PORTLAND GLOBAL INCOME FUND

PORTLAND INVESTMENT COUNSEL®
OWNERS. OPERATORS. AND INVESTORS.

(as at January 31, 2019)

	Series Start Date	MER (after absorbtions at September 30, 2018)[4]	Net Asset Value Per Unit (as at January 31, 2019)	PERFORMANCE (as at January 31, 2019)						
				3 Months	6 Months	Calendar Year-to-Date	1 Year	3 Years[4]	5 Years[4]	Since Inception[4]
Portland Global Income Fund - Series F	Dec. 17, 2013	1.43%	$9.4507	(5.3%)	(9.7%)	2.8%	(8.1%)	6.0%	3.6%	3.9%
JP Morgan US Aggregate Bond Total Return Index	-		-	3.5%	3.8%	(2.5%)	9.1%	(0.2%)	6.1%	7.2%
Blended Benchmark†	-	-	-	1.8%	(0.9%)	1.4%	3.5%	5.3%	8.8%	9.7%

FUND FACTS

Fund Net Assets	$7.3 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	40.0%
Preferred Equity	37.5%
Exchange Traded Funds	18.2%
Corporate Bonds	3.1%
Other Net Assets (Liabilities)[1]	1.2%

Geographic Mix

Canada	40.6%
United States	27.0%
Bermuda	11.3%
United Kingdom	9.8%
Switzerland	3.7%
Australia	2.3%
Jersey	1.5%
France	1.5%
Other Net Assets (Liabilities)[1]	1.2%
Finland	1.1%

Sector Mix

Exchange Traded Funds	18.2%
Utilities	16.5%
Financials	15.4%
Real Estate	10.3%
Energy	9.2%
Consumer Discretionary	7.2%
Materials	5.1%
Industrials	5.0%
Telecommunication Services	4.8%
Consumer Staples	3.5%
Corporate Bonds	3.1%
Other Net Assets (Liabilities)[1]	1.2%
Health Care	0.5%

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Top Holdings[2]

Brookfield Property Partners L.P.	4.6%
Vanguard S&P 500 ETF	3.4%
BCE Inc., Preferred, Series AE, Floating Rate	3.4%
iShares International Select Dividend ETF	3.3%
Digicel Group Limited 6.75% March 1, 2023	3.1%
BHP Group PLC	2.8%
Thomson Reuters Corporation, Preferred, Series B, Floating Rate	2.7%
Brookfield Office Properties Inc., Preferred, Series V, Floating Rate	2.5%
iShares MSCI Japan ETF	2.5%
Energy Select Sector SPDR Fund	2.3%
ECN Capital Corp., Preferred, Series C, Fixed-Reset	2.3%
Bunzl PLC	2.3%
Oaktree Strategic Income Corporation	2.2%
iShares MSCI South Africa ETF	2.1%
Royal Dutch Shell PLC	2.0%
The Kraft Heinz Company	1.9%
Emera Incorporated, Preferred, Series H, Fixed-Reset	1.9%
Dufry AG	1.8%
TransAlta Corporation, Preferred, Series B, Floating Rate	1.8%
Cash	1.8%
Bank of Montreal, Preferred, Series 42, Fixed-Reset	1.7%
Northland Power Inc., Preferred, Series 1, Fixed-Reset	1.7%
Dignity PLC	1.7%
TransAlta Renewables Inc.	1.6%
TransAlta Corporation, Preferred, Series E, Fixed-Reset	1.6%

Option Positions

Barrick Gold Corporation, Put 12, 15/03/2019	0.0%
BHP Group PLC, Call 45, 15/02/2019	0.0%
Barrick Gold Corporation, Put 10, 18/04/2019	0.0%
Barrick Gold Corporation, Put 11, 15/03/2019	0.0%
Newmont Mining Corporation, Put 30, 15/03/2019	0.0%
Barrick Gold Corporation, Call 14, 18/04/2019	0.0%
Royal Dutch Shell PLC, Call 65, 18/04/2019	0.0%

FUND COMMENTARY (As at December 31, 2018)

For the period September 30, 2018 to December 31, 2018, while the Series F units of the Fund fell 11.8%, the Fund's blended benchmark of 60% MSCI Total Return World Index and 40% JPMorgan US Aggregate Bond Total Return Index fell 2.5%, and the JP Morgan US Aggregate Bond Total Return Index rose 6.9%. For the full period since the launch of the Fund on December 17, 2013 to December 31, 2018, the benchmarks had annualized returns of 9.6% and 7.8%, respectively. For the same period, the Fund's Series F units had an annualized return of 3.4%. Since the Fund does not necessarily invest in the same securities as the benchmarks, the performance of the Fund may not be directly comparable to the benchmarks. In addition, the Fund's performance reflects the use of currency hedging and, unlike the benchmarks, the Fund's return is after the deduction of its fees and expenses.

During the period equity investors faced the volatile realities of a shift from quantitative easing (i.e. bond purchasing) and very low interest rates coupled with the backdrop of global trade tensions, political unrest and further uncertainties as a result of the Brexit saga. In fact, as the majority of developed economies are yet to adopt meaningful pro-growth measures, rising U.S. interest rates, the Federal Reserve shrinking its balance sheet and the European Central Bank ending its bond buying program have stirred worries over a new era of "quantitative tightening" that is also rattling markets.

During this period, the Fund's three components: preferred shares, equity and fixed income, all lost ground. Most sectors performed poorly with the Fund's exposure to Real Estate (i.e. Brookfield Property Partners L.P.), Utilities and Consumer Staples (i.e. Dignity PLC and Aryzta AG) detracting the most while Healthcare and Materials (i.e. Barrick Gold Corp.) fared the best. Also, during the period the Fund profitably sold its position in Fortis Inc. and exited Crescent Point Energy Corp. to fund redemptions, increase its position in Brookfield Property Partners L.P. and added a new position in Newell Brands Inc. a consumer products retailer. Currently, the Fund hedges approximately 52% of its non-Canadian dollar exposure, predominantly reflecting its exposure to the Australian Dollar, Swiss Franc, Japanese Yen, British Pound, and U.S. Dollar.

The Fund increased its modest fixed income component (to about 3.5% of the Fund) which is partially passively invested in investment grade corporate ETFs. About 1 % of the Fund is currently invested in cash and cash equivalents.

The Fund decreased its preferred share component (from about 41% of the Fund to 39% of which just 0.3% 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 rise and then in time stabilize, we elevated the Fund's holding in floating rate preferred shares which comprise about 16% of the Fund.

The Fund's equity component (about 57% of the Fund of which about 17% 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.

During the period, the Fund's net assets decreased from $8.5 million to $7.2 million. The Manager does not believe the payouts had a material impact upon the management of the Fund and every effort is made to fund payouts in a manner that optimizes the Fund's composition and positions it for the future. The Fund has a target of approximately 5% distribution per annum per unit which it has met since inception. 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 5.0%.
- preferred share's trailing weighted average current yield was 4.5%.
- fixed income's trailing weighted average current yield was 12.2%.

RECENT DEVELOPMENTS

Signs of a late-cycle economy and unresolved Chinese-U.S. trade tension does not mean a recession lurks around the corner. However, the U.S. Treasury Yield curve, reflecting the difference between 2-year and 10-year Treasury yields has flattened to levels not seen in a decade. A negative yield is ordinarily an indicator of a recession. Global activity appears to be still expanding alongside company earnings whereas the recent lower/repricing in equities reflects an anticipated slower pace of growth and margin compression for companies from higher interest rates and wages.

Bond markets face rising rates for the first time in some four decades, which is already creating significant asset reallocations and liquidity issues leading to increased periods of volatility. While increased volatility may be unsettling, it is to be expected as rates rise and Central Banks wean their countries off support mechanisms and towards more normal rates and markets. Also as the U.S. proceeds towards trade 'wars' rather than an infrastructure agenda and the U.K.'s 'Brexit' negotiations with the E.U. remain protracted there is plenty of scope for turmoil. And markets remind us from time to time that they can veer from complacency to panic over a week-end.

At such times, we increasingly believe a pivot towards 'value' rather than 'growth' criteria is likely to predominate as investors seek businesses that are priced reasonably, particularly in a reflationary environment. Overall, we believe that 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.

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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.

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

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* 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.

† The blended benchmark consists of 60% MSCI World Total Return Index and 40% JP Morgan US Aggregate Bond Total Return Index.

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.

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PIC2317-E(02/19)