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Portland Focused Plus Fund LP
Portland Focused Plus Fund

Annual Financial Report

December 31, 2020

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Management's Responsibility for Financial Reporting

The accompanying financial statements of Portland Focused Plus Fund LP (the Partnership) and Portland Focused Plus Fund (the Trust) (collectively, the Funds) have been prepared by Portland Investment Counsel Inc. (the Manager) in its capacity as 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 general partner of the Partnership, Portland General Partner (Alberta) Inc., and the Board of Directors of the Manager of the Trust, have 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 as issued by the International Accounting Standards Board (IASB) 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 these 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 and partners as applicable, their opinion on the financial statements. Their report is attached.

"Michael Lee-Chin"

Michael Lee-Chin
Director
March 8, 2021

"Robert Almeida"

Robert Almeida
Director
March 8, 2021

Independent Auditor's Report

To the Partners and Unitholders, as applicable of

Portland Focused Plus Fund LP
Portland Focused Plus Fund

(individually, the Fund)

Our Opinion

In our opinion, the accompanying financial statements of each Fund present fairly, in all material respects, the financial position of each Fund as at December 31, 2020 and 2019 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The financial statements of each Fund comprise:

- the statements of financial position as at December 31, 2020 and 2019;
- the statements of comprehensive income for the years then ended;
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of each Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each Fund in accordance with IFRS, 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.

In preparing the financial statements, management is responsible for assessing the ability of each Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each Fund.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole for each Fund are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each Fund.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 internal control of each Fund.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licenced Public Accountants

Toronto, Canada
March 8, 2021

Statements of Financial Position

as at December 31,		2020		2019
Assets				
Current Assets				
Cash and cash equivalents	$	8,843,912	$	33,400,425
Subscriptions receivable		5,795,995		574,086
Interest receivable		-		629
Dividends receivable		14,681		64,512
Investments (note 5)		59,517,854		-
Investments - pledged as collateral (note 5 and 11)		25,906,978		29,906,419
		100,079,420		63,946,071
Liabilities				
Current Liabilities				
Borrowing (note 11)		26,733,419		10,527,536
Management fees payable		53,588		39,856
Performance fees payable		303,827		-
Expenses payable		30,070		21,498
Redemptions payable		110,047		6,648,338
		27,230,951		17,237,228
Net Assets Attributable to Holders of Redeemable Units	$	72,848,469	$	46,708,843
Equity				
General Partner's Equity		100		100
Net Assets Attributable to Holders of Redeemable Units Per Series				
Series A		2,267,620		1,271,134
Series F		39,258,207		19,145,234
Series M		9,792,712		9,007,312
Series P		3,874,580		4,447,817
Series Q		17,655,250		12,837,246
	$	72,848,369	$	46,708,743
Number of Redeemable Units Outstanding (note 6)				
Series A		10,528		7,423
Series F		168,373		104,325
Series M		35,567		42,724
Series P		15,565		22,927
Series Q		253,493		241,452
Net Assets Attributable to Holders of Redeemable Units Per Unit				
Series A	$	215.38	$	171.23
Series F	$	233.16	$	183.52
Series M	$	275.33	$	210.83
Series P	$	248.93	$	194.00
Series Q	$	69.65	$	53.17

Approved by the Board of Directors of Portland General Partner (Alberta) Inc.

"Michael Lee-Chin" *"James Cole"*

Director Director

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

Statements of Comprehensive Income

for the years ended December 31,	2020	2019
Income		
Net gain (loss) on investments		
Dividends	$ 2,237,374	$ 1,934,520
Interest for distribution purposes	301,101	166,225
Net realized gain (loss) on investments	12,920,340	7,757,486
Change in unrealized appreciation (depreciation) on investments	2,305,456	8,553,764
	17,764,271	18,411,995
Other income		
Foreign exchange gain (loss) on cash and other net assets	1,331,780	1,500,233
Total income (net)	19,096,051	19,912,228
Expenses		
Performance fees (note 8)	1,119,976	829,018
Management fees (note 8)	465,554	367,378
Interest expense and bank charges (note 11)	292,250	722,243
Withholding tax expense	220,474	82,100
Transaction costs	116,461	9,398
General and administrative expenses	74,589	109,704
Audit fees	13,889	11,919
Legal and registration fees	7,034	3,484
Independent review committee fees	3,174	2,709
Custodial fees	205	117
Total operating expenses	2,313,606	2,138,070
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ 16,782,445	$ 17,774,158
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	$ 603,843	$ 348,503
Series F	$ 9,019,260	$ 6,032,879
Series M	$ 228,032	$ 4,699,913
Series P	$ 2,288,306	$ 6,004,058
Series Q	$ 4,643,004	$ 688,805
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	$ 62.20	$ 55.43
Series F	$ 68.36	$ 60.86
Series M	$ 7.98	$ 128.53
Series P	$ 86.21	$ 77.81
Series Q	$ 18.12	$ 2.48

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 years ended December 31,	2020	2019
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period		
Series A	$ 1,271,134	$ 703,022
Series F	19,145,234	11,630,500
Series M	9,007,312	9,626,260
Series P	4,447,817	11,705,952
Series Q	12,837,246	-
	46,708,743	33,665,734
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Series A	603,843	348,503
Series F	9,019,260	6,032,879
Series M	228,032	4,699,913
Series P	2,288,306	6,004,058
Series Q	4,643,004	688,805
	16,782,445	17,774,158
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	526,452	272,517
Series F	12,879,174	2,225,290
Series M	3,288,274	7,192,754
Series P	3,810,272	1,000,000
Series Q	1,175,000	25,253,863
	21,679,172	35,944,424
Redemptions of redeemable units		
Series A	(133,809)	(52,908)
Series F	(1,785,461)	(743,435)
Series M	(2,730,906)	(12,511,615)
Series P	(6,671,815)	(14,262,193)
Series Q	(1,000,000)	(13,105,422)
	(12,321,991)	(40,675,573)
Net Increase (Decrease) from Redeemable Unit Transactions	9,357,181	(4,731,149)
Net Assets Attributable to Holders of Redeemable Units at End of Period		
Series A	2,267,620	1,271,134
Series F	39,258,207	19,145,234
Series M	9,792,712	9,007,312
Series P	3,874,580	4,447,817
Series Q	17,655,250	12,837,246
	$ 72,848,369	$ 46,708,743

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

Statements of Cash Flows

for the years ended December 31,		2020		2019
Cash Flows from Operating Activities				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$	16,782,445	$	17,774,158
Adjustments for:				
Net realized (gain) loss on investments		(12,920,340)		(7,757,486)
Change in unrealized (appreciation) depreciation on investments		(2,305,456)		(8,553,764)
Unrealized foreign exchange (gain) loss on cash		(349)		(729)
(Increase) decrease in interest receivable		629		(629)
(Increase) decrease in dividends receivable		49,831		223,065
Increase (decrease) in management fees, performance fees, and expenses payable		326,131		(92,373)
Purchase of investments		(141,566,834)		-
Proceeds from sale of investments		101,274,217		76,960,554
Net Cash Generated (Used) by Operating Activities		(38,359,726)		78,552,796
Cash Flows from Financing Activities				
Increase (decrease) in borrowing		16,205,883		(46,588,739)
Proceeds from redeemable units issued (note 3)		12,909,590		2,429,209
Amount paid on redemption of redeemable units (note 3)		(15,312,609)		(994,606)
Net Cash Generated (Used) by Financing Activities		13,802,864		(45,154,136)
Net increase (decrease) in cash and cash equivalents		(24,556,862)		33,398,660
Unrealized foreign exchange gain (loss) on cash		349		729
Cash and cash equivalents - beginning of period		33,400,425		1,036
Cash and cash equivalents - end of period		8,843,912		33,400,425
Cash and cash equivalents comprise:				
Cash at bank	$	43,947	$	12,052
Short-term investments		8,799,965		33,388,373
	$	8,843,912	$	33,400,425
From operating activities:				
Interest received, net of withholding tax	$	301,730	$	165,596
Dividends received, net of withholding tax	$	2,066,731	$	2,075,485
From financing activities:				
Interest paid	$	281,551	$	835,690

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

Schedule of Investment Portfolio

as at December 31, 2020

No. of Shares	Security Name		Cost		Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES						
Canada						
67,300	The Bank of Nova Scotia	$	5,007,434	$	4,630,240	6.4%
France						
122,600	Vivendi SA		4,852,484		5,029,256	6.9%
Japan						
107,650	Hitachi, Ltd.		4,899,199		5,394,582	
434,530	Mitsubishi Corporation		13,366,772		13,611,551	
147,000	SoftBank Group Corporation, ADR		3,901,911		7,233,916	
			22,167,882		26,240,049	36.0%
United Kingdom						
178,794	Liberty Global PLC		4,734,128		5,382,430	
323,042	Vodafone Group PLC, Sponsored ADR		6,789,959		6,776,578	
			11,524,087		12,159,008	16.7%
United States						
1,195,436	Lumen Technologies, Inc.		15,165,721		14,836,287	
218,500	Citigroup Inc.		16,646,858		17,149,413	
99,600	The Bank of New York Mellon Corporation		4,749,415		5,380,579	
			36,561,994		37,366,279	51.3%
	Total investment portfolio		80,113,881		85,424,832	117.3%
	Transaction costs		(51,091)		-	-
		$	80,062,790		85,424,832	117.3%
	Other assets less liabilities				(12,576,463)	(17.3%)
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			$	72,848,369	100.0%

(a) OFFSETTING ASSETS AND LIABILITIES

The Partnership 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 Partnership 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 Partnership's investment objectives and strategy.

If the prices of the investments held by the Partnership on December 31, 2020 had been higher or lower by 10%, net assets attributable to holders of redeemable units of the Partnership would have been higher or lower by $8,542,483 (December 31, 2019: $2,990,642). Actual results may differ from this sensitivity analysis and the difference could be material.

Concentration risk

The following tables present the Partnership's exposure as a percentage of the total carrying value of the investments by geographic region and by industry sector as at December 31, 2020 and December 31, 2019.

By Geographic Region	December 31, 2020	December 31, 2019
United States	43.8%	35.7%
Japan	30.7%	-
United Kingdom	14.2%	-
France	5.9%	-
Canada	5.4%	64.3%
Total	**100.0%**	**100.0%**

By Industry Sector	December 31, 2020	December 31, 2019
Communication Services	46.0%	-
Financials	31.8%	83.4%
Industrials	15.9%	-
Information Technology	6.3%	-
Consumer Discretionary	-	16.6%
Total	**100.0%**	**100.0%**

Currency risk

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

The tables below indicate the foreign currencies to which the Partnership had significant exposure at December 31, 2020 and December 31, 2019 in Canadian dollar terms. The tables also illustrate the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	Exposure			Impact on net assets attributable to holders of redeemable units		
December 31, 2020	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
Euro	16,096	5,029,256	5,045,352	1,610	502,926	504,536
Japanese Yen	14,010	19,006,133	19,020,143	1,401	1,900,613	1,902,014
United States Dollar	(26,763,863)	56,759,203	29,995,340	(2,676,386)	5,675,920	2,999,534
Total	**(26,733,757)**	**80,794,592**	**54,060,835**	**(2,673,375)**	**8,079,459**	**5,406,084**
% of net assets attributable to holders of redeemable units	**(36.7%)**	**110.9%**	**74.2%**	**(3.7%)**	**11.1%**	**7.4%**

December 31, 2019	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
United States Dollar	(10,573,046)	10,687,517	114,471	(1,057,305)	1,068,752	11,447
Total	**(10,573,046)**	**10,687,517**	**114,471**	**(1,057,305)**	**1,068,752**	**11,447**
% of net assets attributable to holders of redeemable units	**(22.6%)**	**22.9%**	**0.3%**	**(2.3%)**	**2.3%**	**-**

Interest rate risk

As at December 31, 2020 and December 31, 2019, the Partnership had significant direct exposure to interest rate risk from its use of borrowing. The amount borrowed as at December 31, 2020 was $26,733,419 (December 31, 2019: $10,527,536) and was repayable on demand.

If interest rates had doubled during the year, interest expense would have been higher and ending net assets attributable to holders of redeemable units would have been lower by $291,120 (December 31, 2019: $721,703).

Credit risk

As at December 31, 2020 and December 31, 2019, the Partnership did not have significant exposure to credit risk.

Liquidity risk

The Partnership 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. Redeemable units are redeemed on demand at the holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term. There were one individual investor as at December 31, 2020 and three individual investors as at December 31, 2019 that held more than 10% of the Partnership's redeemable units.

The main concentration of liquidity risk arises from the Partnership'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.

All other obligations of the Partnership were due within 3 months from the financial reporting date. The tables below analyze the Partnership's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

December 31, 2020	< 6 months ($)	> 6 months ($)	Total ($)
Borrowing	26,733,419	-	26,733,419
Net assets attributable to holders of redeemable units	72,848,469	-	72,848,469
Management fees and expenses payable	83,658	-	83,658
Performance fees payable	303,827	-	303,827
Redemptions Payable	110,047	-	110,047

December 31, 2019	< 6 months ($)	> 6 months ($)	Total ($)
Borrowing	10,527,536	-	10,527,536
Net assets attributable to holders of redeemable units	46,708,743	-	46,708,743
Management fees and expenses payable	61,354	-	61,354
Redemptions Payable	6,648,338	-	6,648,338

Leverage risk

The Partnership may generally borrow up to 70% of its total assets. The Partnership was subject to leverage risk as at December 31, 2020 and December 31, 2019. The Partnership 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 Partnership pays interest on the amounts borrowed. Interest is accrued daily and paid monthly.

As at December 31, 2020, the amount borrowed was $26,733,419 (December 31, 2019: $10,527,536). The lender nets the amount borrowed with any cash balances held by the Partnership and includes the impact of any securities bought or sold that are not yet paid by or to the Partnership. When calculated this way, the borrowing percentage as at December 31, 2020 was 28.4% (December 31, 2019: 16.6%). Interest expense for the year ended December 31, 2020 was $291,120 (December 31, 2019: $721,703).

(c) FAIR VALUE OF FINANCIAL INSTRUMENTS

The following tables illustrate the classification of the Partnership's financial instruments within the fair value hierarchy as at December 31, 2020 and December 31, 2019:

	Assets (Liabilities)			
December 31, 2020	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	85,424,832	-	-	85,424,832
Total	**85,424,832**	**-**	**-**	**85,424,832**

	Assets (Liabilities)			
December 31, 2019	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	29,906,419	-	-	29,906,419
Total	**29,906,419**	**-**	**-**	**29,906,419**

Statements of Financial Position

as at December 31,	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	$ 5,324,151	$ 19,200,146
Subscriptions receivable	3,077,589	826,926
Interest receivable	-	561
Dividends receivable	9,882	37,152
Investments (note 5)	40,357,341	-
Investments - pledged as collateral (note 5 and 11)	17,807,910	17,234,909
	66,576,873	37,299,694
Liabilities		
Current Liabilities		
Borrowing (note 11)	17,621,185	6,022,843
Management fees payable	46,572	28,345
Performance fees payable	309,384	-
Expenses payable	23,893	20,157
Redemptions payable	5,142,352	47,671
Distributions payable	195,930	60,736
Organization expenses payable	357	1,431
	23,339,673	6,181,183
Non-current Liabilities		
Organization expenses payable	-	356
	23,339,673	6,181,539
Net Assets Attributable to Holders of Redeemable Units	$ 43,237,200	$ 31,118,155
Net Assets Attributable to Holders of Redeemable Units Per Series		
Series A	5,118,139	4,502,359
Series F	33,462,261	21,400,283
Series M	2,766,778	715,148
Series P	1,890,022	4,500,365
	$ 43,237,200	$ 31,118,155
Number of Redeemable Units Outstanding (note 6)		
Series A	71,997	69,087
Series F	462,243	319,235
Series M	31,158	8,918
Series P	21,032	65,115
Net Assets Attributable to Holders of Redeemable Units Per Unit		
Series A	$ 71.09	$ 65.17
Series F	$ 72.39	$ 67.04
Series M	$ 88.80	$ 80.19
Series P	$ 89.87	$ 69.11

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 years ended December 31,	2020	2019
Income		
Net gain (loss) on investments		
Dividends	$ 1,516,386	$ 1,060,414
Interest for distribution purposes	208,179	86,999
Net realized gain (loss) on investments	7,489,905	4,134,201
Change in unrealized appreciation (depreciation) on investments	2,875,325	4,670,574
	12,089,795	9,952,188
Other income		
Foreign exchange gain (loss) on cash and other net assets	899,546	809,995
Total income (net)	12,989,341	10,762,183
Expenses		
Performance fees (note 8)	1,212,950	496,424
Management fees (note 8)	394,020	296,902
Interest expense and bank charges (note 11)	195,644	383,801
Withholding tax expense	144,377	41,172
General and administrative expenses	93,956	133,984
Transaction costs	77,339	5,037
Audit fees	12,338	12,322
Independent review committee fees	3,194	2,724
Legal fees	404	-
Custodial fees	219	151
Total operating expenses	2,134,441	1,372,517
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ 10,854,900	$ 9,389,666
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	$ 1,295,945	$ 1,242,320
Series F	$ 9,256,438	$ 5,687,194
Series M	$ 230,089	$ 923,312
Series P	$ 72,428	$ 1,536,840
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	$ 17.63	$ 22.70
Series F	$ 23.81	$ 24.00
Series M	$ 25.80	$ 34.47
Series P	$ 1.76	$ 26.84

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 years ended December 31,	2020	2019
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period		
Series A	$ 4,502,359	$ 2,516,996
Series F	21,400,283	10,535,950
Series M	715,148	1,922,953
Series P	4,500,365	2,963,526
	31,118,155	17,939,425
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Series A	1,295,945	1,242,320
Series F	9,256,438	5,687,194
Series M	230,089	923,312
Series P	72,428	1,536,840
	10,854,900	9,389,666
Distributions to Holders of Redeemable Units		
From net realized gains on investments		
Series A	(787,312)	(504,320)
Series F	(5,969,371)	(2,466,109)
Series M	(153,357)	-
Series P	-	(543,514)
Net Decrease from Distributions to Holders of Redeemable Units	(6,910,040)	(3,513,943)
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	676,283	932,967
Series F	8,253,709	5,911,752
Series M	1,821,541	-
Series P	575,000	-
	11,326,533	6,844,719
Reinvestments of distributions		
Series A	765,150	504,554
Series F	5,795,368	2,405,140
Series M	153,357	-
Series P	-	543,513
	6,713,875	3,453,207
Redemptions of redeemable units		
Series A	(1,334,286)	(190,158)
Series F	(5,274,166)	(673,644)
Series M	-	(2,131,117)
Series P	(3,257,771)	-
	(9,866,223)	(2,994,919)
Net Increase (Decrease) from Redeemable Unit Transactions	8,174,185	7,303,007
Net Assets Attributable to Holders of Redeemable Units at End of Period		
Series A	5,118,139	4,502,359
Series F	33,462,261	21,400,283
Series M	2,766,778	715,148
Series P	1,890,022	4,500,365
	$ 43,237,200	$ 31,118,155

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

Statements of Cash Flows

for the years ended December 31,		2020		2019
Cash Flows from Operating Activities				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$	10,854,900	$	9,389,666
Adjustments for:				
Net realized (gain) loss on investments		(7,489,905)		(4,134,201)
Change in unrealized (appreciation) depreciation on investments		(2,875,325)		(4,670,574)
Unrealized foreign exchange (gain) loss on cash		(251)		(379)
(Increase) decrease in interest receivable		561		(561)
(Increase) decrease in dividends receivable		27,270		112,803
Increase (decrease) in management fees, performance fees, and expenses payable		331,347		(40,936)
Increase (decrease) in organization expenses payable		(1,430)		(1,430)
Purchase of investments		(90,981,123)		(1,154,556)
Proceeds from sale of investments		60,416,011		40,113,912
Net Cash Generated (Used) by Operating Activities		(29,717,945)		39,613,744
Cash Flows from Financing Activities				
Increase (decrease) in borrowing		11,598,342		(23,840,560)
Distributions to holders of redeemable units, net of reinvested distributions		(60,971)		(52,297)
Proceeds from redeemable units issued (note 3)		6,897,183		5,694,581
Amount paid on redemption of redeemable units (note 3)		(2,592,855)		(2,216,732)
Net Cash Generated (Used) by Financing Activities		15,841,699		(20,415,008)
Net increase (decrease) in cash and cash equivalents		(13,876,246)		19,198,736
Unrealized foreign exchange gain (loss) on cash		251		379
Cash and cash equivalents - beginning of period		19,200,146		1,031
Cash and cash equivalents - end of period		5,324,151		19,200,146
Cash and cash equivalents comprise:				
Cash at bank	$	24,175	$	106,796
Short-term investments		5,299,976		19,093,350
	$	5,324,151	$	19,200,146
From operating activities:				
Interest received, net of withholding tax	$	208,740	$	86,438
Dividends received, net of withholding tax	$	1,399,279	$	1,132,045
From financing activities:				
Interest paid	$	186,632	$	597,393

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

Schedule of Investment Portfolio
as at December 31, 2020

No. of Shares	Security Name		Cost		Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES						
Canada						
44,800	The Bank of Nova Scotia	$	3,319,921	$	3,082,240	7.1%
France						
83,400	Vivendi SA		3,300,956		3,421,207	7.9%
Japan						
73,200	Hitachi, Ltd.		3,323,711		3,668,215	
295,400	Mitsubishi Corporation		9,086,203		9,253,336	
100,000	SoftBank Group Corporation, ADR		2,668,412		4,921,031	
			15,078,326		17,842,582	41.3%
United Kingdom						
123,617	Liberty Global PLC		3,273,141		3,721,377	
219,661	Vodafone Group PLC, Sponsored ADR		4,617,014		4,607,915	
			7,890,155		8,329,292	19.3%
United States						
812,878	Lumen Technologies, Inc.		10,308,709		10,088,446	
148,600	Citigroup Inc.		10,382,799		11,663,170	
69,200	The Bank of New York Mellon Corporation		3,291,931		3,738,314	
			23,983,439		25,489,930	59.0%
	Total investment portfolio		53,572,797		58,165,251	134.6%
	Transaction costs		(35,749)		-	-
		$	53,537,048		58,165,251	134.6%
	Other assets less liabilities				(14,928,051)	(34.6%)
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			$	43,237,200	100.0%

(a) OFFSETTING ASSETS AND LIABILITIES

The Trust 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 Trust 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 Trust's investment objectives and strategy.

If the prices of the investments held by the Trust on December 31, 2020 had been higher or lower by 10%, net assets attributable to holders of redeemable units of the Trust would have been higher or lower by $5,816,525 (December 31, 2019: $1,723,490). Actual results may differ from this sensitivity analysis and the difference could be material.

Concentration risk

The following tables present the Trust's exposure as a percentage of the total carrying value of the investments by geographic region and by industry sector as at December 31, 2020 and December 31, 2019.

By Geographic Region	December 31, 2020	December 31, 2019
United States	43.8%	35.7%
Japan	30.7%	-
United Kingdom	14.3%	-
France	5.9%	-
Canada	5.3%	64.3%
Total	**100.0%**	**100.0%**

By Industry Sector	December 31, 2020	December 31, 2019
Communication Services	46.0%	-
Financials	31.8%	83.4%
Industrials	15.9%	-
Information Technology	6.3%	-
Consumer Discretionary	-	16.6%
Total	**100.0%**	**100.0%**

Currency risk

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

The tables below indicate the foreign currencies to which the Trust had significant exposure as at December 31, 2020 and December 31, 2019 in Canadian dollar terms. The tables also illustrate the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	Exposure			Impact on net assets attributable to holders of redeemable units		
December 31, 2020	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
Euro	10,929	3,421,207	3,432,136	1,093	342,121	343,214
Japanese Yen	3,793	12,921,552	12,925,345	379	1,292,155	1,292,534
United States Dollar	(17,689,309)	38,740,253	21,050,944	(1,768,931)	3,874,025	2,105,094
Total	**(17,674,587)**	**55,083,012**	**37,408,425**	**(1,767,459)**	**5,508,301**	**3,740,842**
% of net assets attributable to holders of redeemable units	**(40.9%)**	**127.4%**	**86.5%**	**(4.1%)**	**12.7%**	**8.6%**

	Exposure			Impact on net assets attributable to holders of redeemable units		
December 31, 2019	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
United States Dollar	(6,074,309)	6,160,722	86,413	(607,431)	616,072	8,641
Total	**(6,074,309)**	**6,160,722**	**86,413**	**(607,431)**	**616,072**	**8,641**
% of net assets attributable to holders of redeemable units	**(19.5%)**	**19.8%**	**0.3%**	**(2.0%)**	**2.0%**	**-**

Interest rate risk

As at December 31, 2020 and December 31, 2019, the Trust had significant direct exposure to interest rate risk from its use of borrowing. The amount borrowed as at December 31, 2020 was $17,621,185 (December 31, 2019: $6,022,843) and was repayable on demand.

If interest rates had doubled during the year, interest expense would have been higher and ending net assets attributable to holders of redeemable units would have been lower by $194,514 (December 31, 2019: $383,431).

Credit risk

As at December 31, 2020 and December 31, 2019, the Trust did not have significant exposure to credit risk.

Liquidity risk

The Trust 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. Redeemable units are redeemed on demand at the holder's option. However, the Manager does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term. As at December 31, 2020 and December 31, 2019, there were no individual investors that held more than 10% of the Trust's redeemable units.

The main concentration of liquidity risk arises from the Trust'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.

All other obligations of the Trust were due within 3 months from the financial reporting date. The tables below analyze the Trust'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.

December 31, 2020	< 6 months ($)	> 6 months ($)	Total ($)
Borrowing	17,621,185	-	17,621,185
Net assets attributable to holders of redeemable units	43,237,200	-	43,237,200
Management fees and expenses payable	70,465	-	70,465
Performance fees payable	309,384	-	309,384
Redemptions payable	5,142,352	-	5,142,352
Distribution payable	195,930	-	195,930
Organization expenses payable	357	-	357

December 31, 2019	< 6 months ($)	> 6 months ($)	Total ($)
Borrowing	6,022,843	-	6,022,843
Net assets attributable to holders of redeemable units	31,118,155	-	31,118,155
Management fees and expenses payable	48,502	-	48,502
Redemptions payable	47,671	-	47,671
Distributions payable	60,736	-	60,736
Organization expenses payable	1,431	356	1,787

Leverage risk

The Trust may generally borrow up to 70% of its total assets. The Trust was subject to leverage risk as at December 31, 2020 and December 31, 2019. The Trust 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 Trust pays interest on the amounts borrowed. Interest is accrued daily and paid monthly.

As at December 31, 2020, the amount borrowed was $17,621,185 (December 31, 2019: $6,022,843). The lender nets the amount borrowed with any cash balances held by the Trust and includes the impact of any securities bought or sold that are not yet paid by or to the Trust. When calculated this way, the borrowing percentage as at December 31, 2020 was 27.7% (December 31, 2019: 16.5%). Interest expense for the year ended December 31, 2020 was $194,514 (December 31, 2019: $383,431).

(c) FAIR VALUE OF FINANCIAL INSTRUMENTS

The following tables illustrate the classification of the Trust's financial instruments within the fair value hierarchy as at December 31, 2020 and December 31, 2019:

	Assets (Liabilities)			
December 31, 2020	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	58,165,251	-	-	58,165,251
Total	**58,165,251**	**-**	**-**	**58,165,251**

	Assets (Liabilities)			
December 31, 2019	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	17,234,909	-	-	17,234,909
Total	**17,234,909**	**-**	**-**	**17,234,909**

1. GENERAL INFORMATION

(a) Establishment of the Partnership

Portland Focused Plus Fund LP (the Partnership) is a limited partnership established under the laws of the Province of Alberta pursuant to a limited partnership agreement dated as of October 22, 2012, as amended thereafter and as may be amended and restated from time to time. The inception date of the Partnership was October 31, 2012. Pursuant to the partnership agreement, Portland General Partner (Alberta) Inc. (the General Partner) is responsible for the management of the Partnership. The General Partner has engaged Portland Investment Counsel Inc. (the Manager) to direct the day-to-day business, operations and affairs of the Partnership, including management of the Partnership's portfolio on a discretionary basis and distribution of the units of the Partnership. The head office of the Partnership is c/o Borden Ladner Gervais LLP, 1900, 520 – 3rd Avenue S.W. Calgary, Alberta T2P 0R3. These financial statements were authorized for issue by the General Partner on March 8, 2021.

The Directors of the General Partner are Michael Lee-Chin, James Cole and Michael Perkins.

(b) Establishment of the Trust

Portland Focused Plus Fund (the Trust) is an open-end investment fund established under the laws of the Province of Ontario as a trust pursuant to an amended and restated master declaration of trust dated as of December 13, 2013, as amended thereafter and as may be amended and restated from time to time. The formation date of the Trust was March 1, 2016 and inception date was March 31, 2016. The Manager is also the Investment Fund Manager, Portfolio Manager and Trustee of the Trust. The head office of the Trust is 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7. These financial statements were authorized for issue by the Board of Directors of the Manager on March 8, 2021.

(c) The Funds

Portland Focused Plus Fund LP and Portland Focused Plus Fund may be individually referred to as a Fund or collectively referred to as the Funds throughout the notes to these financial statements. The Funds offer units to the public on a private placement basis under an offering memorandum.

The investment objective of the Funds is to achieve, over the long term, preservation of capital and a satisfactory return. To achieve this investment objective, the Manager will employ the following core techniques:

a) focused investing in a limited number of long securities positions; and

b) leverage by purchasing securities on margin. Margin borrowings may generally comprise up to 70% of each Fund's total assets. The Funds will incur such borrowings in Canadian dollars, United States dollars or such other currencies, as it may deem advisable from time to time.

To a lesser extent, derivatives and short selling may also be used on an opportunistic basis in order to meet each Fund's investment objective. Each Fund may also invest in real estate investment trusts, other income trusts, exchange-traded funds, preferred shares and debt securities including convertibles, corporate and sovereign debt. Each Fund may hold cash in short-term debt instruments, money market funds or similar temporary instruments pending full investment of the Fund's capital and at any time deemed appropriate by the Manager. Neither of the Funds has geographic, industry sector, asset class or market capitalization restrictions. There is no restriction on the percentage of the net asset value of each Fund which may be invested in the securities of a single issuer.

The statements of financial position of the Funds are as at December 31, 2020 and December 31, 2019. The statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows are for the years ended December 31, 2020 and December 31, 2019. The schedule of investment portfolio of the Funds are as at December 31, 2020.

2. BASIS OF PRESENTATION

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss (FVTPL).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(a) Classification

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 investments in equities and fixed income securities as financial assets or financial liabilities at FVTPL.

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 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 2012 for the Partnership and 2016 for the Trust. Such expenses are fully deductible in the first year of operations under IFRS. Therefore, the NAV of the Trust 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 statements 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 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 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 closing 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.

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 their 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) of investments' in the statements of comprehensive income.

'Foreign exchange gain (loss) on cash and other net assets' arises from sale of foreign currencies, change in foreign currency denominated loans, 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 includes 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 redemption 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 each Funds' 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 Funds offer multiple series of units which do not have identical features and are redeemable on demand for cash and therefore, have been classified as financial liabilities; except for the General Partner's interest in the Partnership which is recorded as equity.

Expenses

Expenses of the Funds including management fees, Performance Fees (as defined in note 8) 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.

Organization expenses

Organization expenses include legal and registration fees associated with the formation of the Funds and are amortized over five years for tax purposes. For financial reporting purposes, these fees were expensed in their entirety in the first fiscal year of the Funds. Organization expenses are payable to the Manager and are being invoiced by the Manager. The Manager expects to invoice the entire amount of organization expenses within five years of the formation of each of the Funds.

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 Trust will distribute sufficient net income and net realized gains to unitholders annually to ensure that the Trust is not liable for ordinary income taxes.

All distributions by the Partnership will be paid in cash. All distributions by the Trust will automatically be reinvested in additional units of the Trust 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 Fund's operation and financing activities on the statements of cash flows for the years ended December 31, 2020 and December 31, 2019.

	December 31, 2020 ($)	December 31, 2019 ($)
Portland Focused Plus Fund LP	3,547,673	33,046,618
Portland Focused Plus Fund	2,178,687	739,820

Future accounting changes

New standards, amendments and interpretations effective after January 1, 2020 and that have not been early adopted

There are no new accounting standards effective after January 1, 2020 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 judgment 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 consider 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 foreign securities

The Manager has procedures in place to determine the fair value of foreign securities traded in foreign markets to avoid stale prices and to take into account, among other things, any subsequent events occurring after the close of a foreign market. The Manager's fair value pricing techniques involve assigning values to the Funds' portfolio holdings that may differ from the closing prices on the foreign securities exchanges. The Manager will do this in circumstances where it has in good faith determined that to do so better reflects the market values of the securities in question.

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.

Coronavirus (COVID-19) Impact

While the precise impact of the recent novel coronavirus COVID-19 outbreak remains unknown, it has introduced uncertainty and volatility in global markets and economies, resulting in an economic slowdown. Governments have implemented significant monetary and fiscal interventions to stabilize current economic conditions. This is a developing situation and might impact the Funds' ability to generate income. Currently, it is unknown as to the impact on the Funds' receivables and investments if COVID-19 persists for an extended period. The Funds may incur reductions in revenue relating to such events outside of their control, which could have a material adverse impact on the Funds' business, operating results, revenues and financial condition. The Manager is in the process of assessing the impact of COVID-19, however, given the fluidity and significant volatility of the situation, it is not possible to quantify the impact at this stage. No adjustments have been reflected in the financial statements at this time.

5. FINANCIAL INSTRUMENTS

(a) 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' 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 will encounter difficulty in meeting their obligations associated with financial liabilities. The Funds are exposed to monthly cash redemptions and may 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 positions 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. When the Funds borrow cash for investment purposes, or use short sales on equities, fixed-income securities or other portfolio assets, leverage may be introduced into the Funds. Leverage occurs when the Funds borrow to invest or when the Funds' notional exposure to underlying assets is greater than the amount invested. It is an investment technique that can magnify gains and losses. Consequently any adverse change in the value or level of the Funds' investments, or of the underlying assets, rate or index to which the Funds' investments relate, may amplify losses compared to those that would have been incurred if the Funds have not borrowed to invest or if the underlying asset had been directly held by the Funds. This may result in losses greater than if the Fund had not borrowed to invest.

(b) 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. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. 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.

6. REDEEMABLE UNITS

The Funds are permitted to issue an unlimited number of redeemable units issuable in Series A, Series F, Series M, Series P, Series Q and 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 differences between the series of units relates to the management fee and Performance Fee (as defined in note 8) payable to the Manager, minimum investment requirements and the compensation paid to dealers. Units of each Fund are entitled to participate in the 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 offering memorandum.

Series A Units are available to investors who meet eligibility requirements and who invest a minimum of $2,500.

Series F Units are available to investors who meet eligibility requirements and who invest a minimum of $2,500, 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 M and Series P Units are available to investors who meet eligibility requirements and who invest a minimum of $500,000 in respect of the Trust and $1,000,000 in respect of the Partnership.

Series Q Units are available to investors who meet eligibility requirements and who invest a minimum of $10,000,000. Series O Units are available to certain institutional investors making a minimum investment of $500,000. The Trust has not yet issued any Series Q Units.

The number of units issued and outstanding for the years ended December 31, 2020 and December 31, 2019 were as follows:

December 31, 2020	Beginning Balance	Units Issued Including Switches from Other Series	Units Reinvested	Units Redeemed Including Switches to Other Series	Ending Balance	Weighted Average Number of Units
Portland Focused Plus Fund LP						
Series A Units	7,423	3,849	-	744	10,528	9,709
Series F Units	104,325	74,578	-	10,530	168,373	131,943
Series M Units	42,724	11,943	-	19,100	35,567	28,582
Series P Units	22,927	26,556	-	33,918	15,565	26,543
Series Q Units	241,452	31,853	-	19,812	253,493	256,212
Portland Focused Plus Fund						
Series A Units	69,087	12,305	10,763	20,158	71,997	73,502
Series F Units	319,235	136,968	80,056	74,016	462,243	388,751
Series M Units	8,918	20,513	1,727	-	31,158	8,918
Series P Units	65,115	7,155	-	51,238	21,032	41,161

December 31, 2019	Beginning Balance	Units Issued Including Switches from Other Series	Units Reinvested	Units Redeemed Including Switches to Other Series	Ending Balance	Weighted Average Number of Units
Portland Focused Plus Fund LP						
Series A Units	6,130	1,621	-	328	7,423	6,287
Series F Units	95,600	13,023	-	4,298	104,325	99,119
Series M Units	70,628	35,146	-	63,050	42,724	36,565
Series P Units	91,938	5,155	-	74,166	22,927	77,162
Series Q Units	-	487,949	-	246,497	241,452	278,033
Portland Focused Plus Fund						
Series A Units	50,672	13,374	7,742	2,701	69,087	54,724
Series F Units	208,006	85,023	35,876	9,670	319,235	237,009
Series M Units	36,737	-	-	27,820	8,918	26,783
Series P Units	57,252	-	7,865	-	65,115	57,252

7. TAXATION

The Partnership calculates its taxable income and net capital gains/(losses) in accordance with the Income Tax Act (Canada) (the Tax Act). The Partnership is not a taxable entity and is required to allocate its taxable income and net capital gains/(losses) to its limited partners in accordance with the limited partnership agreement. Accordingly, the Partnership has not included a provision for taxes in the financial statements.

The taxation year-end for the Partnership is December 31.

The Trust qualifies as a mutual fund trust within the meaning of the Income Tax Act (Canada) (the Tax Act).

The Trust calculates taxable 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 pay ordinary income tax. As a result, the Trust does not record income taxes. Since the Trust does not record income taxes, the tax benefit of capital and non- capital losses, if any, has not been reflected in the statements of financial position as a deferred income tax asset.

The Funds currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statements of comprehensive income. Withholding taxes are shown as a separate item in the statements of comprehensive income.

The taxation year-end for the Trust is December 31.

The Trust did not have any loss carry forward amounts as at December 31, 2020.

8. FEES AND EXPENSES

Each Fund's NAV per unit is determined on the last business day of each month at the close of regular trading on the Toronto Stock Exchange, (each, a Valuation Date) or on such other date as determined by the Manager (an Additional Pricing Date). Pursuant to the offering memorandum, the Funds agreed to pay management fees to the Manager, calculated and accrued on each Valuation Date and paid monthly.

The annual management fees rate of the respective series of units are as follows:

	Series A	Series F	Series M	Series P	Series Q
Portland Focused Plus Fund LP	2.00%	1.00%	1.00%	nil	0.75%
Portland Focused Plus Fund	2.00%	1.00%	1.00%	nil	0.75%

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 entitled to receive a performance fee (Performance Fee) to be calculated and accrued on each Valuation Date and Additional Pricing Date for Series A, Series F and Series P Units and paid monthly. For each series of units, a high water mark (High Water Mark) will be calculated for use in the determination of the Performance Fee. The highest NAV per unit (minus the effect of any declared distributions since the Valuation Date or Additional Pricing Date at which the last Performance Fee became payable) for each series of units, upon which a Performance Fee was paid, establishes a High Water Mark for each series of units which must be exceeded subsequently for the Performance Fee applicable to each series of units to be payable. At inception of each series of units to which a Performance Fee may be applicable the High Water Mark will be the initial NAV per unit of the series of units.

The Performance Fee is equal to (a) 10% of the amount by which the NAV per unit of the series on the Valuation Date or Additional Pricing Date (including the effect of any declared distributions on said Valuation Date or Additional Pricing Date and adjusted to exclude the accrual of the Performance Fee) exceeds the High Water Mark, multiplied by (b) the number of units of that series outstanding on such Valuation Date or Additional Pricing Date, prior to giving effect to subscriptions, redemptions and distributions re-invested on such date.

The Manager is reimbursed for any operating expenses it incurs on behalf of the Funds, including regulatory filing fees, custodian fees, legal and audit fees, costs associated with the independent review committee, bank charges, the cost of financial reporting, expenses related to conducting unitholder meetings, costs associated with providing Fundserv access for registered dealers and all related sales taxes. 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 absorb operating expenses of the Funds at its discretion but is under no obligation to do so.

The Funds are also responsible for all costs associated with its creation and organization of the Funds 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 and time spent by personnel of the Manager at fully allocated costs. The Manager has paid the costs associated with the formation and creation of the Funds and the offering of Units and is entitled to reimbursement from the Funds for such costs.

All management fees, Performance Fees, operating expenses and organization expenses payable by the Funds to the Manager are subject to GST and/or HST as applicable and will be deducted as an expense of the applicable series of units in the calculation of the NAV of such series of units.

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 execute 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 Funds have not participated in any third party soft dollar arrangements to date.

10. RELATED PARTY TRANSACTIONS

The following tables outline the management fees, Performance Fees and operating expense reimbursements that were paid to the Manager by the Funds during the years ended December 31, 2020 and December 31, 2019. The tables include the amount of operating expense reimbursement that was paid to affiliates of the Manager. All of the dollar amounts in the tables below exclude applicable GST and/or HST.

December 31, 2020	Management Fees ($)	Performance Fees ($)	Operating and Organizational Expense Reimbursement ($)	Operating Expenses Reimbursed to Affiliates of the Manager ($)
Portland Focused Plus Fund LP	416,935	1,003,012	88,564	4,435
Portland Focused Plus Fund	350,586	1,079,243	99,246	1,375

December 31, 2019	Management Fees ($)	Performance Fees ($)	Operating and Organizational Expense Reimbursement ($)	Operating Expenses Reimbursed to Affiliates of the Manager ($)
Portland Focused Plus Fund LP	330,458	745,704	115,075	1,120
Portland Focused Plus Fund	265,518	443,950	134,690	1,280

The Funds owed the following amounts to the Manager as at December 31, 2020 and December 31, 2019, excluding the applicable GST and/or HST.

December 31, 2020	Management Fees ($)	Performance Fees ($)	Operating Expense Reimbursement ($)	Organizational Expenses ($)
Portland Focused Plus Fund LP	48,594	270,222	8,441	-
Portland Focused Plus Fund	41,349	275,400	8,792	357

December 31, 2019	Management Fees ($)	Performance Fees ($)	Operating Expense Reimbursement ($)	Organizational Expenses ($)
Portland Focused Plus Fund LP	36,723	-	9,686	-
Portland Focused Plus Fund	25,228	-	12,685	1,787

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 Funds from time to time in the normal course of business. The following tables present the number of units of each of the Funds held by the Manager and Related Parties on each reporting date.

December 31, 2020	Manager	Related Parties
Portland Focused Plus Fund LP		
Series F Units	-	2,030
Series M Units	-	19,239
Series P Units	-	4,017
Portland Focused Plus Fund		
Series F Units	-	17,413
Series M Units	-	16,734
Series P Units	-	5,564

December 31, 2019	Manager	Related Parties
Portland Focused Plus Fund LP		
Series A Units	-	100
Series F Units	-	100
Series M Units	-	25,896
Series P Units	-	5,155
Series Q Units	-	125,000
Portland Focused Plus Fund		
Series A Units	-	53
Series F Units	-	16,859
Series M Units	-	8,918
Series P Units	-	54,829

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 3-month Canadian Dealer Offered Rate + 50bps and in U.S. dollars is the 3-month LIBOR (London Interbank Offered Rate) + 50bps and the facility is repayable on demand. The Funds have placed securities on account with the broker 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 amount borrowed as at December 31, 2020 and December 31, 2019 are presented below.

	December 31, 2020 ($)	December 31, 2019 ($)
Portland Focused Plus Fund LP	26,733,419	10,527,536
Portland Focused Plus Fund	17,621,185	6,022,843

The minimum and maximum amounts borrowed and the amount of interest paid during the years ended December 31, 2020 and December 31, 2019 are presented below:

December 31, 2020	Minimum Amount Borrowed ($)	Maximum Amount Borrowed ($)	Interest Incurred ($)
Portland Focused Plus Fund LP	-	50,785,795	291,120
Portland Focused Plus Fund	-	34,417,309	194,514

December 31, 2019	Minimum Amount Borrowed ($)	Maximum Amount Borrowed ($)	Interest Incurred ($)
Portland Focused Plus Fund LP	-	57,116,275	721,703
Portland Focused Plus Fund	-	30,283,250	383,431

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

The NAV per unit of the Trust 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.

For the Partnership, such expenses were deducted in full in the financial statements for the year ended December 31, 2012 but were deducted from NAV on a monthly basis over a five-year period for purposes of unitholder transactions. Since the Partnership has repaid all of its organization expenses to the Manager, there is no longer a NAV difference.

For the Trust, such expenses were recorded in full in the financial statements for the year ended December 31, 2016 but are deducted from the NAV on a monthly basis over a five-year period for purposes of unitholder transactions. Therefore, the NAV per unit for the Trust is higher than net assets attributable to holders of redeemable units per unit. The following tables provide a comparison of NAV per unit and net assets attributable to holders of redeemable units of the Trust as at December 31, 2020 and December 31, 2019.

December 31, 2020	NAV per Unit ($)	Net assets attributable to holders of redeemable units per unit ($)
Portland Focused Plus Fund		
Series A Units	71.09	71.09
Series F Units	72.39	72.39
Series M Units	88.80	88.80
Series P Units	89.87	89.87

December 31, 2019	NAV per Unit ($)	Net assets attributable to holders of redeemable units per unit ($)
Portland Focused Plus Fund		
Series A Units	65.17	65.17
Series F Units	67.04	67.04
Series M Units	80.20	80.19
Series P Units	69.12	69.11

13. EXEMPTION FROM FILING

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

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