



**Portland Investment Counsel Inc.
Fund Update - Portland Private Income Fund Increases Distribution of Preferred Units**

September 14, 2018

As a result of the Manager's quarterly review, Portland Private Income Fund (the "Fund") is increasing the distributions on its two series of preferred units, Series AP and Series FP, both of which are priced at a fixed NAV per unit of \$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.

When the preferred units were launched in June 2018, the Prime Rate was 3.45% and the initial distribution was 3.45% per annum for the Series AP units and 4.45% (Prime Rate + 1%) per annum for Series FP.

In July 2018, the Prime Rate increased to 3.70%. As a result, effective October 1, 2018, the Manager has decided to pass through the higher rate to both series of preferred units and the Fund has increased the annual distribution rate to 3.70% and 4.70%, for Series AP and Series FP respectively. The monthly distribution rate will increase from \$0.02875 to \$0.03083 per month for Series AP and from \$0.037083 to \$0.03916 per month for Series FP.

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 (and as we have done on this occasion) 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
Investment Analyst

Portland Investment Counsel Inc.

1375 Kerns Road • Suite 100 • Burlington, Ontario L7P 4V7
Tel.: 1-888-710-4242 • Fax: 1-866-722-4242
www.portlandic.com • info@portlandic.com

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