PORTLAND GLOBAL INCOME FUND

PORTLAND INVESTMENT COUNSEL®
OWNERS. OPERATORS. AND INVESTORS.

(as at April 30, 2018)

	Series Start Date	MER (after absorbtions at September 30, 2017)[4]	Net Asset Value Per Unit (as at April 30, 2018)	PERFORMANCE (as at April 30, 2018) 3 Months	6 Months	Calendar Year-to-Date	1 Year	3 Year[4]	Since Inception[4]
Portland Global Income Fund - Series F	Dec. 17, 2013	1.53%	$10.6341	(0.3%)	1.2%	(0.4%)	4.7%	4.8%	6.6%
Blended Benchmark†	-	-	-	0.8%	1.1%	1.7%	1.7%	7.2%	10.8%

FUND FACTS

Fund Net Assets	$8.0 million
CIFSC[5] Asset Class	Global Equity Balanced
Risk Tolerance	Low to Medium

HOW THE FUND IS MANAGED

- Common shares of large global companies with attractive dividend-payout ratios and a history of rising dividends over the long term, selected primarily from the members of the S&P Europe 350 Dividend Aristocrats, the S&P 500® Dividend Aristocrats and the S&P/TSX Dividend Aristocrats
- Primarily investment grade* preferred shares of North American companies
- Balanced mix of fixed income ETFs with an emphasis on investment grade** corporate bonds
- Selective use of options to generate additional returns towards distributions and currency hedging of the Fund's non-Canadian dollar exposure

KEY REASONS TO INVEST

- Monthly distributions, targeting 5.0%*** per annum - intended to be fully funded, plus potential for capital appreciation
- The power of dividend investing combined with the benefits of global investing and asset class diversification for the potential to reduce volatility
- The benefits of active and passive management are aligned to help reduce volatility
- Tax-efficient structure, currently housing tax losses of approximately $23 million
- Management fee from 0.65% per annum for Series F units[3]

PORTFOLIO MANAGERS

Chris Wain-Lowe, BA, MBA
Chief Investment Officer, Executive Vice-President and Portfolio Manager

Asset Mix

Equity	41.3%
Preferred Equity	38.1%
Exchange Traded Funds	15.1%
Corporate Bonds	3.0%
Other Net Assets (Liabilities)[1]	2.3%
Currency Forwards	0.2%

Geographic Mix

Canada	39.7%
United States	23.3%
United Kingdom	12.5%
Bermuda	11.2%
Switzerland	4.9%
Australia	2.4%
Other Net Assets (Liabilities)[1]	2.3%
France	1.6%
Jersey	1.1%
Sweden	0.8%
Currency Forwards	0.2%

Sector Mix

Financials	18.1%
Exchange Traded Funds	15.1%
Utilities	12.3%
Consumer Discretionary	11.7%
Energy	11.3%
Real Estate	10.2%
Telecommunication Services	4.8%
Consumer Staples	4.4%
Materials	4.0%
Corporate Bonds	3.0%
Other Net Assets (Liabilities)[1]	2.3%
Industrials	1.9%
Health Care	0.7%
Currency Forwards	0.2%

PORTLAND GLOBAL INCOME FUND

PORTLAND INVESTMENT COUNSEL®

OWNERS. OPERATORS. AND INVESTORS.

(as at April 30, 2018)

Top Holdings[2]

Brookfield Property Partners L.P.	4.4%
BCE Inc., Preferred, Series AE, Floating Rate	3.8%
Thomson Reuters Corporation, Preferred, Series B, Floating Rate	3.5%
iShares International Select Dividend ETF	3.3%
Royal Dutch Shell PLC	3.1%
Digicel Group Limited 6.75% March 1, 2023	3.0%
Vanguard S&P 500 ETF	2.9%
iShares MSCI Japan ETF	2.4%
Energy Select Sector SPDR Fund	2.4%
Cash	2.4%
BHP Billiton PLC	2.4%
Dignity PLC	2.3%
Dufry AG	2.3%
Brookfield Office Properties Inc., Preferred, Series V, Floating Rate	2.3%
ECN Capital Corp., Preferred, Series C, Fixed-Reset	2.0%
Oaktree Strategic Income Corporation	2.0%
Bunzl PLC	1.9%
The Kraft Heinz Company	1.8%
TransAlta Corporation, Preferred, Series E, Fixed-Reset	1.8%
Total SA	1.6%
Bank of Montreal, Preferred, Series 42, Fixed-Reset	1.6%
Ares Capital Corporation	1.5%
First National Financial Corporation, Preferred, Series 1, Fixed-Reset	1.5%
RioCan Real Estate Investment Trust	1.5%
Northland Power Inc., Preferred, Series 1, Fixed-Reset	1.4%

Option Positions

Brookfield Property Partners L.P., Put 17.5, 15/06/2018	0.0%
BHP Billiton PLC, Call 50, 15/06/2018	0.0%
WPP PLC, Put 75, 18/05/2018	0.0%
Ares Capital Corporation, Put 15, 15/06/2018	0.0%
Brookfield Property Partners L.P., Put 17.5, 18/05/2018	0.0%

FUND COMMENTARY (As at March 31, 2018)

For the period September 30, 2017 to March 31, 2018, while the Series F units of the Fund rose 1.5%, the Fund's broad-based benchmark, the JPMorgan US Aggregate Bond Total Return Index rose 2.2% and the Fund's blended benchmark rose 4.5% (consisting of 45% MSCI World Total Return Index, 15% S&P/TSX Preferred Share Total Return C$ Index, 10% iShares 1-5 Year Laddered Corporate Bond Index ETF, 10% Markit iBoxx US$ Liquid Investment Grade Total Return Index, 10% Morningstar Emerging Markets Corporate Bond Total Return Index, 5% Markit iBoxx US$ Liquid High Yield Total Return Index; and 5% JPMorgan Emerging Markets Bond Total Return Index). The blended benchmark which more closely reflects the asset classes in which the Fund invests, provides a more useful comparative to the performance of the Fund. The broad-based benchmark is included to help you understand the Fund's performance relative to the general performance of the fixed-income market.

During the period the preferred shares component contributed strongly whereas the equity and fixed income components detracted. The Fund's exposure to financials, energy and telecommunication services were the top contributing sectors (notably Thomson Reuters Corporation, BCE Inc., and Brookfield Office Properties Inc. - all preferred shares) whereas being underweight in Information Technology and exposure to real estate and consumer discretionary detracted (notably Brookfield Property Partners L.P., Dignity PLC and Aryzta AG). Overall, the higher exposure to equity and fixed income resulted in the Fund's underperformance for the period.

For the full period since the launch of the Fund on December 17, 2013 to March 31, 2018, the broad-based and the blended benchmarks had annualized returns of 7.5% and 9.5%, respectively. For the same period, the Fund's Series F units had an annualized return of 6.3%. Unlike the benchmarks, the Fund's return is after the deduction of its fees and expenses. Currently, the Fund hedges approximately 32% of its non-Canadian dollar exposure, predominantly reflecting its exposure to the Australian dollar, U.S. dollar, British pound and Swiss franc.

The Fund reduced further its already modest fixed income component (to about 3% of the Fund) which is partially passively invested in investment grade corporate ETFs. We maintained a holding in a corporate fixed income instrument as we believe government securities currently offer limited value but generally have constrained the Fund's fixed income component, reflecting our view that as economies recover interest rates will need to rise. About 3% (from about 7%) of the Fund is currently invested in cash and cash equivalents.

The Fund increased its preferred share component (from about 38% of the Fund to 40% of which just 0.4% is invested passively), which are all Canadian listed. The Fund's actively selected preferred shares are all investment grade and as we do believe rates will now rise and then in time stabilize, we elevated the Fund's holding in floating rate preferred shares which comprise about 17% of the Fund.

The Fund's equity component (approaching 53% of the Fund of which about 14% is invested passively) comprises mostly large companies and members of the dividend aristocrats indices, exhibiting we believe, attractive dividend policies. These large companies should benefit more than others when global growth accelerates.

The Fund has a target of approximately 5% distribution per annum per unit which it has met since inception. The Fund's earnings from dividends, derivatives and net realized gains exceed the paid distributions. Indicators that the Fund may continue to reach its 5% distribution target include the dividend yield (a financial ratio that shows how much a company pays out in dividends relative to its share price) of the equities of the Fund and current yields (a financial ratio that shows annual income [interest or dividends] divided by the current share price) of the preferred shares and fixed income securities. Sourced from Thomson Reuters and Bloomberg these component yields are as follows:

- equity's trailing weighted average dividend yield was 4.3%.
- preferred share's trailing weighted average current yield was 4.4%.
- fixed income's trailing weighted average current yield was 9.2%.

RECENT DEVELOPMENTS

As the west's Central Bankers begin to withdraw the liquidity measures which eased their economies through the global financial crisis, we appear, at a glacial pace, to be returning to more normalized economies where rising interest rates are applied to slow gently the pace of growth but seek to maintain modest levels of inflation mostly targeted at around 2%. We have been in a low but increasing inflationary environment and inflation expectations are rising, particularly re oil and food. However, wage inflation in the U.S. has now returned and this, together with tax reductions, could spur growth in consumer spending.

We believe the U.S. has engaged in a long-term recovery plan and its economic prospects for the medium-term remain bright. For the U.K. and Eurozone, we are hopeful that the U.K. decision to exit the E.U. will be the catalyst that starts the E.U. on a path of implementing the structural reforms that are so vital if it is to break out of the cycle of consistently poor economic performance that stretches back many years. Divorces generally tend to be expensive and while the U.K. and European Union have finally made some progress we continue to believe the impact of 'Brexit' will create uncertainties and quite possibly a period of recession as the U.K. adjusts to amended trading relationships and banks domiciled in the U.K. determine how best to do business in the rest of the E.U. Globally, we hope mature companies adopt bolder agendas to assimilate and integrate workforces around large-scale investment and infrastructure and initiate dramatic reforms of education and training. Energy prices and geopolitical events may engender elevated levels of volatility.

This period since the Great Recession is one of the longest ever stretches of rising markets. Cyclically and inflationary adjusted earnings over the last ten years compared to prices suggests in our view that the current market is fully valued. Therefore, while we do not see a near-term catalyst to initiate a market correction, such as recession or weakening confidence, such a correction is, at least statistically, due in our view and vulnerable to geopolitical events. At such times, we believe a pivot towards 'value' rather than 'growth' criteria is likely to predominate as investors seek businesses that are attractively or reasonably priced particularly in a reflationary environment.

The Fund's focus is on value and stable growing companies – those firms able to deliver more consistent and visible (albeit slower) earnings and cash flows. While this theme has recently lagged the overall market, we believe it should reassert leadership and that overall, the Fund is currently well positioned to meet its investment objective for the medium to long term. We will continue to evaluate opportunities that we believe may generate income, enhance returns and/ or reduce risk wherever possible.

POTENTIAL RISKS

The Manager believes the following risks may impact the performance of the Fund: active management risk, credit risk, currency risk, debt securities and equity risks, ETF risk, interest rate risk and derivatives risk. Please read the "Risk Factors" section in the Simplified Prospectus for a more detailed description of all the relevant risks.

	CANADIAN DOLLAR			
	SERIES A			SERIES F[3]
Fund Name	ISC	DSC	LL	
Portland Global Income Fund	PTL531	PTL538	PTL539	PTL010

Portland Investment Counsel Inc. | portlandinvestmentcounsel | Portland Investment Counsel Inc. | @PortlandCounsel

* Investment grade means Pfd 3/P-3 or higher

** Investment grade means BBB- or higher

***The portfolio is expected to generate income from dividends, interest and option writing income , which after deduction of expenses, will be distributed by the Fund to unitholders. The targeted monthly distribution amount is reset at the beginning of each calendar year to provide an approximate yield of 5% per annum based on the NAV per Series A Unit as at December 31 of the prior year. Assuming the expected level of income is received, the portfolio would not be required to appreciate. If the level of income is less than the amount necessary to meet the distribution, the Manager may either pay out a lower distribution or supplement the amount needed through net realized capital gains from the portfolio or may return a portion of the capital of the Fund to unitholders in which case the distribution would not have been fully funded as the net asset value would be reduced. Distributions are reinvested automatically in additional units of the Fund. No commissions are payable upon automatic reinvestment of distributions.

† Effective April 30, 2018, the Fund's benchmarks were changed from a broad-based benchmark, the JP Morgan US Aggregate Bond Total Return Index, and a blended benchmark (consisting of 45% MSCI World Index, 15% S&P/TSX Preferred Share Index, 10% iShares 1-5 Year Laddered Corporate Bond Index ETF, 10% Markit iBoxx US$ Liquid Investment Grade Index, 10% Morningstar Emerging Markets Corporate Bond Index, 5% Markit iBoxx US$ Liquid High Yield Index, and 5% JPMorgan Emerging Markets Bond Index) to a blended benchmark of 60% MSCI Total Return World Index and 40% JP Morgan US Aggregate Bond Total Return Index. This change in benchmark is to align better our approach to rating the Fund's risk and return with its underlying investments.

1. Other Net Assets (Liabilities) refers to all other assets and liabilities in the Fund excluding portfolio investments.
2. Where the Fund holds less than 25 long and short holdings, all investments have been disclosed. There may be other assets and liabilities which are not included, and therefore the summary does not add up to 100%.
3. Effective date of management fee rate was April 20, 2018. Generally available through dealers who have entered into a Portland Series F Dealer Agreement.
4. Annualized.
5. Canadian Investment Funds Standards Committee.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions [dividends] and does not take into account sales, redemptions, distributions or optional charges or income taxes payable by any securityholder in respect of a participating fund that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Risk tolerance measures the degree of uncertainty that an investor can handle regarding fluctuations in the value of their portfolio. The amount of risk associated with any particular investment depends largely on your own personal circumstances including your time horizon, liquidity needs, portfolio size, income, investment knowledge and attitude toward price fluctuations. Investors should consult their Financial Advisor before making a decision as to whether this Fund is a suitable investment for them.

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

PIC2317-E(05/18)