PORTLAND
INVESTMENT COUNSEL®

Portland Focused Plus Fund

Interim Financial Statements

June 30, 2018

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PORTLAND FOCUSED PLUS FUND

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Management's Responsibility for Financial Reporting

The accompanying financial statements of Portland Focused Plus Fund (the Trust) have been prepared by Portland Investment Counsel Inc. in its capacity as manager (the Manager) of the Trust. The Manager of the Trust 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 Trust, 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 Trust are described in Note 3 to these financial statements.

"Michael Lee-Chin"

Michael Lee-Chin,
Director
August 17, 2018

"Robert Almeida"

Robert Almeida,
Director
August 17, 2018

These financial statements have not been reviewed by an independent auditor.

Statements of Financial Position (unaudited)

	As at June 30, 2018	As at December 31, 2017
Assets		
Current Assets		
Cash and cash equivalents	$ 936	$ 24,008
Subscriptions receivable	175,711	1,776,010
Receivable for investments sold	350,585	-
Dividends receivable	93,766	78,298
Investments (note 4)	10,870,087	11,088,959
Investments - pledged as collateral (note 4 and 10)	21,130,594	22,717,284
	32,621,679	35,684,559
Liabilities		
Current Liabilities		
Borrowing (note 10)	14,789,539	15,898,359
Management fees payable	15,892	15,298
Expenses payable	46,797	33,368
Redemptions payable	24,871	73,176
Distributions payable	-	19,108
Organization expenses payable (note 7)	1,429	1,430
	14,878,528	16,040,739
Non-current Liabilities		
Organization expenses payable (note 7)	2,501	3,216
	14,881,029	16,043,955
Net Assets Attributable to Holders of Redeemable Units	$ 17,740,650	$ 19,640,604
Net Assets Attributable to Holders of Redeemable Units Per Series		
Series A	2,570,218	2,684,217
Series F	9,999,981	9,257,640
Series M	2,030,138	3,814,200
Series P	3,140,313	3,884,547
	$ 17,740,650	$ 19,640,604
Number of Redeemable Units Outstanding (note 5)		
Series A	42,721	40,179
Series F	162,260	136,055
Series M	31,925	54,349
Series P	49,571	55,861
Net Assets Attributable to Holders of Redeemable Units Per Unit		
Series A	60.16	66.81
Series F	61.63	68.04
Series M	63.59	70.18
Series P	63.35	69.54

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 (unaudited)

for the periods ended June 30,		2018		2017
Income				
Net gain (loss) on investments				
Dividends	$	588,371	$	304,803
Interest for distribution purposes		103,117		27
Net realized gain (loss) on investments		422,765		988,295
Change in unrealized appreciation (depreciation) on investments		(1,885,765)		(314,752)
		(771,512)		978,373
Other income				
Foreign exchange gain (loss) on cash and other net assets		(494,785)		119,162
Total income (net)		(1,266,297)		1,097,535
Expenses				
Interest expense and bank charges (note 10)		251,126		46,816
Management fees (note 7)		93,188		56,119
Security holder reporting costs		38,983		21,388
Withholding tax expense		16,681		2,558
Audit fees		6,843		5,266
Transaction costs		2,808		6,058
Independent review committee fees		1,444		1,698
Legal fees		209		-
Custodial fees		100		108
Performance fees (note 7)		-		87,150
Total operating expenses		411,382		227,161
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$	(1,677,679)	$	870,374
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series				
Series A		(270,754)		114,300
Series F		(893,666)		418,499
Series M		(259,038)		168,389
Series P		(254,221)		169,186
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit				
Series A		(6.48)		4.73
Series F		(5.99)		5.21
Series M		(7.00)		5.92
Series P		(5.14)		5.82

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

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (unaudited)

for the periods ended June 30,	2018	2017
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period		
Series A	$ 2,684,217	$ 1,187,549
Series F	9,257,640	4,218,308
Series M	3,814,200	1,772,923
Series P	3,884,547	835,151
	19,640,604	8,013,931
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Series A	(270,754)	114,300
Series F	(893,666)	418,499
Series M	(259,038)	168,389
Series P	(254,221)	169,186
	(1,677,679)	870,374
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	237,241	610,525
Series F	1,831,272	2,211,919
Series P	500,000	2,077,235
	2,568,513	4,899,679
Redemptions of redeemable units		
Series A	(80,486)	(41,228)
Series F	(195,265)	(17,450)
Series M	(1,525,024)	-
Series P	(990,013)	-
	(2,790,788)	(58,678)
Net Increase (Decrease) from Redeemable Unit Transactions	(222,275)	4,841,001
Net Assets Attributable to Holders of Redeemable Units at End of Period		
Series A	2,570,218	1,871,146
Series F	9,999,981	6,831,276
Series M	2,030,138	1,941,312
Series P	3,140,313	3,081,572
	$ 17,740,650	$ 13,725,306

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

Statements of Cash Flows (unaudited)

for the periods ended June 30,	2018	2017
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ (1,677,679)	$ 870,374
Adjustments for:		
Net realized (gain) loss on investments	(422,765)	(988,295)
Change in unrealized (appreciation) depreciation on investments	1,885,765	314,752
Unrealized foreign exchange (gain) loss on cash	385,412	(136,702)
(Increase) decrease in interest receivable	-	12
(Increase) decrease in dividends receivable	(15,468)	(58,210)
Increase (decrease) in management fees and expenses payable	14,023	9,755
Increase (decrease) in organization expenses payable	(716)	(715)
Purchase of investments	(7,052,386)	(18,035,580)
Proceeds from sale of investments	7,044,363	7,403,274
Net Cash Generated (Used) by Operating Activities	160,549	(10,621,335)
Cash Flows from Financing Activities		
Increase (decrease) in borrowing	(1,108,820)	5,655,626
Distributions to holders of redeemable units, net of reinvested distributions	(19,108)	(7,797)
Proceeds from redeemable units issued	4,118,900	4,880,047
Amount paid on redemption of redeemable units	(2,789,181)	(43,372)
Net Cash Generated (Used) by Financing Activities	201,791	10,484,504
Net increase (decrease) in cash and cash equivalents	362,340	(136,831)
Unrealized foreign exchange gain (loss) on cash	(385,412)	136,702
Cash and cash equivalents - beginning of period	24,008	1,142
Cash and cash equivalents - end of period	936	1,013
Cash and cash equivalents comprise:		
Cash at bank	$ 936	$ 1,013
From operating activities:		
Interest received, net of withholding tax	$ 103,117	$ 39
Dividends received, net of withholding tax	$ 556,222	$ 244,035
From financing activities:		
Interest paid	$ 237,319	$ 46,396

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

Schedule of Investment Portfolio (unaudited)
as at June 30, 2018

No. of Shares	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES				
Canada				
21,704	Canadian Imperial Bank of Commerce	$ 2,364,884	$ 2,482,069	
133,570	Emera Incorporated	6,040,731	5,716,796	
138,684	Fortis Inc.	5,851,134	5,827,502	
150,600	RioCan Real Estate Investment Trust	3,670,465	3,636,990	
55,000	The Bank of Nova Scotia	4,296,844	4,094,200	
58,200	The Toronto-Dominion Bank	3,850,912	4,428,438	
		26,074,970	26,185,995	147.6%
United States				
1,800	Berkshire Hathaway Inc. Class B	355,824	441,683	
68,100	Walgreens Boots Alliance, Inc.	5,817,907	5,373,003	
		6,173,731	5,814,686	32.8%
	Total investments	32,248,701	32,000,681	180.4%
	Transaction costs	(7,021)	-	-
		$ 32,241,680	32,000,681	180.4%
	Other assets less liabilities		(14,260,031)	(80.4%)
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		$ 17,740,650	100.0%

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

(a) FINANCIAL INSTRUMENTS BY CATEGORY

The following tables present the carrying amounts of the Trust's financial instruments by category as at June 30, 2018:

Assets	Financial assets at FVTPL ($)	Financial assets at amortized cost ($)	Total ($)
Cash and cash equivalents	-	936	936
Subscriptions receivable	-	175,711	175,711
Receivable for investments sold	-	350,585	350,585
Dividends receivable	-	93,766	93,766
Investments	10,870,087	-	10,870,087
Investments - pledged as collateral	21,130,594	-	21,130,594
Total	**32,000,681**	**620,998**	**32,621,679**

Liabilities	Financial liabilities at FVTPL ($)	Financial liabilities at amortized cost ($)	Total ($)
Borrowing	-	14,789,539	14,789,539
Management fees payable	-	15,892	15,892
Expenses payable	-	46,797	46,797
Redemptions payable	-	24,871	24,871
Organization expenses payable	-	3,930	3,930
Net assets attributable to holders of redeemable units	17,740,650	-	17,740,650
Total	**17,740,650**	**14,881,029**	**32,621,679**

The following table presents the changes to opening categories of financial instruments as at December 31, 2017 due to the implementation of IFRS 9:

Financial Assets	Financial assets at FVTPL ($)	Financial assets at FVTPL – Designated at Inception ($)	Financial assets at amortized Cost ($)	Loans and receivables ($)	Total ($)
Opening Balance – under IAS 39	-	**33,806,243**	-	**1,878,316**	**35,684,559**
On the basis of change from IAS 39 to IFRS 9:					
- Reclassification of loans and receivables	-	-	1,878,316	(1,878,316)	-
- Reclassification of designated FVTPL assets to those that must be FVTPL	33,806,243	(33,806,243)	-	-	-
Opening Balance - under IFRS 9	**33,806,243**	-	**1,878,316**	-	**35,684,559**

FVTPL - fair value through profit or loss
IFRS - International Financial Reporting Standards
IAS - International Accounting Standard

(b) RISK MANAGEMENT

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

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 Trust are susceptible to market price risk arising from uncertainties about future prices of the instruments.

If the market prices of the Trust's investments strengthened or weakened by 5%, net assets attributable to holders of redeemable units as at June 30, 2018 would have increased or decreased by approximately $1,600,034 (December 31, 2017: $1,690,312). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

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

Concentration risk

The following tables present the Trust's exposure as a percentage of the total carrying value of the investments by industry sector and geographic region as at June 30, 2018 and December 31, 2017.

By Industry Sector	June 30, 2018	December 31, 2017
Utilities	36.0%	32.2%
Financials	35.8%	30.8%
Consumer Staples	16.8%	14.1%
Real Estate	11.4%	9.7%
Consumer Discretionary	-	13.2%
Total	**100.0%**	**100.0%**

By Geographic Region	June 30, 2018	December 31, 2017
Canada	81.8%	71.3%
United States	28.2%	28.7%
Total	**100.0%**	**100.0%**

Interest rate risk

Interest rate risk arises on interest-bearing financial instruments held by the Trust, such as bonds and margin borrowings. The fair value and future cash flows of such instruments held by the Trust will fluctuate due to changes in market interest rates. As at June 30, 2018 and December 31, 2017, the Trust had exposure to interest rate risk due to its borrowings as described in note 10. If interest rates had doubled in 2018 and 2017, interest expense would have been higher and ending net assets attributable to holders of redeemable units would have been lower by $250,826 and $46,396 as at June 30, 2018 and June 30, 2017, respectively.

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 Trust 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.

During the period, the Trust made use of borrowings denominated in U.S. dollars, which in effect mitigated the currency risk of the Trust being invested in U.S. 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 and income sensitivity of the underlying investments.

The tables below indicate the foreign currencies to which the Trust had significant exposure at June 30, 2018 and December 31, 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.

June 30, 2018:

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
United States Dollar	(6,512,617)	5,814,686	(697,931)	(325,631)	290,734	(34,897)
Total	**(6,512,617)**	**5,814,686**	**(697,931)**	**(325,631)**	**290,734**	**(34,897)**
% of net assets attributable to holders of redeemable units	**(36.7%)**	**32.8%**	**(3.9%)**	**(1.8%)**	**1.6%**	**(0.2%)**

December 31, 2017:

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
United States Dollar	(9,748,948)	9,683,749	(65,199)	(487,447)	484,187	(3,260)
Total	(9,748,948)	9,683,749	(65,199)	(487,447)	484,187	(3,260)
% of net assets attributable to holders of redeemable units	**(49.6%)**	**49.3%**	**(0.3%)**	**(2.5%)**	**2.5%**	**-**

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

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 Trust. 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. The Trust may hold minimal cash balances at large Canadian financial institutions.

As at June 30, 2018 and December 31, 2017, the Trust did not have significant exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting its obligations associated with financial liabilities. The Trust is exposed to monthly cash redemptions and borrows on margin to make investments. As a result, the Trust invests all of its 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 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.

June 30, 2018	< 6 months ($)	> 6 months ($)	Total ($)
Borrowing	14,789,589	-	14,789,589
Management fees and expenses payable	62,689	-	62,689
Redemptions payable	24,871	-	24,871
Organization expenses payable	714	3,216	3,930

December 31, 2017	< 6 months ($)	> 6 months ($)	Total ($)
Borrowing	15,898,359	-	15,898,359
Management fees and expenses payable	48,666	-	48,666
Redemptions payable	73,176	-	73,176
Distributions payable	19,108	-	19,108
Organization expenses payable	-	4,646	4,646

Leverage risk

The Trust may generally borrow up to 70% of its total assets and was subject to leverage risk as at June 30, 2018 and December 31, 2017. 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 June 30, 2018, the amount borrowed was $14,789,539 representing 45% of the total assets of the Trust ($15,898,359 representing 45% as at December 31, 2017). Interest expense for the period ended June 30, 2018 was $250,826 ($46,396 for the period ended June 30, 2017).

(c) FAIR VALUE MEASUREMENTS

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.

The following table illustrates the classification of the Trust's financial instruments within the fair value hierarchy as at June 30, 2018:

	Assets at fair value as at June 30, 2018			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	32,000,681	-	-	32,000,681
Total	**32,000,681**	-	-	**32,000,681**

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

The following table illustrates the classification of the Trust's financial instruments within the fair value hierarchy as at December 31, 2017:

	Assets at fair value as at December 31, 2017			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - Long	33,806,243	-	-	33,806,243
Total	**33,806,243**	**-**	**-**	**33,806,243**

All liabilities of the Trust were carried at amortized cost and therefore are not included in the tables above.

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

1. GENERAL INFORMATION

Portland Focused Plus Trust (the Trust) is a trust established under the laws of Ontario in Canada pursuant to an amended and restated master declaration of trust dated as of December 13, 2013, as amended thereafter and as maybe amended from time to time. The Trust was formed on March 1, 2016 and commenced operations on March 31, 2016. Portland Investment Counsel Inc. (the Trustee and Manager) is the Investment Fund Manager, Portfolio Manager and Trustee of the Trust. The Trustee is a corporation formed under the laws of Ontario. The registered office of the Trust 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 August 17, 2018.

The investment objective of the Trust is to achieve, over the long term, preservation of capital and a satisfactory return.

The statements of financial position of the Trust are as at June 30, 2018 and December 31, 2017. The statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows are for the six-month periods ended June 30, 2018 and June 30, 2017.

2. BASIS OF PRESENTATION

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB).

The Trust has adopted IFRS 9 – Financial Instruments (IFRS) 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 Trust does 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 date of initial application for the new classification and measurement standards in IFRS 9 is January 1, 2018. In accordance with the standard, comparative information has not been restated. There were no changes in measurement attributes for any of the financial assets and liabilities held by the Trust as at January 1, 2018, however, some of the classifications have changed compared to the previous classification under IAS 39. The impact of the change in classification will be illustrated alongside the fund specific note disclosures where applicable.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(a) Classification

The Trust classifies financial assets based on the business model used for managing such financial assets and the contractual cash flow characteristics of those financial assets. The Trust 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. Cash, short-term commercial paper and short-term receivables have been classified as financial assets at amortized cost.

The Trust's 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 Trust has elected to classify its obligation for net assets attributable to holders of redeemable units as a financial liability at FVTPL.

All remaining liabilities of the Trust 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 Trust's accounting policies for measuring its investments are similar to those used in measuring net asset value (NAV) for unitholder transactions, except for the treatment of organization expenses. Such expenses are deductible from NAV over 60 months commencing in 2016 as outlined in the offering documents of the Trust, but are fully deductible in the first year of operations under IFRS. A comparison of the NAV per unit used for unitholder transactions and net assets attributable to holders of redeemable units per unit is presented in note 11.

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 Trust 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 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 Trust commits 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 Trust has 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 trading securities) are based on quoted market prices at the close of trading on the reporting date. The Trust utilizes the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value. If a significant movement in fair value occurs subsequent to the close of trading up to 4:00 pm Toronto, Canada time on the reporting date, valuation techniques will be applied to determine the fair value. A significant event is any event that occurs after the last market price for a security, close of market or close of the foreign exchange, but before the Trust's valuation time that materially affects the integrity of the closing prices for any security, instrument, currency or securities affected by that event so that they cannot be considered 'readily available' market quotations.

Revenue recognition

"Interest for distribution purposes" shown on the statements of comprehensive income represents the coupon interest earned by the Trust on debt securities accounted for on an accrual basis. The Trust does not amortize premiums paid or discounts received on the purchase of fixed income securities, unless they are classified as financial assets at amortized cost, in which case the discount or premium is amortized on a straight line basis, which approximates the effective interest method. 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 Trust's 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. Unrealized exchange gains or losses on financial assets at FVTPL are included in "change in unrealized appreciation (depreciation) of investments" in the statements of comprehensive income. Realized foreign exchange gains and losses related to financial assets at FVTPL are recognized when incurred and are presented in the statements of comprehensive income within "net realized gain (loss) on investments".

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. Such gains and losses arise from sale of foreign currencies, changes 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 Trust considers 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 the Trust's custodians.

Cost of investments

The cost of financial assets at FVTPL represents the cost for each security excluding transaction costs paid to acquire the security. The cost of each investment is determined on an average basis by dividing the total cost of such investment by the total number of shares purchased. On the schedule of investment portfolio, transaction costs of financial assets at FVTPL have been deducted in aggregate from the total cost of individual investments, which includes such transaction costs. The cost of financial assets at amortized cost includes transaction costs.

Redeemable units

The Trust issues multiple series of redeemable units, which are redeemable at the holder's option and do not have identical rights. Such units are classified as financial liabilities. Redeemable units can be put back to the Trust at any redemption date for cash equal to a proportionate share of the Trust's NAV attributable to the unit series. Units are redeemable monthly.

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

Redeemable units are issued and redeemed at the holder's option at prices based on the Trust's NAV per unit at the time of issue or redemption. The Trust's 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 for each respective series. In accordance with the provisions of the Trust's offering memorandum, investment positions are valued based on the last traded market price for the purpose of determining the NAV per unit for subscriptions and redemptions.

Expenses

Expenses of the Trust including management fees, performance fees and other operating expenses are recorded on an accrual basis.

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

Interest expense associated with margin borrowing is recorded on an accrual basis.

Organization expenses

Organization expenses include legal and registration fees associated with the formation of the Trust 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 Trust. 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 the Trust.

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.

Distribution to the Unitholders

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 Trust on Series A, Series F, Series M and Series P units will be automatically reinvested in additional units of the same series 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. 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 of the Trust.

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 Trust.

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 Trust has 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 Trust using reputable pricing sources (such as pricing agencies) or indicative prices. Such values may be indicative and not executable or binding. The Trust would exercise judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Trust may value positions using its 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 Trust. The Trust 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.

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 Trust and the cash flows of its financial assets and liabilities. The classification of financial assets and liabilities of the Trust are outlined in note 3.

5. REDEEMABLE UNITS

The Trust is permitted to issue an unlimited number of redeemable units issuable in Series A, Series F, Series M and Series P, 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 Trust attributable to that series of units.

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

Units of the Trust are available in multiple series. The principal differences between the series of units relate to the management fee and performance fee payable to the Manager, minimum investment requirements and the compensation paid to dealers. All units are entitled to participate in the Trust's liquidation of assets on a series basis. Units are issued as fully paid and non-assessable and are redeemable at the NAV per unit of the applicable series of units being redeemed, determined at the close of business on the day the redemption request is submitted.

Series A units are available to all 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 Trust does not incur distribution costs, or individual investors approved by the Manager.

Series M and Series P units are available to all investors who meet eligibility requirements and who invest a minimum of $500,000.

Series O units are available to certain institutional investors making a minimum investment of $500,000. Fees associated with Series O units are negotiated and paid directly from the investor to the Manager and are not an expense of the Trust.

The 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. Unitholders may redeem their units on any Valuation Date by submitting a request for redemption no later than the day that is 10 days prior to the Valuation Date in order for the redemption to be accepted as at that Valuation Date; otherwise the redemption will be processed as at the next Valuation Date.

The number of units issued and outstanding in the Trust for the period ended June 30, 2018 was as follows:

	Balance, Beginning of Period	Units Issued Including Switches to Other Series	Units Reinvested	Units Redeemed Including Switches to Other Series	Balance, End of Period	Weighted Average Number of Units
Series A	40,179	3,873	-	1,331	42,721	41,795
Series F	136,055	29,414	-	3,209	162,260	149,161
Series M	54,349	-	-	22,424	31,925	36,985
Series P	55,861	7,904	-	14,194	49,571	49,426

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

	Balance, Beginning of Period	Units Issued Including Switches to Other Series	Units Reinvested	Units Redeemed Including Switches to Other Series	Balance, End of Period	Weighted Average Number of Units
Series A	19,786	9,799	-	665	28,920	24,180
Series F	68,303	34,048	-	267	102,084	80,374
Series M	28,449	-	-	-	28,449	28,449
Series P	13,382	31,925	-	-	45,307	29,063

6. TAXATION

The Trust is a mutual fund trust within the meaning of the Income Tax Act (Canada). The Trust is subject to tax on any income, including net realized capital gains, which is not paid or payable to its unitholders. All of the Trust's net income for tax purposes and sufficient net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Trust. 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 has not been reflected in the statements of financial position as a deferred income tax asset.

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

The Trust did not have any loss carry forward amounts as at December 31, 2017.

The Trust currently incurs 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.

7. MANAGEMENT FEES, PERFORMANCE FEES AND EXPENSES

The Trust'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 Trust 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 Units	2.00%
Series F Units	1.00%
Series M Units	1.00%
Series P Units	nil

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.

In addition, the Manager will be reimbursed for any operating expenses it incurs on behalf of the Trust, including regulatory filing fees, custodian fees, legal and audit fees, costs associated with the independent review committee, bank charges, the cost of financial reporting, and all related sales taxes. The Manager also provides key management personnel to the Trust. The Manager may charge the Trust for actual time spent by its personnel (or those of its affiliates) in overseeing the day-to-day business affairs of the Trust. 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 fund operating expenses at its discretion but is under no obligation to do so.

All management fees, Performance Fees and expenses payable by the Trust to the Manager are subject to Goods and Services Tax (GST) and/or Harmonized Sales tax (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. GST and/or HST paid by the Trust on its fees and expenses is not recoverable.

8. SOFT DOLLARS

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

The Manager may use third party research, which is generally also available on a subscription basis, the value of which will be used to approximate the value of research and other similar services received from third parties through commission sharing arrangements with executing brokers.

The Trust has not participated in any third party soft dollar arrangements in connection with portfolio transactions to date.

9. RELATED PARTY TRANSACTIONS

The following table outlines the management fees, Performance Fees and operating expense reimbursements that were paid to the Manager by the Trust during the periods ended June 30, 2018 and June 30, 2017. The table includes the amount of operating expense reimbursement that was paid to affiliates of the Manager for administrative services provided in managing the day-to-day operation of the Trust. All of the dollar amounts in the table below exclude applicable GST or HST.

Period ended	Management Fees ($)	Performance Fees ($)	Operating and Organization Expense Reimbursement ($)	Operating Expenses Reimbursed to Affiliates of the Manager ($)
June 30, 2018	83,698	-	43,362	1,042
June 30, 2017	50,771	78,860	26,380	1,461

The Trust owed the following amounts to the Manager as at June 30, 2018 and December 31, 2017, excluding the applicable GST or HST:

As at	Management Fees ($)	Performance Fees ($)	Operating Expense Reimbursement ($)	Organization Expenses ($)
June 30, 2018	14,202	-	7,342	3,478
December 31, 2017	13,762	-	2,848	4,646

The Manager, its officers and directors (Related Parties) may invest in units of the Trust from time to time in the normal course of business. All such transactions are measured at NAV per unit. The following table presents the percentage ownership of the Trust by Related Parties on each reporting date.

	June 30, 2018	December 31, 2017
Portland Focused Plus Fund	9%	20%

10. BORROWING FACILITY

The Trust may use a margin facility with a prime broker that allows it to borrow funds from time to time when the Manager determines this to be appropriate. The aggregate amount of leverage by the Trust may generally comprise up to 70% of the total assets of the Trust at the time of use.

The Trust provides the prime broker with an interest in certain assets of the Trust as collateral for leverage purposes.

For the period ended June 30, 2018, the Trust's maximum and minimum borrowings were $22,058,661 and $14,085,370, respectively.

For the period ended June 30, 2017, the Trust's maximum and minimum borrowings were $10,831,861 and nil, respectively.

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

The NAV per unit is higher than the net assets attributable to holders of redeemable units per unit because of the difference in the treatment of organization expenses. For the Trust, such expenses were deducted in full in the financial statements for the period ended December 31, 2016 but are deducted from 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 as at June 30, 2018 and December 31, 2017.

June 30, 2018:

Series	NAV per Unit ($)	Net assets attributable to holders of redeemable units per unit ($)
Series A	60.18	60.16
Series F	61.65	61.63
Series M	63.61	63.59
Series P	63.37	63.35

December 31, 2017:

Series	NAV per Unit ($)	Net assets attributable to holders of redeemable units per unit ($)
Series A	66.82	66.81
Series F	68.06	68.04
Series M	70.20	70.18
Series P	69.56	69.54

12. EXEMPTION FROM FILING

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

Statement of Corporate Governance Practices

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

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PIC0083-E(08/18)