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PORTLAND ADVANTAGE FUND
INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

MARCH 31, 2019

PORTFOLIO
MANAGEMENT TEAM

Michael Lee-Chin
Executive Chairman, Chief Executive
Officer and Portfolio Manager

Robert Almeida
Senior Vice President and Portfolio Manager

Management Discussion of Fund Performance Portland Advantage Fund

This management report of fund performance contains financial highlights, but does not contain either interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-888-710-4242, by writing to us at info@portlandic.com or 1375 Kerns Road, Suite 100, Burlington, ON L7P 4V7 or visiting our website at www.portlandic.com or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

The views of Portland Investment Counsel Inc. (the Manager) contained in this report are as of March 31, 2019 and this report is not intended to provide legal, accounting, tax or specific investment advice. Views, portfolio holdings and allocations may have changed subsequent to this date. For current information please contact us using the above methods. All references to performance relate to Series F units. The performance of other units may be different than that of the Series F units due to differing fees.

INVESTMENT OBJECTIVE AND STRATEGIES

The investment objective of the Portland Advantage Fund (the Fund) is to provide positive long-term total returns by investing primarily in a portfolio of Canadian equities. The Fund seeks to provide capital growth and income while moderating the volatility of equities by investing in a portfolio of equities/ADRs, and which may include exchange traded funds. The Fund may invest up to 49% in foreign securities in a manner consistent with its investment objective.

RISK

For the six months ended March 31, 2019, there were once again many cross currents, including:

- Tariff and trade war concerns continued;
- Brexit concerns escalated; and
- The interest rate outlook moved from one of further increases to neutral with even the possibility of easing.

Markets responded with volatility, dropping in December and then bouncing back in the first quarter of the 2019 calendar year.

In our report for the year ended September 30, 2018, we wrote that the Fund had not invested in cannabis companies to date because of the extent of inherent speculation. With the passage of time, we felt that clarity within the sector increased and, we took advantage of price declines to initiate positions in three companies. We believe that the sector is still relatively nascent and, accordingly, we diversified the sector exposure across three companies that are substantially different from each other.

The Fund continues to be invested in securities denominated in foreign currencies, which exposes the Fund's net asset value to the foreign currency risk. During the period, the Canadian dollar depreciated moderately relative to the U.S. dollar and we reduced U.S. dollar exposure from approximately 45% to approximately 28%.

The intensity of focus within the Fund decreased slightly with the total number of equity securities ending the period at 18 (from 16), when adjusted to combine substantially similar securities, and the focus on the top five holdings held steady at approximately 48%. This intensity of focus creates the potential for more volatility but, in our opinion, improves the quality profile of the Fund and enhances the return potential.

RESULTS OF OPERATIONS

For the six month period ended March 31, 2019, the Fund's benchmark, the S&P/TSX Composite Total Return Index, had a return of 1.8%. Over the same period, the Fund had a return of 1.5%. Unlike the Index, the Fund's return is after the deduction of its fees and expenses. The net asset value per unit decreased from \$11.54 at September 30, 2018 to \$8.87 at March 31, 2019. It should be noted that the Fund paid a distribution of \$2.35 per unit in Series F during the period.

The Fund's net asset value as at March 31, 2019 was \$2.6 million. On a cumulative basis since its inception, the Fund has experienced both positive net sales and positive investment performance; however, the Fund did experience net redemptions during the period.

The holdings that contributed most to Fund performance were newly added cannabis companies, HEXO Corp. (HEXO) and Canopy Growth Corporation (CANOPY), Millicom International Cellular SA (MIC) and alternative asset managers, ECN Capital Corp. (ECN) and Brookfield Asset Management Inc. (BAM). We took advantage of the price increases of MIC, ECN and BAM to realize gains and reallocate capital as we exited MIC and trimmed ECN and BAM.

The main detractors from Fund performance were oil companies, Crescent Point Energy Corp. (CPE) and Baytex Energy Corp. (BTE), and Liberty Latin America Ltd. (formerly Liberty Global PLC LiLAC) (LILA). Notwithstanding the negative returns experienced by LILA, its fundamental performance improved during the period. We believe that LILA is positioned well to realize above average growth driven by merger synergies, combined with organic growth in underpenetrated markets and further sector consolidation activity. However, emerging market uncertainty and general risks associated with convergence in the telecommunications/media sector have combined with a lack of market familiarity with the stock to adversely impact perception of LILA. We believe this is creating a perception/reality gap, which makes LILA a great value investment at current prices.

On a per unit basis during the period, the Fund's Series F units generated \$0.14 of revenue, (\$0.57) of realized gains (losses) and (\$0.02) of unrealized gains (losses).

As noted earlier, the Fund initiated positions during the period in cannabis sector companies. Positions were initiated in CANOPY, HEXO and Curaleaf Holdings, Inc. (CURA). CANOPY is one of the largest cannabis companies in the world. HEXO is stronger in the province of Quebec and has a strategic relationship with Molson Coors Brewing Company. CURA has extensive retail distribution in the U.S.A. Since initiation, these holdings have produced strong positive returns for the Fund.

In addition, a position was also initiated in Onex Corporation (ONEX). ONEX is a leading investment manager in private equity and private debt. We believe that, within the wealth management sector, quality investment managers focused on private and real assets are likely to experience growth of assets under management combined with less pressure on fees and margins. ONEX's share price declined recently and we used this price weakness to add it to the portfolio. Combining ONEX with BAM and ECN, the Fund ended the period with a collective exposure of approximately 22% to investment managers of private assets.

At March 31, 2019, by asset class the Fund's net asset value was invested 99% in equity securities of 18 issuers. By geography, the Fund's net assets were invested approximately 59% in cash and securities of issuers based in Canada. The key holdings of the Fund at the end of the period were:

- Leading private asset managers, BAM, ECN and ONEX, which we believe are well positioned to benefit from the increasing investor interest in this asset class;
- Cannabis sector companies, CANOPY, HEXO and CURA, which we believe are well positioned to capitalize on the expected growth in this nascent sector;
- LILA, which we believe has an attractive valuation, attractive growth prospects with operating and financial leverage;
- Energy sector companies, BTE and CPE, which we believe are highly sensitive to any increase in oil prices; and
- Other holdings that add stability, yield and liquidity to the Fund.

We believe that the Fund is well positioned to continue to meet its investment objectives as outlined above.

RECENT DEVELOPMENTS

The United Kingdom continues to struggle to approve a plan for a future relationship with the European Union post Brexit. The Democratic Party took control of the U.S. House of Representatives. The China/Canada relationship has been strained by the Canadian arrest of a prominent Chinese individual. The Prime Minister of Canada is under pressure for alleged inappropriate interference in the judicial process. The yield curve inverted. While these and other items will undoubtedly impact global markets, we remain more focused on the fundamental valuations and performance of the businesses in the Fund and we are optimistic for the future.

RELATED PARTY TRANSACTIONS

The Manager is responsible for the day-to-day operation of and for providing investment management services to the Fund. The Manager receives a fee for providing these services. This is calculated daily based on the net asset value of the Fund and paid monthly. During the period ended March 31, 2019, the Manager received \$22,359 in management fees from the Fund, net of applicable taxes (March 31, 2018: \$32,845).

Any administrative services paid for or provided by the Manager are charged to the Fund and are grouped and presented by expense type in the statements of comprehensive income. Depending on their nature, some expenditures are allocated to the Fund based upon the net asset value or actual costs incurred. During the period ended March 31, 2019, the Manager was reimbursed \$6,830 for operating expenses incurred on behalf of the Fund, including amounts paid to affiliates, net of applicable taxes (March 31, 2018: \$11,147). The Manager absorbed \$50,290 of operating expenses during the period ended March 31, 2019, net of applicable taxes (March 31, 2018: \$46,732).

Affiliates of the Manager provide administrative services associated with the day-to-day operations of the Fund. These affiliates of the Manager were reimbursed \$246 during the period ended March 31, 2019 by the Fund for such services (March 31, 2018: \$661).

The Manager and/or its affiliates and key management personnel of the Manager and their family (collectively referred to as Related Parties) may invest in units of the Fund from time to time in the normal course of business. Transactions to purchase or redeem units are made at net asset value per unit. Standing instructions from the independent review committee were not required or obtained for such transactions. As at March 31, 2019, Related Parties owned 51,875 shares of the Fund (March 31, 2018: 68,231).

The Board of Directors of the Manager is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities.

Notes

Certain statements included in this Management Discussion of Fund Performance constitute forward-looking statements, including those identified by the expressions "anticipate," "believe," "plan," "estimate," "expect," "intend" and similar expressions to the extent they relate to the Fund. These forward-looking statements are not historical facts, but reflect the current expectations of the portfolio management team regarding future results or events of the Fund. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. The portfolio management team has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, except as required by securities legislation.

Certain research and information about specific holdings in the Fund, including any opinion, is based upon various sources believed to be reliable, but it cannot be guaranteed to be current, accurate or complete. It is for information only, and is subject to change without notice.

Summary of Investment Portfolio as at March 31, 2019

Top 25 Investments*

	% of Net Asset Value
Liberty Latin America Ltd.	14.4%
Brookfield Asset Management Inc.	11.8%
Berkshire Hathaway Inc.	7.5%
ECN Capital Corp.	7.2%
Brookfield Property Partners L.P.	6.8%
Brookfield Infrastructure Partners L.P.	5.9%
IGM Financial Inc.	5.7%
Invesco Ltd.	5.7%
The Bank of Nova Scotia	5.6%
Baytex Energy Corp.	4.8%
The Toronto-Dominion Bank	4.4%
CI Financial Corp.	3.2%
Onex Corporation	3.2%
Canopy Growth Corporation	2.9%
BCE Inc.	2.6%
Crescent Point Energy Corp.	2.6%
HEXO Corp.	2.5%
Curaleaf Holdings, Inc.	2.1%
Cash	1.1%
Grand Total	100.0%
Total net asset value	\$2,576,138

* Where the Fund holds less than 25 holdings, all investments have been disclosed. There may be other assets and liabilities which are not included, and therefore the summary may not add up to 100%.

The investment portfolio may change due to ongoing portfolio transactions of the investment fund. Quarterly updates are available within 60 days of each quarter end by visiting www.portlandic.com or contacting us at 1-888-710-4242.

Portfolio Composition

Sector

Asset Management & Custody Banks	26.3%
Cable & Satellite	14.4%
Multi-Sector Holdings	10.7%
Diversified Banks	10.0%
Pharmaceuticals	7.5%
Oil & Gas Exploration & Production	7.4%
Specialized Finance	7.2%
Real Estate Operating Companies	6.8%
Electric Utilities	5.9%
Integrated Telecommunication Services	2.6%
Other Net Assets (Liabilities)	1.2%

Geographic Region

Canada	58.5%
Bermuda	32.8%
United States	7.5%
Other Net Assets (Liabilities)	1.2%

Other Net Assets (Liabilities) refers to cash on hand plus all other assets and liabilities in the Fund excluding portfolio investments.

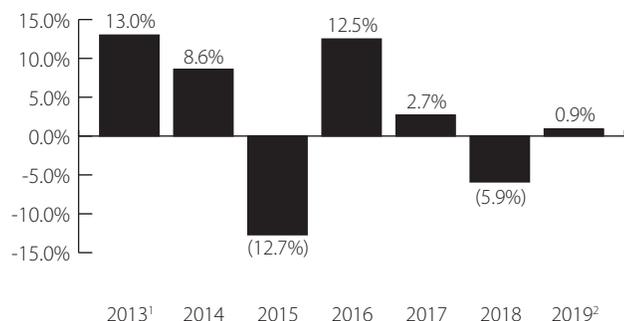
Past Performance

The past performance information shown in this section is calculated using the net asset value per unit and assumes that all distributions made by the investment fund in the periods shown were reinvested in additional securities of the investment fund. The past performance information does not take into account sales, redemptions, distribution or other optional charges or income taxes payable by the unitholder that would have reduced returns or performance. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

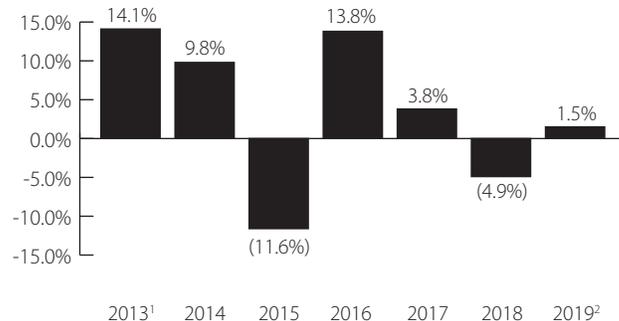
Year-By-Year Returns

The following bar charts show the performance of each series of the Fund for each of the financial years shown and for the six-month period ended March 31, 2019. The charts show in percentage terms how an investment made on the first day of each financial year would have increased or decreased by the last day of each financial year.

Series A Units



Series F Units



1. Return for 2013 represents a partial year starting October 31, 2012 to September 30, 2013.

2. Return for 2019 represents a partial year starting October 1, 2018 to March 31, 2019.

Management Fees

The Manager is responsible for the day-to-day management and administration of the Fund. The Manager monitors and evaluates the performance of the Fund, pays for the investment management services of the investment adviser and arranges for the administrative services required to be provided to the Fund. As compensation for its service, the Manager is entitled to receive a fee, payable monthly, calculated based on the daily net asset value of the Fund.

Series of Units	Management Fee (%)	Expenses Paid Out of the Management Fee (%)		
		Dealer compensation	General administration, investment advice and profit	Absorbed expenses
Series A	2.00%	38%	-	62%
Series F	1.00%	-	-	100%

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years as applicable. Information for 2019 is presented for the six-month period ended March 31, 2019 and for all other periods, information is for the period from October 1 to September 30.

Series A Units - Net Assets per unit¹

For the periods ended	2019	2018	2017	2016	2015	2014
Net assets, beginning of the period	\$11.20	\$11.91	\$11.77	\$10.71	\$12.27	\$11.30
Increase (decrease) from operations:						
Total revenue	0.12	0.27	0.34	0.45	0.64	0.36
Total expenses	(0.13)	(0.33)	(0.34)	(0.33)	(0.36)	(0.35)
Realized gains (losses)	(0.34)	0.09	(0.06)	0.11	0.01	0.03
Unrealized gains (losses)	0.39	(0.73)	0.35	1.13	(1.93)	0.54
Total increase (decrease) from operations ²	0.04	(0.70)	0.29	1.36	(1.64)	0.58
Distributions to unitholders:						
From income	(1.98)	-	(0.06)	(0.03)	-	-
From dividends	(0.29)	-	-	(0.24)	-	-
From capital gains	-	-	(0.11)	-	-	-
Return of capital	-	-	-	-	-	-
Total annual distributions ³	(2.27)	-	(0.17)	(0.27)	-	-
Net assets, end of period ⁴	\$8.56	\$11.20	\$11.91	\$11.77	\$10.71	\$12.27

Series A Units - Ratios/Supplemental Data

For the periods ended	2019	2018	2017	2016	2015	2014
Total net asset value	\$1,799,887	\$1,948,962	\$2,424,788	\$2,770,840	\$2,617,354	\$2,658,899
Number of units outstanding	210,279	173,996	203,582	235,362	244,347	216,622
Management expense ratio ⁵	2.85%	2.83%	2.83%	2.82%	2.84%	2.83%
Management expense ratio before waivers or absorptions ⁵	7.01%	5.35%	4.79%	4.52%	4.89%	7.41%
Trading expense ratio ⁶	0.11%	0.03%	0.05%	0.04%	0.09%	0.04%
Portfolio turnover rate ⁷	16.51%	1.70%	10.44%	31.17%	22.23%	1.48%
Net asset value per unit	\$8.56	\$11.20	\$11.91	\$11.77	\$10.71	\$12.27

Series F Units - Net Assets per unit¹

For the periods ended	2019	2018	2017	2016	2015	2014
Net assets, beginning of the period	\$11.54	\$12.26	\$12.13	\$11.01	\$12.54	\$11.41
Increase (decrease) from operations:						
Total revenue	0.14	0.28	0.33	0.47	0.66	0.41
Total expenses	(0.09)	(0.19)	(0.20)	(0.19)	(0.22)	(0.21)
Realized gains (losses)	(0.57)	0.06	(0.09)	0.14	0.02	0.02
Unrealized gains (losses)	(0.02)	(0.66)	0.44	1.04	(1.74)	(0.23)
Total increase (decrease) from operations ²	(0.54)	(0.51)	0.48	1.46	(1.28)	(0.01)
Distributions to unitholders:						
From income	(2.05)	-	(0.21)	(0.05)	-	-
From dividends	(0.30)	(0.14)	-	(0.34)	(0.07)	-
From capital gains	-	-	(0.11)	-	-	-
Return of capital	-	-	-	-	-	-
Total annual distributions ³	(2.35)	(0.14)	(0.32)	(0.39)	(0.07)	-
Net assets, end of period ⁴	\$8.86	\$11.54	\$12.26	\$12.13	\$11.01	\$12.54

Series F Units - Ratios/Supplemental Data

For the periods ended	2019	2018	2017	2016	2015	2014
Total net asset value	\$776,251	\$1,533,722	\$2,278,285	\$ 3,102,977	\$2,504,363	\$2,022,327
Number of units outstanding	87,569	132,933	185,761	255,828	227,399	161,307
Management expense ratio ⁵	1.72%	1.70%	1.70%	1.69%	1.71%	1.69%
Management expense ratio before waivers or absorptions ⁵	5.88%	4.22%	3.66%	3.39%	3.75%	5.39%
Trading expense ratio ⁶	0.11%	0.03%	0.05%	0.04%	0.09%	0.04%
Portfolio turnover rate ⁷	16.51%	1.70%	10.44%	31.17%	22.23%	1.48%
Net asset value per unit	\$8.86	\$11.54	\$12.26	\$12.13	\$11.01	\$12.54

Explanatory Notes

1. The information for March 31, 2019 is derived from the Fund's unaudited interim financial statements. For the remaining periods, the information is derived from the Fund's audited annual financial statements prepared in accordance with International Financial Reporting Standards.
2. Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted daily average number of units outstanding over the financial period.
3. Distributions are paid out in cash/reinvested in additional units of the Fund, or both.
4. This is not a reconciliation of the beginning and ending net assets per unit.
5. The management expense ratio (MER) is based on total expenses (excluding foreign withholding taxes, commissions and other portfolio transaction costs but including management fee distributions paid to certain unitholders in the form of additional units) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The Manager may absorb certain expenses otherwise payable by the Fund. The amount of expenses absorbed is determined annually at the discretion of the Manager.

The Fund may hold investments in exchange traded funds (ETFs). The MER is calculated taking into consideration the expenses of the Fund allocated to the series including expenses indirectly attributable to its investment in the ETFs divided by the average daily NAV of the series of the Fund during the period.

6. The trading expense ratio (TER) represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the daily average net asset value of the Fund.

The TER is calculated taking into consideration the costs attributable to its investment in ETFs.

7. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to a fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Portfolio turnover rate is calculated based on the lesser of the cumulative cost of purchases or cumulative proceeds of sales divided by the average market value of the portfolio, excluding short-term investments.



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Historical annual compounded total returns include changes in unit value and distributions reinvested and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Commissions, service fees, management fees and expenses may be associated with investment funds. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated. Please read the prospectus before investing. PORTLAND, PORTLAND INVESTMENT COUNSEL and the Clock Tower Design are registered trademarks of Portland Holdings Inc. Used under licence by Portland Investment Counsel Inc.

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