



Portland Investment Counsel Inc.

Fund Update: Portland Private Income Fund Decreases Distribution rates of Preferred Units to 2.45% for Series AP and to 3.45% for Series FP.

March 30, 2020

As a result of the Manager's quarterly review, Portland Private Income Fund (the "Fund") is decreasing the distributions on its four series of preferred units, Series AP and Series FP, available in both Canadian and U.S. dollars, all of which are priced at a fixed NAV per unit of C\$10.00 on each valuation date. The preferred shares are expected to pay a monthly distribution ranging from the Royal Bank of Canada Prime Rate (the "Prime Rate") to no more than the cost of unsecured debt available to the Fund.

Since October 1, 2018, the annual distribution rate was 3.70% for Series AP and 4.70% (Prime Rate + 1%) for Series FP. These distribution rates were based on a Prime Rate of 3.70% from July 2018.

On March 4, 2020, the Prime Rate was decreased from 3.95% to 3.45%. On March 16, 2020, the Prime Rate was decreased from 3.45% to 2.95%. On March 27, 2020, the Prime Rate was further decreased from 2.95% to 2.45%.

On March 18, 2020, the Manager had released a fund update about a decrease in distribution rates based on changes in the Prime Rate. Subsequently, the Manager had further reviewed the distribution rates based on subsequent changes in the Prime Rate.

As a result, effective April 1, 2020, the Manager has decided to adjust the annual distribution rates as follows:

Series AP Preferred Units: Annual distribution rate of 2.45%. The monthly distribution rate will be \$0.02042 per unit.

Series FP Preferred Units: Annual distribution rate of 3.45% for Series FP preferred units. The monthly distribution rate will be \$0.02875 per unit.

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For Units purchased in U.S. dollars, the distribution amounts are computed by converting the distribution amount in Canadian dollars to U.S. dollars based on the exchange rate used to calculate the Net Asset Value per Unit.

The Fund's distribution policy is to reflect changes in the distribution rate based on the Prime Rate. The preferred return will be adjusted quarterly after the Prime Rate changes by 50 basis points or more on an absolute basis. The Manager may, at its discretion change the preferred return quarterly after the Prime Rate changes by less than 50 basis points on an absolute basis. The Manager will post the current preferred return on the Fund's website at www.portlandic.com/privateincome.html.

If you have any questions regarding this notice, please contact one of the following at 905-331-4250 or info@portlandic.com.

Christopher Wain-Lowe
CIO, Executive VP and Portfolio Manager

Kyle Ostrander
Portfolio Manager

The Fund is not publicly offered. It is only available under Offering Memorandum and other exemptions to investors who meet certain eligibility or minimum purchase requirements such as "accredited investors". You will only be permitted to purchase Units if your purchase qualifies for one of these exemptions. A list of criteria to qualify as an accredited investor is set out in the subscription agreement delivered with the Offering Memorandum and generally includes individuals who have net assets of at least \$5,000,000, or financial assets of at least \$1,000,000, or personal income of at least \$200,000, or combined spousal income of at least \$300,000 in the previous two years with reasonable prospects of same in the current year. Information herein pertaining to the Fund is solely for the purpose of providing information and is not to be construed as a public offering in any jurisdiction of Canada.

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