PORTLAND GLOBAL ARISTOCRATS PLUS FUND

PORTLAND INVESTMENT COUNSEL®
OWNERS. OPERATORS. AND INVESTORS.

(as at September 30, 2018)

	Series Start Date	Net Asset Value Per Unit (as at September 30, 2018)	PERFORMANCE (as at September 30, 2018)				
			1 Month	3 Months	6 Months	1 Year	Since Inception
Portland Global Aristocrats Plus Fund – Series A	Jun. 30, 2016	$55.0068	0.3%	3.1%	3.9%	2.8%	8.3%
Portland Global Aristocrats Plus Fund – Series F	Jun. 30, 2016	$55.2785	0.4%	3.4%	4.5%	3.9%	9.5%
MSCI World Total Return Index	-	-	(0.4%)	3.3%	7.2%	15.3%	15.2%

INVESTMENT OBJECTIVE AND STRATEGIES

The investment objective of the Portland Global Aristocrats Plus Fund is to provide income and achieve, over the long term, preservation of capital and a satisfactory return.

To achieve this investment objective, the Fund will employ the following core techniques:

1. Time in the Market: investing in a diversified portfolio of securities focused on growing dividends; and
2. Timing the Market: prudent use of leverage by purchasing securities on margin.

KEY REASONS TO INVEST

Time in the Market

- The power of dividend investing combined with the benefits of global investing and asset class diversification for the potential to reduce volatility
- Monthly distributions, targeting 5.0% per annum for Series F and 4.0% per annum for Series A based on the opening price of $50 - intended to be fully funded, plus potential for capital appreciation[4]

Timing the Market

- Use of leverage to enhance the power of dividends
- Embedded product leverage is non-recourse to individual investors

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
- Partially hedging the Fund's non-Canadian Dollar exposures
- Utilizing low cost borrowing to purchase securities on margin and facilitate opportunistic investments during market volatility and irrational market valuations

PORTFOLIO MANAGER

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

FUND FACTS

Introduction Date	June 30, 2016
Fund type	Alternative Strategies
Offer document	Offering Memorandum
Legal type	Unit Trust
Eligible for registered plans	Yes
Eligible for PAC plans	Yes, monthly minimum of $500
Purchases and redemptions	Monthly
Valuation Frequency	Available daily on Portland's website
Minimum investment term	None
Notice period for redemptions	None
Redemption fee	None
Transaction processing	Fundserv
Administrator	CIBC Mellon Global Securities Services Company
Prime broker	RBC Dominion Securities Inc.
Auditor	PricewaterhouseCoopers LLP
Legal counsel	Borden Ladner Gervais LLP

Series	A	F[1]
Min. initial investment, accredited investors[2]	$2,500	$2,500
Min. initial investment, non-individuals	$150,000	$150,000
Min. subsequent investment[3]	$500	$500
Management fee	2.00%	1.00%
Fundserv code	PTL720	PTL725

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Top Holdings (as a % of total assets)

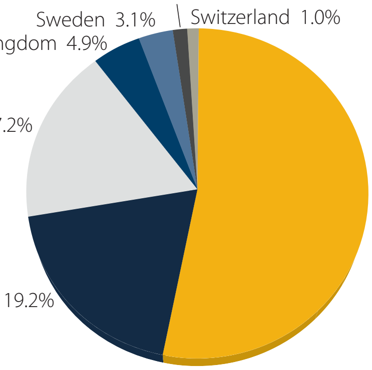
Brookfield Property Partners L.P.	4.6%
ECN Capital Corp., Preferred, Series C, Fixed-Reset	4.3%
TransAlta Renewables Inc.	4.1%
SPDR S&P Global Dividend ETF	3.9%
AT&T Inc.	3.5%
Walgreens Boots Alliance, Inc.	3.4%
Nordea Bank AB	3.1%
Oaktree Strategic Income Corporation	3.0%
iShares MSCI World ETF	2.6%
BHP Billiton PLC	2.5%
Royal Dutch Shell PLC	2.4%
Westcoast Energy Inc., Preferred, Series 12, Fixed-Reset	2.3%
The Toronto-Dominion Bank, Preferred, Series 16, Fixed-Reset	2.3%
Capital Power Corp, Preferred, Series 9, Fixed-Reset	2.3%
National Bank of Canada, Preferred, Series 38, Fixed-Reset	2.3%
Bank of Montreal, Preferred, Series 42, Fixed-Reset	2.3%
Bank of Montreal, Preferred, Series 38, Fixed-Reset	2.3%
Brookfield Infrastructure Partners L.P., Preferred, Series 5, Fixed-Reset	2.3%
Enbridge Inc., Preferred, Series 17, Fixed-Reset	2.3%
Pembina Pipeline Corporation, Preferred, Series 21, Fixed-Reset	2.3%
Emera Incorporated, Preferred, Series H, Fixed-Reset	2.3%
Brookfield Asset Management Inc., Preferred, Series 46, Fixed-Reset	2.3%
TransCanada Corporation, Preferred, Series 15, Fixed-Reset	2.3%
The Bank of Nova Scotia, Preferred, Series 38, Fixed-Reset	2.3%
Canadian Imperial Bank of Commerce, Preferred, Series 45, Fixed-Reset	2.2%

Asset Mix (as a % of net asset value)

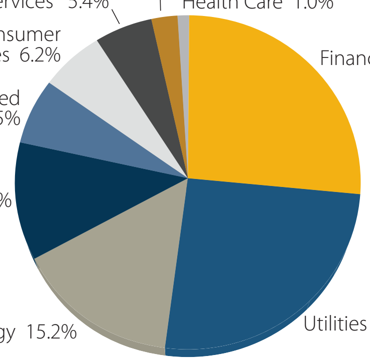
Preferred Equities	79.7%
Equities	58.3%
Other Net Assets (Liabilities)[1]	(0.4%)
Cash	(37.5%)

Leverage Ratio[6]	27.2%

Geographic Mix (as a % of total assets)



Sector Mix (as a % of total assets)



FUND COMMENTARY (As at September 30, 2018)

For the period September 30, 2017 to September 30, 2018, while the Series F units of the Fund rose 3.9%, the Fund's broadbased benchmark, the MSCI World Total Return Index rose 15.3%. For the full period since the launch of the Fund on June 30, 2016 to September 30, 2018, the MSCI World Total Return Index rose 15.2%. For the same period, the Fund's Series F units had a return of 9.5%.

During the period, the Fund's preferred share component contributed most to performance compared to the equity component. The Fund's exposure to materials and energy were the top equity contributors (notably BHP Billiton PLC, Royal Dutch Shell PLC and Total SA) whereas being significantly underweight in Information Technology (a low dividend paying sector) and exposure to telecommunications, real estate and selective financials, detracted and so muted Fund performance compared to its benchmark (notably TransAlta Renewables Inc. and Nordea Bank AB).

The Fund hedges its U.S. dollar exposure by funding its U.S. dollar purchases through borrowing U.S. dollars. As at September 30, 2018, the Fund was borrowing U.S. dollars and Canadian dollars, and its leverage ratio (i.e. debt/portfolio of investments) was 27% based on settlement date activity. The current cost of borrowing in U.S. dollars is 2.9% per annum and in Canadian dollar is 2.52% per annum.

The preferred share component of the Fund (80% of the total assets of the Fund) is all actively selected Canadian listed shares which are all investment grade rated by DBRS Limited (the rating agency formerly called Dun & Bradstreet Rating Services) and/or by Standard & Poor's rating agency and were mostly purchased via initial public offerings.

The Fund's equity component (59% of the total assets of the Fund) is to comprise 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 a 5% distribution per annum based on the opening net asset value of $50.00 per unit which it has met since inception. The 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 5.2%.
- preferred share's trailing weighted average current yield was 4.9%.
- The unlevered portfolio yield is 5.0%. The levered portfolio dividend yield is 5.9%.

During the period, the Fund grew in size receiving subscriptions and only modest redemptions. It is primarily invested in Canadian preferred shares and global equities including ETFs, with representation across all industry sectors.

RECENT DEVELOPMENTS

This period since the Great Recession is one of the longest ever stretches of rising markets. U.S. Stocks have recorded the longest-ever bull run, making the post-financial crisis rally the longest stretch of rising prices without a 20% drop, the level typically associated with a bear market. Cyclically and inflationary adjusted earnings over the last ten years compared to prices suggests in our view that the current market is fully valued. In addition, 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 recession and 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, not least trade protectionism and a tightening credit policy in China.

In the near term while strengthening economies trump the shenanigans of popularity politics across Europe and the Americas, bond markets face rising rates for the first time in some four decades, which is likely to create significant asset reallocations and liquidity issues leading to increased periods of volatility. Despite, the political turmoil, central bankers have steered the global economy away from the Great Recession. While increased volatility may be unsettling, it is to be expected as rates rise and quantitative easing (i.e. bond purchasing) is replaced with quantitative firming (i.e. bonds sales by Central Banks) as Central Banks wean their country's 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 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.

POTENTIAL RISKS

The Manager believes the following risks may impact the performance of the Fund: leverage, highly volatile markets, interest rate changes, equity risk, and currency and exchange rate risk. Please read the "Risk Factors" section in the Offering Memorandum for a more detailed description of all the relevant risks.

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[1] Generally available through dealers who have entered into a Portland Series F Dealer Agreement.

[2] Accredited Investors as defined under National Instrument 45-106.

[3] For investors who are not Accredited Investors, the additional investment must be in an amount that is not less than $500 if the investor initially acquired Units for an acquisition cost of not less than $150,000 and, at the time of the additional investment, the Units then held by the investor have an acquisition cost or a net asset value equal to at least $150,000, or another exemption is available.

[4] The Manager reserves the right to change the targeted annual distributions at its discretion.

[5] Other Net Assets (Liabilities) refers to all other assets and liabilities in the Fund excluding portfolio investments and cash.

[6] Leverage ratio is calculated as the total borrowing divided by the fair value of securities and does not take into account other Net Assets (Liabilities) as defined above.

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PIC2335-E(10/18)