PORTLAND
INVESTMENT COUNSEL®

Portland Global Dividend Fund

2014 Interim Financial Report

A copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure is available at your request, and at no cost, by calling 1-888-710-4242; by writing to us at Portland Investment Counsel Inc., 1375 Kerns Road, Suite 100, Burlington, Ontario, Canada L7P 4V7; or by visiting our website at www.portlandic.com, or SEDAR at www.sedar.com.

Management's Responsibilities for Financial Reporting

The accompanying financial statements have been prepared and approved by Portland Investment Counsel Inc., the manager and trustee (the "Manager") of Portland Global Dividend Fund (the "Fund"). The Fund's Manager is responsible for the information and representations contained in these financial statements. The Board of Directors of the Manager is responsible for reviewing and approving the financial statements.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies which management believes are appropriate for the Fund are described in Note 3 to these financial statements.

"Michael Lee-Chin"

Michael Lee-Chin,
Director
August 22 , 2014

"Robert Almeida"

Robert Almeida,
Director
August 22 , 2014

These financial statements have not been reviewed by an independent auditor.

Schedule of Investment Portfolio (unaudited)

as at June 30, 2014

No. of Shares/ Units	Security Name	Average Cost	Fair Value	% of Net Assets[1]
EQUITIES				
Australia				
15,000	Amcor Limited	$159,266	$157,407	1.4%
30,000	Coca-Cola Amatil Limited	387,515	285,536	2.5%
25,000	GrainCorp Limited	197,888	211,285	1.9%
240,000	SP AusNet	227,830	319,945	2.8%
		972,499	974,173	8.6%
Bermuda				
2,000	Jardine Matheson Holdings Limited	131,688	126,633	1.1%
Canada				
12,000	Canfor Corporation	295,505	280,320	2.4%
3,300	CI Financial Corporation	104,280	115,665	1.0%
4,000	Pacific Rubiales Energy Corporation	67,342	86,720	0.8%
4,834	Portland CVBI Holdings LP - Series 'F'	539,121	722,922	6.3%
2,478	Portland Global Energy Efficiency and Renewable Energy Fund LP 'O'	123,920	126,865	1.1%
		1,130,168	1,332,492	11.6%
France				
5,500	BNP Paribas SA	443,498	398,248	3.5%
3,200	TOTAL SA ADR	167,508	246,648	2.2%
		611,006	644,896	5.7%
Germany				
6,000	GEA Group AG	146,058	303,227	2.7%
1,500	Rheinmetall AG	106,844	113,337	1.0%
		252,902	416,564	3.7%
Great Britain				
32,000	Barclays PLC ADR	851,276	499,103	4.4%
5,500	BHP Billiton PLC ADR	336,884	383,001	3.4%
9,000	HSBC Holdings PLC ADR	539,003	488,086	4.3%
6,000	Johnson Matthey PLC	224,567	339,633	3.0%
19,000	National Grid PLC	191,172	291,427	2.6%
22,000	Pearson PLC	446,970	463,581	4.1%
14,000	Prudential PLC	174,367	342,810	3.0%
150,000	Rentokil Initial PLC	342,419	305,122	2.7%
2,200	Royal Dutch Shell PLC 'A' ADR	145,839	193,456	1.7%
65,000	Serco Group PLC	498,397	433,808	3.8%
45,000	Tesco PLC	300,347	233,525	2.0%
		4,051,241	3,973,552	35.0%
Hong Kong				
22,000	Hutchison Whampoa Limited	182,356	321,217	2.8%
Japan				
5,000	Seven & I Holdings Company Limited	147,226	224,936	2.0%
2,000	Toyota Motor Corporation ADR	174,515	255,487	2.2%
		321,741	480,423	4.2%
Korea				
2,800	POSCO ADR	213,870	222,513	1.9%
160	Samsung Electronics Company Limited	227,041	223,188	2.0%
		440,911	445,701	3.9%
Switzerland				
15,000	ABB Limited ADR	291,021	368,627	3.2%
4,200	Nestle SA	248,730	347,291	3.1%
1,500	Novartis AG ADR	86,600	144,969	1.3%
1,000	Roche Holding AG	186,564	318,357	2.8%
5,000	Syngenta AG ADR	281,633	399,266	3.5%
		1,094,548	1,578,510	13.9%
United States				
9,500	Ares Capital Corporation	172,592	181,132	1.6%
2,000	Deere & Company	196,840	193,334	1.7%
3,000	JPMorgan Chase & Company	175,941	184,537	1.6%
		545,373	559,003	4.9%
	Total investment portfolio	$9,734,433	$10,853,164	95.4%

No. of Shares/ Units	Security Name	Average Cost	Fair Value	% of Net Assets[1]
DERIVATIVES - WRITTEN OPTIONS				
Written Call Options				
Canada				
CDN (10)	CI Financial Corporation September 2014 @ 36.00 CDN	(390)	(600)	-
CDN (15)	Pacific Rubiales Energy Corporation July 2014 @ 25.00 CDN	(285)	(150)	-
		(675)	(750)	-
France				
USD (5)	TOTAL SA ADR July 2014 @ 72.50 USD	(295)	(481)	-
Great Britain				
USD (5)	BHP Billiton PLC ADR December 2014 @ 70.00 USD	(671)	(1,188)	-
GBP (2)	Prudential PLC December 2014 @ 15.00 GBP	(1,021)	(794)	-
		(1,692)	(1,982)	-
Japan				
USD (5)	Toyota Motor Corporation ADR October 2014 @ 125.00 USD	(576)	(1,094)	-
Switzerland				
USD (5)	Novartis AG ADR July 2014 @ 92.50 USD	(185)	(160)	-
SWF (3)	Roche Holding AG September 2014 @ 280.00 SWF	(1,129)	(917)	-
USD (5)	Syngenta AG ADR December 2014 @ 85.00 USD	(319)	(374)	-
		(1,633)	(1,451)	-
	Total written call options	(4,871)	(5,758)	-
Written Put Options				
Canada				
CDN (25)	Canfor Corporation July 2014 @ 23.00 CDN	(600)	(1,000)	-
CDN (20)	Canfor Corporation October 2014 @ 21.00 CDN	(1,330)	(1,100)	-
CDN (30)	Pacific Rubiales Energy Corporation October 2014 @ 17.00 CDN	(1,470)	(1,500)	(0.1%)
		(3,400)	(3,600)	(0.1%)
France				
EUR (5)	BNP Paribas SA August 2014 @ 46.00 EUR	(475)	(409)	-
USD (10)	TOTAL SA ADR August 2014 @ 67.50 USD	(470)	(480)	-
		(945)	(889)	-
Great Britain				
USD (10)	Ensco PLC September 2014 @ 46.00 USD	(859)	(160)	-
USD (10)	Ensco PLC September 2014 @ 49.00 USD	(480)	(374)	-
GBP (10)	Kingfisher PLC August 2014 @ 3.46 GBP	(906)	(878)	-
		(2,245)	(1,412)	-
United States				
USD (40)	Ares Capital Corporation September 2014 @ 16.00 USD	(1,709)	(427)	-
USD (10)	Deere & Company July 2014 @ 85.00 USD	(522)	(64)	-
		(2,231)	(491)	-
	Total written put options	(8,821)	(6,392)	(0.1%)
	Total written options	(13,692)	(12,150)	(0.1%)

The accompanying notes are an integral part of these financial statements.

Schedule of Investment Portfolio (cont'd) (unaudited)

No. of Shares/ Units	Security Name	Average Cost	Fair Value	% of Net Assets[1]
FORWARD CURRENCY CONTRACTS (Schedule 1a)				
	Total unrealized gain on forward currency contracts	-	41,752	0.4%
	Net investments	9,720,741	10,882,766	95.7%
	Transaction costs	(13,794)	-	-
	Net investment portfolio	9,706,947	10,882,766	95.7%
	Other assets less liabilities		484,879	4.3%
	TOTAL NET ASSETS		$11,367,645	100.0%

Schedule 1a

Buy	Sell	Maturity Date	Unrealized gain (loss)
531,296 CAD	425,000 SWF	Jul/16/2014	19,420
462,651 CAD	450,000 AUS	Jul/16/2014	10,217
237,770 CAD	22,000,000 JPY	Jul/16/2014	5,731
275,489 CAD	150,000 GBP	Jul/16/2014	1,491
1,184,205 CAD	1,100,000 USD	Sep/17/2014	7,508
988,841 CAD	675,000 EUR	Sep/17/2014	19
Total unrealized gain on forward contracts			$ 44,386
150,000 GBP	276,632 CAD	Jul/16/2014	(2,634)
Total unrealized loss on forward contracts			$ (2,634)
			$ 41,752

[1] *Net Assets refers to Net Assets Attributable to Holders of Redeemable Units.*

The accompanying notes are an integral part of these financial statements.

(a) FINANCIAL INSTRUMENTS BY CATEGORY

The following tables present the carrying amounts of the Fund's financial instruments by category as at June 30, 2014:

Assets	Held for Trading ($)	Financial assets at FVTPL Designated at Inception ($)	Total ($)	Financial assets at amortized cost ($)	Total ($)
Cash and cash equivalents	-	-	-	301,643	301,643
Margin accounts	-	-	-	11,292	11,292
Subscription receivable	-	-	-	373,938	373,938
Receivable for investments sold	-	-	-	1,470	1,470
Dividends receivable	-	-	-	30,186	30,186
Investments	-	10,401,875	10,401,875	-	10,401,875
Investments - pledged as collateral	-	451,289	451,289	-	451,289
Derivative assets	41,752	-	41,752	-	41,752
Total	**41,752**	**10,853,164**	**10,894,916**	**718,529**	**11,613,445**

Liabilities	Held for Trading ($)	Financial assets at FVTPL Designated at Inception ($)	Total ($)	Financial liabilities at amortized cost ($)	Total ($)
Redemptions payable	-	-	-	134,515	134,515
Payable for investments purchased	-	-	-	96,797	96,797
Distributions payable	-	-	-	2,338	2,338
Derivative liabilities	12,150	-	12,150	-	12,150
Total	**12,150**	**-**	**12,150**	**233,650**	**245,800**

The following tables present the carrying amounts of the Fund's financial instruments by category as at December 31, 2013:

Assets	Held for Trading ($)	Financial assets at FVTPL Designated at Inception ($)	Total ($)	Financial assets at amortized cost ($)	Total ($)
Cash and cash equivalents	-	-	-	635,835	635,835
Margin accounts	-	-	-	34,173	34,173
Receivable for investments sold	-	-	-	264,776	264,776
Dividends receivable	-	-	-	23,889	23,889
Investments	-	22,298,634	22,298,634	-	22,298,634
Investments - pledged as collateral	-	2,479,069	2,479,069	-	2,479,069
Total	**-**	**24,777,703**	**24,777,703**	**958,673**	**25,736,376**

Liabilities	Held for Trading ($)	Financial assets at FVTPL Designated at Inception ($)	Total ($)	Financial liabilities at amortized cost ($)	Total ($)
Margin loan and borrowing	-	-	-	1,104,868	1,104,868
Management fee payable	-	-	-	22,914	22,914
Service fee payable	-	-	-	4,954	4,954
Expenses payable	-	-	-	9,290	9,290
Payable for investments purchased	-	-	-	717,590	717,590
Distributions payable	-	-	-	185,950	185,950
Derivative liabilities	208,246	-	208,246	-	208,246
Total	**208,246**	**-**	**208,246**	**2,045,566**	**2,253,812**

The following tables present the carrying amounts of the Fund's financial instruments by category as at January 1, 2013:

Assets	Held for Trading ($)	Financial assets at FVTPL Designated at Inception ($)	Total ($)	Financial assets at amortized cost ($)	Total ($)
Cash and cash equivalents	-	-	-	29,393	29,393
Margin accounts	-	-	-	9,357	9,357
Dividends receivable	-	-	-	22,798	22,798
Investments	-	17,920,729	17,920,729	-	17,920,729
Investments - pledged as collateral	-	2,982,510	2,982,510	-	2,982,510
Total	**-**	**20,903,239**	**20,903,239**	**61,548**	**20,964,787**

Liabilities	Held for Trading ($)	Financial assets at FVTPL Designated at Inception ($)	Total ($)	Financial liabilities at amortized cost ($)	Total ($)
Margin loan and borrowing	-	-	-	1,357,633	1,357,633
Distributions payable	-	-	-	186,692	186,692
Derivative liabilities	118,274	-	118,274	-	118,274
Total	**118,274**	-	**118,274**	**1,544,325**	**1,662,599**

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the six month periods ending June 30, 2014 and June 30, 2013:

Category	Net gains (losses) ($) 2014	2013
Financial assets at FVTPL:		
Held for trading	(503,314)	(186,608)
Designated at inception	619,485	1,425,340
Total financial assets at FVTPL	116,171	1,235,732
Financial liabilities at FVTPL:		
Held for trading	68,652	38,540
Total	**184,823**	**1,274,272**

RISK MANAGEMENT

Price Risk

Please see note 5 for a definition of Price Risk. The Manager moderates this risk through diversification of securities and other financial instruments within the limits of the Fund's investment objectives and strategy.

The Fund is limited to investing in securities that comprise no more than 10% of the net asset value at the time of purchase.

If the price of investments held by the Fund on June 30, 2014 had been higher or lower by 5%, the net assets attributable to holders of redeemable units of the Fund would have been higher or lower by $542,051 (December 31, 2013: $1,237,686; January 1, 2013: $1,044,595). Actual results may differ from the above sensitivity analysis and the difference could be material.

The following tables present the Fund's exposure as a percentage of its net asset value by geographic region and by industry sector as at June 30, 2014, December 31, 2013 and January 1, 2013.

By Geographic Region	June 30, 2014	December 31, 2013	January 1, 2013
United Kingdom	35.3%	30.1%	36.0%
Switzerland	14.0%	26.4%	24.3%
Australia	8.7%	8.4%	8.2%
Barbados	6.3%	0.0%	0.0%
France	5.7%	13.6%	15.5%
Canada	5.4%	2.8%	0.0%
United States	5.0%	0.0%	0.0%
Japan	4.3%	4.0%	3.0%
South Korea	4.0%	0.9%	3.1%
Germany	3.7%	10.5%	8.2%
Hong Kong	2.9%	4.9%	4.8%
Bermuda	1.1%	0.0%	0.0%
Spain	0.0%	0.9%	0.9%
Panama	0.0%	1.8%	2.3%
Sweden	0.0%	1.2%	0.0%
Netherlands	0.0%	0.0%	2.0%
Forward Contracts	0.4%	-0.9%	0.0%
Cash & Other Assets	3.2%	-4.6%	-8.3%
Total	**100.0%**	**100.0%**	**100.0%**

By Industry Sector	June 30, 2014	December 31, 2013	January 1, 2013
Financials	19.7%	23.7%	27.7%
Industrials	19.3%	17.6%	16.1%
Materials	15.8%	12.2%	13.2%
Consumer Staples	11.6%	12.2%	8.4%
Utilities	6.6%	7.8%	7.2%
Consumer Discretionary	6.4%	4.4%	4.3%
Telecommunication Services	6.3%	5.7%	8.7%
Energy	4.7%	8.6%	9.8%
Health Care	4.1%	13.3%	12.1%
Information Technology	2.0%	0.0%	0.0%
Aerospace & Defence	0.0%	0.0%	0.8%
Forward Contracts	0.4%	-0.9%	0.0%
Cash & Other Assets	3.1%	-4.6%	-8.3%
Total	**100.0%**	**100.0%**	**100.0%**

Currency Risk

As the Fund will invest in securities traded in foreign currencies, its net assets and cash flows, when measured in Canadian dollars, will, to the extent that they have not been fully hedged, be affected by changes in the value of these currencies relative to the Canadian dollar.

The use of currency risk mitigation strategies such as forward currency contracts involves special risks including the possible default by the counterparty to the transaction, illiquidity and to the extent the Manager's assessment of certain market movements is incorrect, the risk that the use of such strategies could result in losses greater than if the strategy had not been used. The forward currency contracts may have the effect of limiting or reducing the total returns of the Fund if the Manager's expectations concerning future events or market conditions prove to be incorrect. In addition, costs associated with the forward currency contracts may outweigh the benefits of the arrangements in some circumstances.

The Manager may, from time to time, at its sole discretion, enter into forward currency contracts in relation to all or a portion of the value of the Fund's non-Canadian dollar currency exposure or the non-Canadian currency exposure of the issuers whose securities comprise the Fund's portfolio back, directly or indirectly, to the Canadian dollar. Forward currency contract amounts are based on a combination of trading currency of the Fund's holdings and an estimate of the currency to which their operations are exposed. In practice, the actual currency exposure may differ from this hedging program, and the difference could be material.

The tables below indicate the foreign currencies to which the Fund had significant exposure at June 30, 2014, December 31, 2013 and January 1, 2013, in Canadian dollar terms, and the notional amounts of foreign exchange forward contracts. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 5% in relation to each of the other currencies, with all other variables held constant.

June 30, 2014

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
United States Dollar	(1,161,200)	4,604,913	3,443,713	(58,060)	229,713	171,653
British Pound	69,657	2,408,234	2,477,891	3,483	120,412	123,895
Australian Dollar	(452,434)	974,173	521,739	(22,622)	48,709	26,087
Hong Kong Dollar	-	321,217	321,217	-	16,061	16,061
South Korean Won	-	223,188	223,188	-	11,159	11,159
Swiss Franc	(502,109)	664,730	162,621	(25,105)	33,237	8,132
Swedish Krona	80	-	80	4	-	4
Japanese Yen	(232,039)	224,936	(7,103)	(11,602)	11,247	(355)
Euro	(855,368)	814,404	(40,964)	(42,768)	40,720	(2,048)
Total	**(3,133,413)**	**10,235,795**	**7,102,382**	**(156,670)**	**511,258**	**354,588**
% of net assets attributable to holders of redeemable units	**-27.6%**	**89.9%**	**62.3%**	**-1.4%**	**4.5%**	**3.1%**

December 31, 2013

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
United States Dollar	(4,104,394)	9,099,072	4,994,678	(205,220)	454,954	249,734
British Pound	(1,626,639)	4,230,570	2,603,931	(81,332)	211,529	130,197
Swiss Franc	(2,624,209)	3,874,048	1,249,839	(131,210)	193,702	62,492
Hong Kong Dollar	-	1,156,336	1,156,336	-	57,817	57,817
Australian Dollar	(1,184,539)	1,962,741	778,202	(59,227)	98,137	38,910
Swedish Krona	(165,493)	286,639	121,146	(8,275)	14,332	6,057
Euro	(3,928,788)	3,770,704	(158,084)	(196,439)	188,535	(7,904)
Japanese Yen	(455,040)	253,337	(201,703)	(22,752)	12,667	(10,085)
Total	**(14,089,102)**	**24,633,447**	**10,544,345**	**(704,455)**	**1,231,673**	**527,218**
% of net assets attributable to holders of redeemable units	**-60.1%**	**105.0%**	**44.9%**	**-3.0%**	**5.3%**	**2.2%**

January 1, 2013

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
United States Dollar	(4,942,093)	8,712,091	3,769,998	(247,105)	435,605	188,500
British Pound	(1,840,256)	3,985,080	2,144,824	(92,013)	199,254	107,241
Swiss Franc	(1,300,894)	2,606,081	1,305,187	(65,045)	130,304	65,259
Hong Kong Dollar	-	934,458	934,458	-	46,723	46,723
Australian Dollar	(1,085,303)	1,564,552	479,249	(54,265)	78,228	23,963
South African Rand	(81,454)	-	(81,454)	(4,073)	-	(4,073)
Euro	(3,137,790)	2,880,335	(257,455)	(156,890)	144,017	(12,873)
Japanese Yen	(575,773)	209,828	(365,945)	(28,789)	10,491	(18,298)
Total	**(12,963,563)**	**20,892,425**	**7,928,862**	**(648,180)**	**1,044,622**	**396,442**
% of net assets attributable to holders of redeemable units	**-67.2%**	**108.2%**	**41.1%**	**-3.4%**	**5.4%**	**2.1%**

Interest Rate Risk

As at June 30, 2014, December 31, 2013 and January 1, 2013, the Fund did not have significant direct exposure to interest rate risk.

Credit Risk

The Fund's exposure to credit risk arises primarily from investments in forward currency contracts. The maximum exposure to credit risk from these contracts is equivalent to the fair value of forward currency contracts that are in a net unrealized gain position as of the reporting date.

As at June 30, 2014 forward currency contracts were in a net unrealized gain in the amount of $41,752. The counterparties have credit ratings of A-1+ and A-1, which is superior to the minimum requirement outlined in securities legislation. As at December 31, 2013 and January 1, 2013 currency forward contracts were in a net unrealized loss position with each counterparty; therefore, there was no credit risk associated with these contracts.

The Fund limits its exposure to credit losses on forward currency contracts by ensuring there are netting arrangements with each counterparty to the forward currency contracts, such that any gains (amounts owing to the Fund) on individual contracts can be set off against any losses (amounts owing to the counterparty) in the event of default.

Liquidity Risk

The Fund is exposed to liquidity risk on its obligations, including its issued redeemable units, written put options, accrued fees and expenses, payable for securities purchased, distributions payable and borrowings.

The liquidity risk associated with issued redeemable units is managed by investing in a diversified portfolio with no more than 10% of its net assets in illiquid investments. The Fund may also borrow temporarily to fund redemptions.

Prior to May 23, 2014 when the Fund was a closed end investment fund (note 1b), it was authorized to borrow an amount not exceeding 15% of the total assets of the Fund after giving effect to such borrowing (note 11). At December 31, 2013, the amount borrowed was $1,104,868 (January 1, 2013 - $1,358,690) which represented 4.3% of total assets as at December 31, 2013 and 6.5% of total assets as at January 1, 2013. Borrowings were repayable on demand and were covered by collateral held on account at the broker with whom the borrowings were made. The Fund was able to sell marketable securities in order to pay back these amounts.

As at June 30, 2014, the Fund did not have any borrowings. In accordance with National Instrument 81-102 the Fund is allowed to borrow amounts not exceeding 5% of its net asset value in certain limited circumstances to temporarily fund redemptions or settle trades.

The Fund writes cash secured put options in accordance with its investment objectives and strategies. The value of the securities and/or cash required to satisfy the written options if they were exercised, is presented in the table below.

Value of securities or cash required to satisfy written options	Less than 1 month	1 to 3 months	Greater than 3 months and less than one year	Total
June 30, 2014	$148,242	$339,352	$93,000	**$580,594**
December 31, 2013	$116,969	$1,145,093	$249,889	**$1,511,951**
January 1, 2013	-	$452,121	$315,881	**$768,002**

All other obligations including accrued fees and expenses, payable for securities purchased, derivative liabilities associated with currency forward contracts and distributions payable were due within 3 months from the financial reporting date.

FAIR VALUE MEASUREMENTS

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2014, December 31, 2013 and January 1, 2013.

	Assets at fair value as at June 30, 2014			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - long	10,003,377	-	-	10,003,377
Investment Funds - long	-	126,865	722,922	849,787
Forward contracts	-	41,752	-	41,752
Total	**10,003,377**	**168,617**	**722,922**	**10,894,916**

	Liabilities at fair value as at June 30, 2014			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Options - short	(12,150)	-	-	(12,150)
Forward contracts	-	-	-	-
Total	**(12,150)**	**-**	**-**	**(12,150)**

	Assets at fair value as at December 31, 2013			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - long	24,118,302	-	-	24,118,302
Investment Funds - long	-	120,280	539,121	659,401
Forward contracts	-	-	-	-
Total	**24,118,302**	**120,280**	**539,121**	**24,777,703**

	Liabilities at fair value as at December 31, 2013			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Options - short	(23,974)	-	-	(23,974)
Forward contracts	-	(208,246)	-	(208,246)
Total	**(23,974)**	**(208,246)**	**-**	**(232,220)**

	Assets at fair value as at January 1, 2013			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities - long	20,903,239	-	-	20,903,239
Forward contracts	-	-	-	-
Total	**20,903,239**	**-**	**-**	**20,903,239**

	Liabilities at fair value as at January 1, 2013			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Options - short	(11,341)	-	-	(11,341)
Forward contracts	-	(106,933)	-	(106,933)
Total	**(11,341)**	**(106,933)**	**-**	**(118,274)**

Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

As at June 30, 2014 the Fund held units of Portland CVBI Holdings LP ("Portland CVBI") and Portland Global Energy Efficiency and Renewable Energy Fund LP ("Portland GEEREF"), which are closed-end investment funds. The Fund measures the fair value of these holdings at the most recently published net asset value per unit because the Manager believes this is most representative of fair value. Portland GEEREF holds B units of Global

Energy Efficiency and Renewable Energy Fund (the "B units"), a Luxemborg based SICAV-SIF. The value of the B units is linked to the distributions it will receive under a prescribed formula and as such, the investment is considered Level 2 in the fair value hierarchy.

Portland CVBI is considered Level 3 on the fair value hierarchy because their issued units are not redeemable and there is no secondary market for the units. In addition, Portland CVBI itself holds an investment for which quoted prices in an active market are not available and which is valued using valuation techniques that use inputs which are largely unobservable.

Reconciliation of Level 3 Fair Value Measurement

The following table reconciles the Fund's Level 3 fair value measurements for the period ending June 30, 2014. The Fund did not have any Level 3 fair value measurements during the period ending June 30, 2013 and there were no transfers into or out of Level 3 during the six month period ended June 30, 2014.

	Investment Funds ($)	Total ($)
Balance at beginning of period	539,121	539,121
Investment purchases during the period	-	-
Proceeds from sales during the period	-	-
Net transfers in (out) during the period	-	-
Net realized gain (loss) on sale of investments	-	-
Change in unrealized appreciation (depreciation) in value of investments	183,801	183,801
Balance at end of period	**722,922**	**722,922**
Total change in unrealized appreciation (depreciation) for assets held as at June 30, 2014	183,801	183,801

As at June 30, 2014 the Fund's only Level 3 investment was Portland CVBI. The Manager of the Fund is also the service manager of Portland CVBI and is an affiliate of the general partner of Portland CVBI. The Fund measures the fair value of this holding at the most recently published net asset value per unit because the Manager believes it to be most representative of fair value. The Manager believes that Portland CVBI is Level 3 on the fair value hierarchy because its issued units are not redeemable, have no secondary market, and its underlying holdings also do not trade in an active market.

Portland CVBI holds preferred shares ("Preferred Shares") of CFFI Ventures (Barbados) Inc. a Barbados holding company which, indirectly through wholly owned subsidiaries controls Columbus International Inc. ("CII"), a Caribbean telecommunications company. The Preferred Shares are redeemable under certain circumstances and the redemption price is linked contractually to the fair value of CII common shares.

Portland CVBI measures its investment in Preferred Shares at fair value using valuation techniques that the general partner believes are appropriate. Such techniques involve determining the range of possible values for CII common shares and include: reviewing recent transactions and bona fide offers, using models that incorporate earnings multiples of comparative public companies and the earnings history of CII, adjusted for lack of liquidity, and reviewing the audited financial statements of CFFI Ventures (Barbados) Inc. and its subsidiaries which carry their investment in CII at fair value.

If the net asset value per unit of Portland CVBI had been higher or lower by 5%, the value of the investment fund classified as Level 3 would have been higher or lower by $36,146 as at June 30, 2014.

On July 31, 2014 Portland CVBI announced that it had accepted an offer for the Preferred Shares and would be winding up on or about September 2, 2014. Following this development, the net asset value per Series F unit of Portland CVBI was determined on July 31, 2014 to be $149.6130, compared to $140.0880 as at June 30, 2014. The Fund received cash for its units in the amount of US $723,200 on August 6, 2014.

Statements of Financial Position (unaudited)

	As at June 30, 2014	As at December 31, 2013	As at January 1, 2013
Assets			
Current Assets			
Cash and cash equivalents	$ 301,643	$ 635,835	$ 29,393
Margin accounts	11,292	34,173	9,357
Subscriptions receivable	373,938	-	-
Receivable for investments sold	1,470	264,776	-
Dividends receivable	30,186	23,889	22,798
Investments (note 5)	10,401,875	22,298,634	17,920,729
Investments - pledged as collateral	451,289	2,479,069	2,982,510
Derivative assets	41,752	-	-
	11,613,445	25,736,376	20,964,787
Liabilities			
Current Liabilities			
Margin loan and borrowing	-	1,104,868	1,357,633
Management fee payable	-	22,914	-
Service fee payable	-	4,954	-
Expenses payable	-	9,290	-
Redemptions payable	134,515	-	-
Payable for investments purchased	96,797	717,590	-
Distributions payable	2,338	185,950	186,692
Derivative liablities	12,150	232,220	118,274
	245,800	2,277,786	1,662,599
Net Assets Attributable to Holders of Redeemable Units	$ 11,367,645	$ 23,458,590	$ 19,302,188
Net Assets Attributable to Holders of Redeemable Units per Series			
Series A	46,704	-	-
Series A2 / Trust Units (note 1b)	10,488,415	23,458,590	19,302,188
Series F	832,526	-	-
Number of Redeemable Units Outstanding			
Series A	4,710	-	-
Series A2 / Trust Units (note 1b)	1,058,014	3,719,005	3,733,841
Series F	83,954	-	-
Net Assets Attributable to Holders of Redeemable Units per Unit			
Series A	9.92	-	-
Series A2 / Trust Units (note 1b)	9.91	6.31	5.17
Series F	9.92	-	-

Approved on behalf of the Trustee, Portland Investment Counsel Inc.

"Michael Lee-Chin" — Director

"Robert Almeida" — Director

The accompanying notes are an integral part of these financial statements.

Statements of Comprehensive Income (unaudited)

for the periods ended June 30	2014	2013
Income		
Net gains (losses) on investments (note 2)		
Dividends	$ 386,400	$ 606,803
Interest for distribution purposes	12,198	3
Net realized gain (loss)	4,252,148	77,410
Net realized gain (loss) on forward currency contracts	(753,312)	(145,438)
Change in unrealized appreciation (depreciation)	(3,314,013)	1,342,300
	583,421	1,881,078
Foreign currency gain (loss) on cash and other net assets	(50,743)	(95,811)
Expenses		
Management fee (note 8)	107,076	204,326
Securityholder reporting costs	75,707	58,622
Audit fees	14,558	13,455
Custodial fees	5,131	4,908
Legal fees	5,716	3,230
Service fees	35,408	43,720
Independent review committee fees	2,725	2,681
Interest and borrowing expense	3,743	10,879
Withholding tax expense	60,271	99,151
Transaction costs	26,581	8,459
Total operating expenses	336,916	449,431
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ 195,762	$ 1,335,836
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	522	-
Series A2 / Trust Units (note 1b)	188,454	1,335,836
Series F	6,786	-
Series A	0.54	n/a
Series A2 / Trust Units (note 1b)	0.10	0.36
Series F	0.27	n/a

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (unaudited)

for the periods ended June 30	2014	2013
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period		
Series A	$ -	$ -
Series A2 / Trust Units (note 1b)	23,458,590	19,302,188
Series F	-	-
	23,458,590	19,302,188
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Series A	522	-
Series A2 / Trust Units (note 1b)	188,454	1,335,836
Series F	6,786	-
	195,762	1,335,836
Distributions to Holders of Redeemable Units		
From return of capital:		
Series A	(200)	-
Series A2 / Trust Units (note 1b)	(279,402)	(373,384)
Series F	(3,282)	-
	(282,884)	(373,384)
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	46,252	-
Series A2	179,984	-
Series F	826,703	-
	1,052,939	-
Reinvestments of distributions to unitholders of redeemable units		
Series A	130	-
Series A2 / Trust Units (note 1b)	91,808	-
Series F	2,319	-
	94,257	-
Redemption of redeemable units		
Series A	-	-
Series A2 / Trust Units (note 1b)	(13,151,019)	-
Series F	-	-
	(13,151,019)	-
Net Increase (Decrease) from Redeemable Unit Transactions	(12,003,823)	-
Net Assets Attributable to Holders of Redeemable Units at End of Period		
Series A	46,704	-
Series A2 / Trust Units (note 1b)	10,488,415	20,264,640
Series F	832,526	-
Net Assets Attributable to Holders of Redeemable Units at End of Period	$ 11,367,645	$ 20,264,640

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flow (unaudited)

for the periods ended June 30		2014		2013
Cash Flow from Operating Activities				
Increase / (decrease) in net assets attributable to holders of redeemable units	$	195,762	$	1,335,836
Adjustments for:				
Net realized (gain) loss		(3,498,836)		(77,410)
Change in unrealized appreciation (depreciation)		3,314,013		(1,342,300)
(Increase) decrease in dividends receivable		(6,297)		(60,075)
Increase (decrease) in other payable and accrued liabilities		(37,158)		68,210
Purchase of investments		(4,556,787)		(1,728,114)
Proceeds from sale of investments		18,046,840		1,969,223
Net Cash Generated (Used) by Operating Activities		13,457,537		261,181
Cash Flow from Financing Activities				
Distributions to holders of redeemable units, net of reinvested distributions		(372,239)		(373,384)
Change in net margin loan and borrowing		(1,104,868)		320,501
Change in margin cash		22,881		1,767
Proceeds from redeemable units issued		679,001		-
Amount paid on redemption of redeemable units		(13,016,504)		-
Net Cash Generated (Used) by Financing Activities		(13,791,729)		(51,116)
Net increase (decrease) in cash and cash equivalents		(334,192)		114,254
Cash and Cash Equivalents Beginning of Period		635,835		29,393
Cash and Cash Equivalents End of Period	$	301,643	$	143,647
Cash and cash equivalents comprise:				
Cash at bank		191,843		143,647
Short-term investments		109,800		-
	$	301,643	$	143,647
Interest received, net of withholding tax		12,198		3
Dividends received, net of witholding tax		319,832		447,577
Interest paid		-		-
Distributions paid		(372,239)		(373,384)
Income taxes paid		-		-

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements (unaudited)

1. GENERAL INFORMATION

a) Portland Global Dividend Fund (formerly Copernican International Premium Dividend Fund) (Fund) is an open-ended unit trust created and governed by a master declaration of trust under the laws of Ontario in Canada. It offers units to the public under a simplified prospectus dated May 29, 2014 (Prospectus). The Fund was formed on April 27, 2007 and commenced operations on May 16, 2007. Portland Investment Counsel Inc. (Manager) is the Investment Fund Manager, Portfolio Manager and Trustee of the Fund. The head office of the Manager is 1375 Kerns Road, Burlington, Ontario L7R 4V7. Citibank Canada is the custodian for the Fund. These financial statements are presented in Canadian dollars and were authorized for issue by the board of directors of the Manager. The Fund is authorized to issue an unlimited number of units in an unlimited number of series. The Fund's objective is to provide income and long-term total returns by investing primarily in a portfolio of global dividend paying equities.

b) Fund Restructuring

Copernican International Premium Dividend Fund was restructured on May 23, 2014 and became a multi-class, open end mutual fund. Immediately after the restructuring, its name was changed to Portland Global Dividend Fund. Prior to this date, Copernican International Premium Dividend Fund was a closed end investment fund trading on the TSX under the symbol CPM.UN. Existing unitholders were issued 0.638547 Series A2 Units for each existing trust unit at the time of the restructuring. The net asset value of Series A2 Units was $10.00 per unit immediately following the restructuring, such that the net asset value of issued trust units did not change as a result.

2. BASIS OF PRESENTATION AND ADOPTION OF IFRS

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting and IFRS 1 First-time Adoption of International Financial Reporting Standards. The Fund adopted this basis of accounting in 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Fund prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles as defined in Part V of the Chartered Professional Accountants of Canada Handbook (Canadian GAAP). The Fund has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position at January 1, 2013 and throughout all periods presented, as if these policies had always been in effect. Note 12 discloses the impact of the transition to IFRS on the Fund's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Fund's financial statements for the year ended December 31, 2013 prepared under Canadian GAAP.

The policies applied in these interim financial statements are based on IFRS issued and outstanding as of August 22, 2014, which is the date on which the interim financial statements were authorized for issue by the Manager. Any subsequent changes to IFRS that are given effect in the Fund's annual financial statements for the year ending December 31, 2014 could result in restatement of these interim financial statements, including the transition adjustments recognized on transition to IFRS.

These financial statements also comply with the requirements of National Instrument 81-106 as it applies to investment funds that are reporting issuers.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(a) Classification

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. The Fund's investments and derivative assets and liabilities are measured at fair value through profit and loss (FVTPL). Other than its derivative assets and liabilities, all of the Fund's investments are designated at FVTPL at inception including its equity investments and investments in other investment funds. The Fund does not classify any derivatives as hedges in a hedging relationship and therefore categorizes them as held for trading.

The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount.

All other financial assets and liabilities are classified as loans and receivables or other financial liabilities and are measured at amortized cost which approximates fair value due to their short-term maturities. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate.

The Fund's accounting policies for measuring the fair value of its investments and derivatives are similar to those used in measuring its net asset value (NAV) for unitholder transactions; therefore it is expected that net assets attributable to holders of redeemable units will be the same in all material respects as the net asset value (NAV) per unit used in processing unitholder transactions.

Financial assets and liabilities may be offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the statement of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy, certain events of default or termination of the contracts.

(b) Recognition, de-recognition and measurement

Regular way purchases and sales of financial assets are recognized on their trade date - the date on which the Fund commits to purchase or sell the investment. Financial assets and liabilities at FVTPL are initially recognized at fair value. Transaction costs are expensed as incurred in the statements of comprehensive income.

Financial assets are de-recognized when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all the risks and rewards of ownership. Upon disposal, the difference between the amount received and the average cost to acquire the financial asset is included within "Net realized gain (loss)" in the statements of comprehensive income.

When the Fund writes an option, an amount equal to fair value which is based on the premium received by the Fund is recorded as a liability. When options are closed, the difference between the premium and the amount received, net of brokerage commissions, or the full amount of the premium if the option expires worthless is recognized as a gain or loss and is presented in the statements of comprehensive income within "net realized gain (loss)". When a written call option is exercised, the amount of gain or loss realized from the disposition of the related investment at the exercise price, plus the premiums received at the time the option was written are included in the statements of comprehensive income within "net realized gain (loss)". When a written put option is exercised, the amount of premiums received is deducted from the cost to acquire the related investment.

Subsequent to initial recognition, all financial assets and liabilities at FVTPL are measured at fair value. Gains and losses arising from change in fair value of the 'financial assets and liabilities at fair value through profit or loss' category are presented in the statements of comprehensive income within "change in unrealized appreciation (depreciation)" in the period in which they arise.

"Interest for distribution purposes" shown on the statements of comprehensive income represents the coupon interest received by the Fund accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities other than zero coupon debt securities which are amortized on a straight line basis. Interest receivable is shown separately in the statement of financial position based on the debt instruments' stated rates of interest. Dividends on equity investments and distributions on investments in other investment funds are recognized as income on the ex-dividend date.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. If there has been no trade, the mid price (average bid and asking price) as of the close of the business on the reporting date is used to approximate fair value.

Forward contracts are agreements to purchase or sell financial instruments at a specified future date. As forward contracts are not traded on an exchange, the agreements between counterparties are not standardized. Changes in value of forward contracts are settled only on termination of the contract. Open forward contracts are revalued to fair value in the statements of comprehensive income based on the difference between the contract rate and the applicable forward rate to close out the contract. Gains and losses associated with the valuation of open forward contracts are recorded in the statements of comprehensive income as "change in unrealized appreciation (depreciation)". The cumulative change in value upon settlement is included in the statements of comprehensive income as "net realized gain (loss) on forward currency contracts".

The fair value of bonds is based on closing bid quotations in common use.

Units of investment funds are valued using the last published NAV per unit, as adjusted where appropriate by the Manager to reflect fair value.

Foreign currency translation

The Fund's subscriptions and redemptions are denominated in Canadian dollars, which is also its functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates that transactions occur. Assets and liabilities denominated in a foreign currency are translated into the functional currency using the exchange rate prevailing at the reporting date. Foreign exchange gains and losses related to assets and liabilities at amortized cost are recognized in profit and loss and are presented as "foreign currency gain (loss) on cash and other net assets" on the statements of comprehensive income. Realized foreign exchange gains and losses related to assets and liabilities at FVTPL are recognized when incurred and are presented in the statement of comprehensive income within "net realized gain (loss)".

Unrealized exchange gains or losses on investments and forward currency contracts are included in "change in unrealized appreciation (depreciation)" in the statements of comprehensive income.

"Foreign exchange gain (loss) on currencies and other net assets" arise from sale of foreign currencies, currency gains or losses realized between trade and settlement dates on securities transactions, and the difference between the recorded amounts of dividend, interest and foreign withholding taxes and the Canadian dollar equivalent of the amounts actually received or paid.

Cash and cash equivalents

The Fund considers highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value to be cash equivalents. Cash is comprised of deposits with financial institutions.

Cost of investments

The cost of investments represents the average cost for each security excluding transaction costs. On the schedule of investment portfolio, transaction costs have been deducted in aggregate from the total cost of individual investments which include transaction costs. The premium received on a written put option is added to the cost of investments acquired when the written put option is exercised.

Expenses

Expenses of the Fund including management fees and other operating expenses are recorded on an accrual basis.

Transaction costs associated with investment transactions, including brokerage commissions, have been expensed on the statements of comprehensive income for financial assets and liabilities at FVTPL.

Increase (decrease) in net assets attributable to holders of redeemable units per unit

"Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit" in the statements of comprehensive income represents the Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series, divided by the weighted average units outstanding of that Series during the reporting period.

Distribution to the Unitholders

Distributions will be made to Unitholders only at such times and in such amounts as may be determined in the discretion of the Manager. The Fund intends to distribute enough of its net income and net realized capital gains so that it does not have to pay ordinary income tax. All distributions by the Fund on Series A Units, Series A2 Units and Series F Units will be automatically reinvested in additional units of the same Series of the Fund held by the investor at the NAV per unit thereof, unless the investor notifies the Manager in writing that cash distributions are preferred.

Allocation of income and expense, and realized and unrealized gains and losses

Management fees and other costs directly attributable to a series are charged to that series. The Fund's shared operating expenses, income, and realized and unrealized gains and losses are generally allocated proportionately to each series based upon the relative NAV of each Series.

Future accounting changes

IFRS 9, Financial Instruments

The final version of IFRS 9, Financial instruments, was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however is available for early adoption. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Fund is in the process of assessing the impact of IFRS 9 and has not yet determined when it will adopt the new standard.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates the Fund has made in preparing these financial statements.

Fair value measurement of investments not quoted in an active market

The Fund holds investments in other investment funds that are not quoted in active markets. Fair values of such instruments are measured using the latest available published NAV per unit, which may be adjusted at the discretion of the Manager if it is determined not to be indicative of fair value. Where the investment fund is managed by the same manager as the Fund, the Manager may value the holdings in the investment fund held by the Fund using its own models which may be based on earnings multiples of publicly comparable companies adjusted for lack of marketability as appropriate. Such models necessarily require the use of estimates and assumptions, changes to which could affect the reported fair values of such financial instruments. Refer to the Fund Specific Notes to the Financial Statements for further information about the fair value measurement of the Fund's financial instruments.

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments under IAS 39, Financial Instruments - Recognition and Measurement, the Manager is required to make significant judgments about whether or not the financial assets and liabilities of the Fund are considered held for trading or that the fair value option can be applied to those that are not. The Manager has concluded that the fair value option can be applied to the Fund's investments that are not considered held for trading. Such investments have been designated at FVTPL.

5. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Fund's investment activities may be exposed to various financial risks, including market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Fund's risk management goals are to ensure that the outcome of activities involving risk is consistent with the Fund's investment objectives and risk tolerance per the Fund's offering documents. All investments result in a risk of loss of capital.

For a detailed discussion of risks associated with the Fund, refer to the 'Fund Specific Notes to the Financial Statements'.

Price risk

Price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk). Financial instruments held by the Fund are susceptible to market price risk arising from uncertainties about future prices of the instruments. The Fund limits its exposure to any one security to 10% of NAV at the time of purchase, which is monitored on a daily basis.

Interest rate risk

Interest rate risk arises on interest-bearing financial instruments held by the Fund, such as bonds. The fair value and future cash flows of such instruments held by the Fund will fluctuate due to changes in market interest rates.

The Manager considers a fund to have significant exposure to interest rate risk if it holds greater than 10% of its net assets in fixed income instruments with a term to maturity greater than 90 days.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Securities included in the Fund may be valued in or have exposure to currencies other than the Canadian dollar and when measured in Canadian dollars, be affected by fluctuations in the value of such currencies relative to the Canadian dollar. The Fund may enter into currency forward contracts to limit its currency exposure.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its obligations associated with financial liabilities. The Fund is exposed to daily cash redemptions. As a result, the Fund invests the majority of assets in investments that are traded in an active market and can be readily disposed of. There can be no assurance that an active trading market for the investments will exist at all times, or that the prices at which the securities trade accurately reflect their values. In accordance with securities regulations, each fund must maintain at least 90% of assets in liquid investments at time of purchase. In addition, each fund has the ability to borrow up to 5% of its net assets attributable to holders of redeemable units for the purposes of funding redemptions and settling portfolio transactions.

Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Investments in currency forward contracts and long term debt securities represent the main concentration of credit risk in a fund. The Fund manages its exposure to credit risk by limiting its investment in such contracts to those with (i) terms less than 365 days and (ii) counterparties are major banks having a minimum short-term debt credit rating of A-1 (Low) as published by the Standard & Poor's Ratings Service (Canada). The Fund limits exposure to any one counterparty to no more than 10% of the NAV of the Fund. The fair value of debt instruments includes consideration of the credit worthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the Fund.

The Manager considers the Fund to have significant credit risk if it has forward contracts in a net unrealized gain with a particular counterparty or is investing in debt securities that represent more than 5% of its net assets attributable to holders of redeemable units.

Fair value of financial instruments

Financial instruments measured at fair value are classified according to a fair value hierarchy that reflects the importance of the inputs used to perform each valuation. The fair value hierarchy is made up of the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3 - inputs are unobservable for the asset or liability.

The fair value hierarchy requires the use of observable data on the market each time such data exists. A financial instrument is classified at the lowest level of the hierarchy for which significant input has been considered in measuring fair value.

Refer to 'Fund Specific Notes to the Financial Statements' for fund specific fair value disclosures.

6. REDEEMABLE UNITS

The Fund is permitted to have an unlimited number of series of units, having such terms and conditions as the Manager may determine. Additional series may be offered in future on different terms, including different fee and dealer compensation terms and different minimum subscription levels. Each unit of a series represents an undivided ownership interest in the net assets of the Fund attributable to that series of units.

The Fund endeavors to invest capital in appropriate investments in conjunction with its investment objectives. The Fund maintains sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments, where necessary.

Units of the Fund are available in multiple series as outlined below. The principal difference between the series of units relates to the management fee payable to the Manager, the compensation paid to dealers, distributions and the expenses payable by the series. All units are entitled to participate in the Fund's liquidation of assets on a series basis. Units are issued as fully paid and non-assessable and are redeemable at the NAV per unit of the applicable series of units being redeemed, determined at the close of business on the day the redemption request is submitted.

Series A Units and Series A2 Units are available to all investors.

Series F Units are available to investors who participate in fee-based programs through their dealer and whose dealer has signed a Series F Agreement with the Manager, investors for whom the Fund does not incur distribution costs, or individual investors approved by the Manager.

The number of units issued and outstanding for the period ended June 30, 2014 was as follows:

Period ended June 30, 2014	Balance, Beginning of Period	Units Redeemed Pre Converson	Units converted May 23, 2013 note 1(b)	Units Issued Post Conversion (note 1(b))	Units Reinvested Post Conversion (note 1(b))	Units Redeemed Post Conversion (note 1(b))	Balance, End of Period
Series A Units	-	-	-	4,697	13	-	4,710
Series A2 Units / Trust Units	3,719,005	(1,832,785)	1,204,440	18,057	9,305	(173,788)	1,058,014
Series F Units	-	-	-	83,717	237	-	83,954

The number of units issued and outstanding for the period ended June 30, 2013 was as follows:

Period ended June 30, 2013	Balance, Beginning of Period	Units Issued	Units Reinvested	Units Redeemed	Balance, End of Period
Trust Units (note 1b)	3,733,841	-	-	-	3,733,841

Prior to the Fund's restructuring, and for the year ended December 31, 2013 units were redeemed as follows:

Units may be surrendered monthly for redemption at an amount equal to the lesser of (a) 90% of the average of the "market price" of the Units on the principal market on which the Units are quoted for trading for each of the trading days during the 10 trading day period ending immediately before the Redemption Date (defined as the last business day of each month); and (b) 100% of the "closing market price" of the Units on the principal market on which the Units are quoted for trading on the Redemption Date.

For the purposes of this calculation, "market price" will be an amount equal to the volume weighted average price of the Units for each of the trading days on which there were trades of Units; provided that if the applicable exchange or market does not afford for the calculation of a volume weighted average price, but provides the last bid and last asking prices of the Units on a particular day, the "market price" shall be an amount equal to the average of the last bid and last asking prices for each of the trading days on which there was a trade.

Unitholders may redeem on the last business day in November each year ("Valuation Date") at the annual redemption price ("Annual Redemption Price"). For purposes of determining the Annual Redemption Price the value of any security which is listed or traded upon a stock exchange (or if more than one, on the principal stock exchange for the security, as determined by the Manager) is determined by taking the volume weighted average trading price of the security on the three consecutive trading days ending on such Valuation Date, or lacking any sales on such dates or any record thereof, the last mid price (unless in the opinion of the Manager such value does not reflect the value thereof and in which case the fair market value as determined by the Manager shall be used), as at that date, all as reported by any means in common use. An amount which is the lesser of (a) $0.25 and (b) the aggregate of all brokerage fees, commissions and other costs relating to the disposition of portfolio investments necessary to fund such redemptions is deducted in computing the Annual Redemption Price.

Units redeemed at any Valuation Date will be charged a redemption fee payable to the Manager if redeemed prior to January 2014. Under the terms of a Recirculation Agreement, the Fund may, but is not obligated to, require the Recirculation Agent to use its best efforts to find purchasers for any Units tendered for redemption.

If the redemption price is lower than the original issue price the difference is included in "Contributed surplus" on the statements of net assets. If the redemption price is greater than the original issue price, the difference is first charged to "Contributed surplus" until the entire account is eliminated, and the remaining amount is charged to deficit.

7. TAXATION

The Fund qualifies as a mutual fund trust within the meaning of the Income Tax Act (Canada). Mutual fund trusts are subject to tax on any income, including net realized capital gains, which is not paid or payable to their unitholders. All of the Fund's net income for tax purposes and sufficient net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Fund. As a result, the Fund does not record income taxes. Since the Fund does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the statement of financial position as a deferred income tax asset.

The taxation year-end for the Fund is December 15.

As at December 15, 2013, there were unused capital losses of $29,936,269 (December 15, 2012: $29,667,552) which can be carried forward indefinitely. As of December 15, 2013, there were unused non-capital losses of $93,317 (December 15, 2012: nil) which expire in 2033.

8. MANAGEMENT FEES AND EXPENSES

Pursuant to the Fund's prospectus, the Fund agrees to pay management fees to the Manager, calculated and accrued daily and paid monthly.

The annual management fees rate of the respective series of units are as follows:

Series A Units	2.00%
Series A2 Units	1.85%
Series F Units	1.00%

In addition, the Manager will be reimbursed for any operating expenses it incurs on behalf of the Fund, including regulatory filing fees, custodian fees, legal and audit fees, costs associated with the Independent Review Committee, bank charges, the cost of financial reporting, and all related sales taxes. GST and HST paid by the Fund on its expenses is not recoverable. The Manager also provides key management personnel to the Fund. The Manager may charge the Fund for actual time spent by its personnel (or those of its affiliates) in overseeing the day-to-day business affairs of the Fund. The amount charged for time spent by personnel is determined based on fully allocated costs and does not include a mark up or administration fee. The Manager may absorb future fund operating expenses at its discretion but is under no obligation to do so.

9. SOFT DOLLARS

A portion of the brokerage commissions (referred to as "soft dollars") paid by the Fund on securities purchases and sales to dealers (generally "full service" dealers) represents fees for goods and services, in the form of proprietary research, provided to the Manager by the dealer which are in addition to order execution services. The Manager may choose to affect portfolio transactions with dealers who provide research, statistical and other similar services to the Fund or to the Manager at prices which reflect such services. The Manager may direct trades to a dealer in exchange for 'in-house' proprietary research. The dealers do not provide the Manager with an estimate of the cost of the research, statistical and other similar services.

10. RELATED PARTY TRANSACTIONS

The following table outlines the management fees and operating expense reimbursements that were paid to the Manager by the Fund during the periods ended June 30, 2014 and June 30, 2013. The table includes the amount of operating expense reimbursement that was paid to affiliates of the Manager and the amount of additional absorbed operating expenses that the Manager chose not to charge to the Fund. All of the dollar amounts in the table below exclude applicable GST or HST.

Six month Period ended	Management Fees ($)	Operating Expense Reimbursement ($)	Service Fees ($)	Operating Expenses Reimbursed to Affiliates of the Manager ($)
June 30, 2014	98,238	95,272	32,493	6,401
June 30, 2013	186,404	75,569	39,745	4,925

The Fund owed the following amounts to the Manager:

As at	Management Fees ($)	Operating Expense Reimbursement ($)	Service Fees ($)
June 30, 2014	-	-	-
December 31, 2013	22,914	9,290	4,954
January 1, 2013	-	-	-

The Manager and its affiliates hold units of the Fund. The table below outlines the number of units held at the end of the period.

	June 30, 2014	December 31, 2013	January 1, 2013
Series A / Trust Units	303	–	–
Series F	100	–	–

As at June 30, 2014, Portland Global Dividend Fund held 4,834 of Portland CVBI Holdings LP (December 2013: 4,834; January 1, 2013: nil), 2,478 units of Portland Global Energy Efficiency and Renewable Energy Fund LP (December 2013: 2,404; January 1, 2013: nil), both of which have the same Manager as the Fund. The Fund paid a promoter fee to the Manager in the amount of $2,478 and $10,782, respectively, for investment into Portland Global Energy Efficiency and Renewable Energy Fund LP and Portland CVBI Holdings LP during the year ended December 31, 2013 (2014: nil).

Redemption fees were paid to the Manager in the amount of $4,451 in the six month period ended June 30, 2013. Such amounts were paid out of the redemption proceeds payable on Units redeemed during the year and are not paid by the Fund. Following the conversion of the Fund from a closed-end investment fund to an open-end mutual fund, such redemption fees were no longer applicable and so none were paid during the current reporting period.

11. BROKERAGE FACILITY

The Fund has a Settlement Services Agreement with the RBC Dominion Securities Inc. (RBCDS). The rate of interest payable on borrowed money is the Royal Bank of Canada Overnight Rate + 1% and the facility is repayable on demand.

The Fund has placed securities on account with RBCDS as collateral for borrowing, as well as collateral for its option writing strategy. Such non-cash collateral has been classified separately within the statement of financial position from other assets and is identified as "Investments - pledged as collateral".

The Fund borrowed a minimum of $nil and a maximum of $1,017,921 under this brokerage facility for the six month period ended June 30, 2014 (2013-minimum $1,338,549, maximum $1,948,000).

The Fund has an Option Trading Agreement and Margin Agreement with Merrill Lynch Canada, Inc. (ML). The Fund has not borrowed any amounts from ML during the six month period ended June 30, 2014 or during the year ended December 31, 2013.

The Fund has placed cash on account with ML as collateral for its option writing strategy. Such cash collateral has been classified separately on the statement of financial position as "Margin accounts".

The terms and conditions associated with collateral have no significant unusual requirements from the usual practice of recourse when a default occurs.

12. TRANSITION TO IFRS

The effect of the Fund's transition to IFRS is summarized as follows:

Transition elections

The only voluntary election adopted by the Fund upon transition was the ability to designate a financial asset or liability at FVTPL. Such financial assets were previously carried at fair value under Canadian GAAP as required by Accounting Guideline 18, Investment Companies.

Reconciliation of equity and comprehensive income as previously reported under Canadian GAAP to IFRS

Equity	December 31, 2013	June 30, 2013	January 1, 2013
Equity as reported under Canadian GAAP	$23,444,078	$20,245,248	$19,292,325
Revaluation of investments at FVTPL	$ 14,512	$ 19,392	$ 9,863
Net assets attributable to holders of redeemable units	$23,458,590	$20,264,640	$19,302,188

Comprehensive Income	Period ended June 30, 2013	Year ended December 31, 2013
Comprehensive income as reported under Canadian GAAP	$ 952,923	$ 4,989,504
Revaluation of investments at FVTPL	$ 9,529	$ 4,649
Increase (decrease) in net assets attributable to holders of redeemable units	$ 962,452	$ 4,994,153

Classification of redeemable units issued by the Fund

Under Canadian GAAP, the Fund measured the fair values of its investments in accordance with Section 3855, *Financial Instruments - Recognition and Measurement*, which required the use of bid prices for long positions and ask prices for short positions, to the extent such prices are available. Under

IFRS, the Fund measures the fair values of its investment using the guidance in IFRS 13, Fair Value Measurement (IFRS 13), which requires that if an asset or a liability has a bid price and an ask price, then its fair value is to be based on a price within the bid-ask spread that is most representative of fair value. It also allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value adjustments within a bid-ask spread. As a result, upon adoption of IFRS an adjustment was recognized to increase the carrying amount of the Fund's investments by $9,863 as at January 1, 2013, $19,392 as at June 30, 2013 and $14,512 as at December 31, 2013. The impact of these adjustments was to increase the Fund's "Increase (decrease) in net assets attributable to holders of redeemable units" by $9,529 for the period ending June 30, 2013 and $4,649 for the year ended December 31, 2013.

Revaluation of investments at FVTPL

Under Canadian GAAP, withholding taxes were presented as a reduction of income. Under IFRS, withholding taxes are treated as an expense on the statement of comprehensive income. This reclassification changes the amount of income and expenses previously reported but does not impact the net increase/decrease in net assets attributable to holders of redeemable units or net assets attributable to holders of redeemable units.

Reclassification adjustments

Under Canadian GAAP, withholding taxes were presented as a reduction of income. Under IFRS, withholding taxes are treated as an expense on the statements of comprehensive income. This reclassification changes the amount of income and expense previously reported but does not impact the net increase/decrease in net assets attributable to holders of redeemable units or net assets attributable to holders of redeemable units per unit.

Statement of Corporate Governance Practices

Canadian securities law requires certain reporting issuers to publish specific disclosure concerning their corporate governance practices. The Manager has established an Independent Review Committee consisting of three members appointed to provide independent advice to assist the Manager in performing its services and to consider and provide recommendations to the Manager on conflicts of interest to which the Manager is subject when managing the Fund.

(This page left intentionally blank.)

PORTLAND
INVESTMENT COUNSEL®

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

PIC0068-E(07/14)