any adjustments.

The manager of the Underlying Fund itself uses valuation techniques to determine the fair value of investments in the Underlying Fund for which market prices are not readily available. Citco relies on financial data furnished to it by the advisor and/or manager of the Underlying Fund including but not limited to, valuation of such investments. The Underlying Fund is audited annually by an independent auditor. There is no guarantee that the value ascribed to the Underlying Fund or any investment held by the Underlying Fund will represent the value to be realized in the eventual disposition of such investment or that could be realized upon an immediate disposition of such investment. All security valuation techniques are periodically reviewed and approved by the Manager. The Manager provides administration and oversight of the Fund's valuation policies and procedures. These procedures allow the Fund to utilize the latest net asset value pricing available, estimated total returns and other relevant market sources to determine fair value.

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) and the Underlying Fund to be investments in unconsolidated structured entities. ETFs and the Underlying Fund are valued as per above section on Fair Value Measurement. Details on structured entities are illustrated alongside the fund specific note disclosures where applicable.

The change in fair value of the structured entity is included in the statements of comprehensive income in 'Change in unrealized appreciation (depreciation) on investments'.

Revenue recognition

'Interest for distribution purposes' shown on the statements of comprehensive income represents the stated rate of interest earned by the Funds on fixed income securities accounted for on an accrual basis, as applicable. 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 are recognized as income on the ex-dividend date.

Foreign currency translation

The Funds' subscriptions and redemptions are denominated in Canadian dollars, which is also its functional and presentation currency. 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 exchange gain (loss) on cash and other net assets' on the statements of comprehensive income. Realized foreign exchange gains and losses related to investments are recognized when incurred and are presented in the statements of comprehensive income within 'Net realized gain (loss) on investments'.

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

'Foreign exchange gain (loss) on cash 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 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

The Funds issue multiple 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 the Funds 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 units 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 by the total number of outstanding redeemable units of each respective series.

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, including management fees and other operating expenses, are 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 at the discretion of the Manager. The Funds are required to distribute enough net income and net realized capital gains so that they do not have to pay ordinary income taxes. All distributions by the Funds will be automatically reinvested in additional units 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

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

Allocation of non-cash items on the statement of cash flows

The Funds include only the net cash flow impact and do not include non-cash switches between series of a Fund that occurred during the year in 'Proceeds from redeemable units issued' or 'Amount paid on redemption of redeemable units'. The below non-cash switches have been excluded from each Funds operation and financing activities on the statements of cash flows.

For the period ended	September 30, 2018 ($)	September 30, 2017 ($)
Portland Advantage Plus - Everest Fund	43,924	251,686
Portland Advantage Plus - McKinley Fund	65,971	79,422
Portland Value Plus Fund	17,538	4,056
Portland Global Aristocrat Plus Fund	38,017	-

Future accounting changes

New standards, amendments and interpretations effective after January 1, 2018 and that have not been early adopted

There are no new accounting standards effective after January 1, 2018 which affect the accounting policies of the Funds.

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.

Fair value of securities not quoted in an active market

The fair value of such securities not quoted in an active market may be determined by the Funds using reputable pricing sources (such as pricing agencies) or indicative prices. Such values may be indicative and not executable or binding. The Funds would exercise judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Funds may value positions using their own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The inputs into these models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The determination of what constitutes 'observable' requires significant judgment by the Funds. The Funds considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Fair value of Underlying Funds

The fair value of Underlying Funds that are not quoted in an active market is determined primarily in reference to the latest available price of such units for each Underlying Fund, as determined by the administrator of such Underlying Fund. The Fund may make adjustments to the reported net asset value of various Underlying Funds based on considerations such as the value date of the price provided, cash flows (calls/distributions) since the latest value date, the estimated total return reported by the manager of the Underlying Fund if a price is unavailable, restrictions on redemptions and the basis of accounting, if not at fair value.

The carrying values of Underlying Funds may be materially different to the values that could be realized as of the financial reporting date or ultimately realized on redemption.

Classification of financial assets and liabilities

Financial assets may be classified as financial assets at amortized cost, financial assets at FVTPL or financial assets at fair value through other comprehensive income. Financial liabilities may be classified as financial liabilities at amortized cost or financial liabilities at FVTPL. In order to classify its financial assets and liabilities in accordance with IFRS 9, the Manager uses judgment to assess the business model of the Funds and the cash flows of their financial assets and liabilities. The classification of financial assets and liabilities of the Funds are outlined in note 3.

5. RISK MANAGEMENT

The Funds' investment activities may be exposed to various financial risks, including market risk (which includes price risk, currency risk and interest rate risk), concentration risk, credit risk, liquidity risk and leverage risk. The Funds invest in other funds and are therefore susceptible to the market risk arising from uncertainties about future values of those Underlying Funds. The Manager makes investment decisions after an extensive assessment of the Underlying Fund, its strategy and the overall quality of the Underlying Fund's manager. All of the Underlying Funds and their underlying investments are subject to risks inherent in their industries. In the case of the Underlying Funds, established markets do not exist for these holdings, and are therefore considered illiquid. The Funds are therefore indirectly exposed to each financial risk of the respective Underlying Fund in proportion to its investments in such Underlying Fund. The Funds' interest in an Underlying Fund are disclosed in note (e) for each applicable fund). 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 Offering Memorandum. All investments result in a risk of loss of capital.

For a detailed discussion of risks associated with each Fund, refer to the 'Fund Specific Notes to the Financial Statements'.

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.

Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type or industry sector.

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.

Interest rate risk

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

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.

Liquidity risk

Liquidity risk is the risk that the Funds, or the Underlying Fund, 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. The Manager monitors the Funds liquidity position on an ongoing basis.

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 market data each time 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 N and/or Series O, 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.

The Funds endeavor to invest capital in appropriate investments in conjunction with their investment objectives. The Funds may borrow or dispose of investments, where necessary, to fund redemptions.

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. Units of each Fund are entitled to participate in its 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 Funds do 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, 2018 was as follows:

	Balance, Beginning of Period	Units Issued Including Switches from other Series	Units Reinvested	Units Redeemed Including Switches from other Series	Balance, End of Period	Weighted Average Number of Units
Portland Advantage Plus – Everest Fund						
Series A Units	211,313	49,049	16,166	26,921	249,607	229,215
Series F Units	741,489	50,405	57,493	131,520	717,867	711,884
Portland Advantage Plus – McKinley Fund						
Series A Units	115,636	3,856	9,905	21,840	107,557	113,164
Series F Units	287,823	11,459	27,591	43,869	283,004	299,856
Portland Value Plus Fund						
Series A Units	6,964	-	126	672	6,418	6,777
Series F Units	27,945	5,137	1,300	462	33,920	32,548
Portland Global Aristocrats Plus Fund						
Series A Units	9,268	1,002	344	1,033	9,581	9,449
Series F Units	4,035	1,603	209	609	5,238	5,229

The number of units issued and outstanding for the period ended September 30, 2017 was as follows:

	Balance, Beginning of Period	Units Issued Including Switches from other Series	Units Reinvested	Units Redeemed Including Switches from other Series	Balance, End of Period	Weighted Average Number of Units
Portland Advantage Plus – Everest Fund						
Series A Units	255,076	21,995	14,324	80,082	211,313	245,329
Series F Units	539,482	175,523	46,813	20,329	741,489	623,915
Portland Advantage Plus – McKinley Fund						
Series A Units	125,017	1,000	8,403	18,784	115,636	124,180
Series F Units	312,494	16,134	23,479	64,284	287,823	302,289
Portland Value Plus Fund						
Series A Units	7,644	788	206	1,674	6,964	7,924
Series F Units	25,097	2,636	1,394	1,182	27,945	27,274
Portland Global Aristocrats Plus Fund						
Series A Units	1,105	7,951	212	-	9,268	5,811
Series F Units	1,072	2,866	97	-	4,035	2,328

7. TAXATION

Value Plus 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) (the Tax Act). Each Fund calculates taxable income and net capital gains/(losses) in accordance with the Tax Act 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.

Value Plus and Global Aristocrats may incur Minimum Tax as defined in the Tax Act since they are unit trusts. Minimum Tax may arise if the unit trust retains capital gains by virtue of applying: a) expenses, b) non-capital loss carry forwards, or c) dividend tax credits against those gains. Minimum Tax may also arise in certain circumstances where dividend income is retained to utilize the dividend tax credit. Minimum Tax is reflected as an expense on the statements of comprehensive income if applicable.

The taxation year-end for the Funds is December 31. As at December 31, 2017, Everest, McKinley and Global Aristocrats had unused capital loss carry-forwards of $5,030,863, $2,373,717 and $975, respectively, which can be carried forward indefinitely. None of the Funds had unused non-capital loss carry-forwards.

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 Portland Advantage Plus - McKinley Fund Portland Value Plus Fund	Series A Units	0.75%	1.00%
	Series F Units	0.75%	-
	Series N Units	0.75%	1.00%
Portland Global Aristocrats Plus Fund	Series A Units	-	2.00%
	Series F Units	-	1.00%

Management fees on Series O units are negotiated with the Manager. Such fees are paid directly to the Manager and are not deducted from the NAV of Series O.

The Manager is 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 its 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 Plus 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 at a future time to be determined by the Manager for Value Plus and Global Aristocrats. For Everest, McKinley and Value Plus, 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 60 months commencing at such time as the manager in its discretion shall determine. For financial reporting purposes, an amount equal to the contractual maximum is required to be recognized as owing to the manager. For the period ending September 30, 2018, $696 was expensed in the statements of comprehensive income.

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).

The Manager may use third party proprietary 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 periods ended September 30, 2018 and September 30, 2017 are presented in the table below:

	September 30, 2018 ($)	September 30, 2017 ($)
Portland Advantage Plus – Everest Fund	2,648	1,624
Portland Advantage Plus – McKinley Fund	1,828	1,618
Portland Value Plus Fund	256	148
Portland Global Aristocrats Plus Fund	30	25

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 periods ended September 30, 2018 and September 30, 2017. 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 tables below exclude applicable GST or HST:

Period ended September 30, 2018	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	72,731	-	129,171	1,921	6,287
Portland Advantage Plus – McKinley Fund	77,649	-	136,851	2,083	6,277
Portland Value Plus Fund	17,370	4,778	50,555	2,402	-
Portland Global Aristocrats Plus Fund	13,297	4,046	51,850	1,011	-

Period ended September 30, 2017	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	98,039	-	165,315	1,785	6,276
Portland Advantage Plus – McKinley Fund	116,946	15,138	97,146	1,785	6,276
Portland Value Plus Fund	16,864	4,201	56,588	1,785	-
Portland Global Aristocrats Plus Fund	7,623	1,328	51,164	1,963	-

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

As at September 30, 2018	Management Fees ($)	Operating Expenses Reimbursement ($)	Organization Expenses Payable ($)
Portland Advantage Plus – Everest Fund	525	-	11,630
Portland Advantage Plus – McKinley Fund	570	-	13,364
Portland Value Plus Fund	1,522	412	13,635
Portland Global Aristocrats Plus Fund	-	-	1,619

As at September 30, 2017	Management Fees ($)	Operating Expenses Reimbursement ($)	Organization Expenses Payable ($)
Portland Advantage Plus – Everest Fund	529	-	16,944
Portland Advantage Plus – McKinley Fund	749	-	18,640
Portland Value Plus Fund	1,341	330	13,247
Portland Global Aristocrats Plus Fund	1,001	292	923

The Manager and/or its affiliates and key management personnel of the Manager and their family (collectively referred to as Related Parties) may invest in units of the Fund from time to time in the normal course of business. The following tables present the number of shares of each of the Funds held by the Manager and Related Parties on each reporting date.

As at September 30, 2018	Manager	Related Parties
Portland Advantage Plus – Everest Fund	-	38,669
Portland Advantage Plus – Mckinley Fund	-	-
Portland Value Plus Fund	-	20,144
Portland Global Aristocrats Plus Fund	-	345

As at September 30, 2017	Manager	Related Parties
Portland Advantage Plus – Everest Fund	-	27,659
Portland Advantage Plus – Mckinley Fund	-	2,430
Portland Value Plus Fund	-	15,246
Portland Global Aristocrats Plus Fund	-	330

11. BORROWING

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 U.S. dollars is the LIBOR (London Interbank Offered Rate) + 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 amounts borrowed as at September 30, 2018 and September 30, 2017 are presented below:

Borrowing	September 30, 2018 ($)	September 30, 2017 ($)
Portland Advantage Plus – Everest Fund	5,112,975	6,302,210
Portland Advantage Plus – McKinley Fund	5,664,606	6,515,136
Portland Value Plus Fund	1,243,228	1,173,540
Portland Global Aristocrats Plus Fund	305,962	250,462

The minimum and maximum amounts borrowed and the amount of interest paid during the period ended September 30, 2018 and September 30, 2017 are presented below:

Period ended September 30, 2018	Minimum Amount Borrowed ($)	Maximum Amount Borrowed ($)	Interest Paid ($)
Portland Advantage Plus – Everest Fund	4,302,945	6,835,209	133,297
Portland Advantage Plus – McKinley Fund	5,091,298	6,538,871	139,616
Portland Value Plus Fund	1,025,811	1,259,698	27,227
Portland Global Aristocrats Plus Fund	199,364	363,906	6,822

Period ended September 30, 2017	Minimum Amount Borrowed ($)	Maximum Amount Borrowed ($)	Interest Paid ($)
Portland Advantage Plus – Everest Fund	5,751,903	9,002,658	122,438
Portland Advantage Plus – McKinley Fund	6,445,972	11,252,315	145,648
Portland Value Plus Fund	1,017,957	1,264,940	18,233
Portland Global Aristocrats Plus Fund	1,666	273,736	1,995

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

The NAV per unit of the Funds 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 as described in note 3 and note 8. As a result, the NAV per unit is higher than net assets attributable to holders of redeemable units per unit. Also, as at September 30, 2018, net assets attributable to holders of redeemable units per unit was different than NAV unit due to the difference in the NAV date of September 28, 2018 and the financial statement date of September 30, 2018.

The table below provides a comparison of the per unit amounts as at September 30, 2018:

Fund/Series	NAV per Unit ($)	Net assets attributable to holders of redeemable units per unit ($)
Portland Advantage Plus - Everest Fund - Series A	2.67	2.66
Portland Advantage Plus - Everest Fund - Series F	2.66	2.65
Portland Advantage Plus - McKinley Fund - Series A	6.62	6.59
Portland Advantage Plus - McKinley Fund - Series F	6.62	6.59
Portland Value Plus Fund - Series A	25.84	25.49
Portland Value Plus Fund - Series F	25.16	24.82
Portland Global Aristocrats Plus Fund – Series A	54.99	54.88
Portland Global Aristocrats Plus Fund – Series F	55.27	55.16

The table below provides a comparison of the per unit amounts as at September 30, 2017:

Fund/Series	NAV per Unit ($)	Net assets attributable to holders of redeemable units per unit ($)
Portland Advantage Plus - Everest Fund - Series A	3.52	3.50
Portland Advantage Plus - Everest Fund - Series F	3.53	3.51
Portland Advantage Plus - McKinley Fund - Series A	8.82	8.78
Portland Advantage Plus - McKinley Fund - Series F	8.81	8.76
Portland Value Plus Fund - Series A	24.35	23.96
Portland Value Plus Fund - Series F	23.96	23.58
Portland Global Aristocrats Plus Fund – Series A	55.49	55.42
Portland Global Aristocrats Plus Fund – Series F	55.64	55.57

13. COMMITMENTS

On March 16, 2018, Value Plus committed to invest U.S. $200,000 in EPSO4 over a commitment period of 3 years. As at September 30, 2018 the cumulative amount paid toward this commitment was U.S. $59,472 and the remaining capital commitment was U.S. $140,528.

Unfunded capital commitments to the Underlying Fund are not presented in the statement of financial position as a liability, as the unfunded capital represents a loan commitment that is not within the scope of IFRS 9.

14. 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 with the applicable securities regulatory authorities.

15. SUBSEQUENT EVENTS

On or about February 28, 2019, the Manager intends to merge McKinley (the Terminating Fund) into Everest (the Continuing Fund). As a result of the merger and subsequent dissolution of the Terminating Fund, unitholders of the Terminating Fund will become unitholders of the Continuing Fund.

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