PORTLAND GLOBAL ARISTOCRATS PLUS FUND

PORTLAND INVESTMENT COUNSEL®
OWNERS. OPERATORS. AND INVESTORS.

August 31, 2017

	Series Start Date	Net Asset Value Per Unit (as at August 31, 2017)	PERFORMANCE (as at August 31, 2017)				
			1 Month	3 Months	6 Months	1 Year	Since Inception
Portland Global Aristocrats Plus Fund – Series A	Jun. 30, 2016	$55.1560	0.5%	0.4%	3.4%	11.7%	12.9%
Portland Global Aristocrats Plus Fund – Series F	Jun. 30, 2016	$55.2865	0.6%	0.7%	4.0%	12.9%	14.1%
MSCI World Total Return Index	-	-	0.4%	(4.6%)	1.7%	10.9%	14.3%

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)

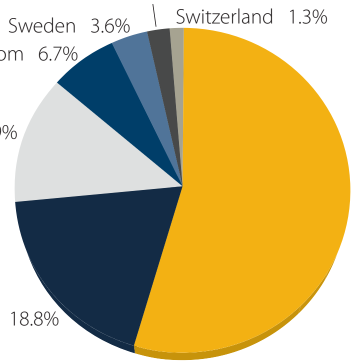
ECN Capital Corp., 6.25% June 30, 2022	4.8%
SPDR S&P Global Dividend ETF	4.5%
Royal Dutch Shell PLC	3.7%
Nordea Bank AB	3.6%
Fifth Street Senior Floating Rate Corp.	3.5%
iShares MSCI World ETF	3.3%
TransAlta Renewables Inc.	3.0%
BHP Billiton PLC	3.0%
Brookfield Asset Management Inc., Preferred, Series 46, Fixed-Reset	2.8%
Bank of Montreal, Preferred, Series 38, Fixed-Reset	2.8%
The Bank of Nova Scotia, Preferred, Series 38, Fixed-Reset	2.8%
Westcoast Energy Inc., Preferred, Series 12, Fixed-Reset	2.8%
Brookfield Infrastructure Partners L.P., Preferred, Series 5, Fixed-Reset	2.8%
Enbridge Inc., Preferred, Series 17, Fixed-Reset	2.8%
TransCanada Corporation, Preferred, Series 15, Fixed-Reset	2.8%
The Toronto-Dominion Bank, Preferred, Series 16, Fixed-Reset	2.7%
Bank of Montreal, Preferred, Series 42, Fixed-Reset	2.7%
Capital Power Corp, Preferred, Series 9, Fixed-Reset	2.7%
Brookfield Renewable Partners L.P., Preferred, Series 11, Fixed-Reset	2.7%
Canadian Imperial Bank of Commerce, Preferred, Series 45, Fixed-Reset	2.7%
Brookfield Infrastructure Partners L.P., Preferred, Series 7, Fixed-Reset	2.7%
Kinder Morgan Canada Ltd, Preferred, Series 1, Fixed-Reset	2.7%
AltaGas Ltd. Preferred, Series K, Fixed-Reset	2.7%
Brookfield Office Properties Inc., Preferred, Series EE, Fixed-Reset	2.7%
National Bank of Canada, Preferred, Series 38, Fixed-Reset	2.7%

Asset Mix (as a % of net asset value)

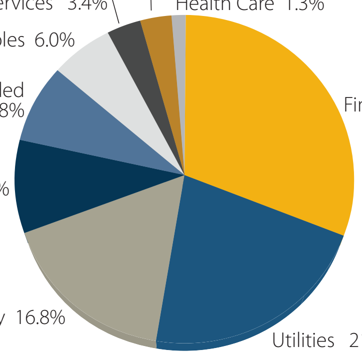
Equities	80.7%
Other Net Assets (Liabilities)[5]	59.7%
Cash	(40.4%)

Leverage Ratio[6]	28.8%

Geographic Mix (as a % of total assets)



Sector Mix (as a % of total assets)



FUND COMMENTARY (As at June 30, 2017)

For the period September 30, 2016 to June 30, 2017, the Fund's broadbased benchmark, the MSCI World Total Return Index rose 11.6%. For the same period the Series F units of the Fund had a return of 8.4%. For the full period since the launch of the Fund on June 1, 2016 to June 30, 2017, the MSCI World Total Return Index rose 18.3%. For the same period, the Fund's Series F units had a return of 15.0%. Whereas the preferred shares and equity holdings each in aggregate performed well, the higher exposure to preferred shares, in a rising equity market somewhat constrained this short period of performance. Unlike the benchmark, the Fund's return is after the deduction of its fees and expenses.

The Fund's equity component (43% 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 preferred share component of the Fund (57% 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. Apart from the preferred securities of Bank of Montreal (BMO), The Bank of Nova Scotia (BNS) and Canadian and Imperial Banking Corporation (CIBC), all of the preferred shares feature interest rate floors built into their structure whereby investors have the comfort that the dividend rate cannot be adjusted lower than the initial offering rate, ranging from 4.8% to 6.25%. Preferred share holdings in BMO, BNS and CIBC are non-cumulative 5-year rate reset preferred shares and were launched with initial dividends ranging from 4.4% to 4.85%.

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 paid distributions were lower than the Fund's earnings from dividends, derivatives and net realized gains. 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 4.2%.
- The unlevered portfolio yield is 4.5%. The levered portfolio dividend yield 5.5%.

During the period the Fund received subscriptions and incurred no redemptions and is primarily invested in Canadian preferred shares and global equities through the ETFs with representation across all industry sectors.

RECENT DEVELOPMENTS

Regarding the market outlook, and following the U.K.'s notification on March 29, 2017 to withdraw from the E.U., 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. The route being navigated by Britain's Prime Minister appears to be to repeal the 1972 European Communities Act which gives direct effect to E.U. law in Britain and seek for all E.U. laws to be transposed into domestic legislation with some inevitable transitional compromises. In stating that the U.K. would become by March 2019 a "fully independent, sovereign" country, the Prime Minister appears to be favoring a willingness to pay a price in terms of economic disruption.

We believe the U.S. has engaged in a long-term recovery plan and its economic prospects for the next decade 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. We therefore hope mature countries adopt bolder agendas to assimilate and integrate workforces around large-scale investment and infrastructure and initiate dramatic reforms of education and training. The advent of new leadership in the U.S., the exit of U.K. from the E.U., energy prices and geopolitical events may engender continued elevated levels of volatility.

This period since the Great Recession is the third longest stretch 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. 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 – and which populate this Fund.

The Fund' 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: 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.

[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(09/17)