



PORTLAND
INVESTMENT COUNSEL™

PORTLAND GLOBAL DIVIDEND FUND
(FORMERLY COPERNICAN INTERNATIONAL PREMIUM DIVIDEND FUND)
2014 ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2014

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
December 15, 2014**

"Robert Almeida"

**Robert Almeida,
Director
December 15, 2014**

Independent Auditor's Report

To the Unit Holders of:

Portland Global Dividend Fund (the Fund)

We have audited the accompanying financial statements of the Fund, which comprise the Statements of Financial Position as at September 30, 2014, December 31, 2013 and January 1, 2013, the Statements of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable Units and Cash Flows for the period from January 1, 2014 to September 30, 2014 and the year ended December 31, 2013, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in each of our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at September 30, 2014, December 31, 2013 and January 1, 2013, and its financial performance and its cash flows for the period from January 1, 2014 to September 30, 2014 and for the year ended December 31, 2013 in accordance with International Financial Reporting Standards.

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Ontario

PricewaterhouseCoopers LLP

December 15, 2014

Statements of Financial Position

	As at September 30, 2014	As at December 31, 2013	As at January 1, 2013
Assets			
Current Assets			
Cash and cash equivalents	\$ 556,722	\$ 635,835	\$ 29,393
Margin accounts (note 11)	7,007	34,173	9,357
Subscriptions receivable	55,030	-	-
Receivable for investments sold	85,402	264,776	-
Interest receivable	800	-	-
Dividends receivable	22,370	23,889	22,798
Investments (note 5)	10,908,961	22,298,634	17,920,729
Investments - pledged as collateral (note 5 and 11)	139,418	2,479,069	2,982,510
Derivative assets	29,265	-	-
	<u>11,804,975</u>	<u>25,736,376</u>	<u>20,964,787</u>
Liabilities			
Current Liabilities			
Margin loan and borrowing (note 11)	-	1,104,868	1,357,633
Management fee payable	-	22,914	-
Service fee payable	-	4,954	-
Expenses payable	-	9,290	-
Redemptions payable	74,170	-	-
Payable for investments purchased	214,178	717,590	-
Distributions payable	1,916	185,950	186,692
Derivative liabilities	42,509	232,220	118,274
	<u>332,773</u>	<u>2,277,786</u>	<u>1,662,599</u>
Net Assets Attributable to Holders of Redeemable Units	\$ 11,472,202	\$ 23,458,590	\$ 19,302,188
Trust Units	-	23,458,590	19,302,188
Series A	113,676	-	-
Series A2 (note 1b)	9,454,714	-	-
Series F	1,903,812	-	-
Net Assets Attributable to Holders of Redeemable Units	\$ 11,472,202	\$ 23,458,590	\$ 19,302,188
Number of Units Outstanding (note 6)			
Trust Units	-	3,719,005	3,733,841
Series A	11,712	-	-
Series A2 (note 1b)	973,880	-	-
Series F	195,275	-	-
Net Assets Attributable to Holders of Redeemable Units	-	6.31	5.17
Trust Units	-	6.31	5.17
Series A	9.71	-	-
Series A2 (note 1b)	9.71	-	-
Series F	9.75	-	-

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

for the periods ended	September 30, 2014*	December 31, 2013**
Income		
Net gains (losses) on investments and derivatives		
Dividends	\$ 465,427	\$ 842,227
Interest for distribution purposes	14,850	-
Net realized gain (loss) on investments and options	4,484,726	487,899
Net realized gain (loss) on forward currency contracts	(692,417)	(733,381)
Change in unrealized appreciation (depreciation) of investments and derivatives	(3,722,024)	5,344,576
Net gains (losses) on investments and derivatives	550,562	5,941,321
Other income		
Foreign currency gain (loss) on cash and other net assets	(54,196)	(90,569)
Total income (net)	496,366	5,850,752
Expenses		
Management fees (note 8)	153,639	431,715
Securityholder reporting costs	77,832	131,379
Audit fees	22,687	26,466
Custodial fees	8,356	8,927
Legal fees	7,034	4,208
Service fees	35,409	92,441
Independent review committee fees	3,817	4,101
Interest expense (note 11)	4,216	20,145
Withholding tax expense	49,218	112,579
Transaction costs	29,244	24,638
Total operating expenses	391,452	856,599
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$ 104,914	\$ 4,994,153
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Trust Units	-	4,994,153
Series A	(273)	-
Series A2 (note 1b)	112,822	-
Series F	(7,635)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Trust Units	-	1.34
Series A	(0.04)	-
Series A2 (note 1b)	0.07	-
Series F	(0.07)	-

*From January 1, 2014 to September 30, 2014

**From January 1 2013, to December 31, 2013

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

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

for the periods ended	September 30, 2014*	December 31, 2013**
Net Assets Attributable to Holders of Units at Beginning of Period		
Trust Units	\$ 23,458,590	\$ 19,302,188
Series A	-	-
Series A2 (note 1b)	-	-
Series F	-	-
	<u>23,458,590</u>	<u>19,302,188</u>
Increase (Decrease) in Net Assets Attributable to Holders of Units		
Trust Units	-	4,994,153
Series A	(273)	-
Series A2 (note 1b)	112,822	-
Series F	(7,635)	-
	<u>104,914</u>	<u>4,994,153</u>
Distributions to Holders of Units		
From return of capital:		
Trust Units	-	(746,026)
Series A	(1,496)	-
Series A2	(404,828)	-
Series F	(22,079)	-
	<u>(428,403)</u>	<u>(746,026)</u>
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	114,652	-
Series A2	348,634	-
Series F	1,921,538	-
	<u>2,384,824</u>	<u>-</u>
Reinvestments of distributions to holders of redeemable units		
Series A	793	-
Series A2	212,880	-
Series F	21,988	-
	<u>235,661</u>	<u>-</u>
Redemptions of redeemable units		
Trust Units	(11,421,183)	(91,725)
Series A	-	-
Series A2	(2,852,201)	-
Series F	(10,000)	-
	<u>(14,283,384)</u>	<u>(91,725)</u>
Conversion of Trust Units (note 1b)		
Trust Units	(12,037,407)	-
Series A2	12,037,407	-
	<u>-</u>	<u>-</u>
Net Increase (Decrease) from Redeemable Unit Transactions	<u>(11,662,899)</u>	<u>(91,725)</u>
Net Assets Attributable to Holders of Redeemable Units at End of Period		
Trust Units	-	23,458,590
Series A	113,676	-
Series A2 (note 1b)	9,454,714	-
Series F	1,903,812	-
Net Assets Attributable to Holders of Redeemable Units at End of Period	<u>11,472,202</u>	<u>23,458,590</u>

*From January 1, 2014 to September 30, 2014

**From January 1 2013, to December 31, 2013

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

Statements of Cash Flows

for the periods ended	September 30, 2014*	December 31, 2013**
Cash Flow from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 104,914	\$ 4,994,153
Adjustments for:		
Net realized (gain) loss on investments and options	(4,484,726)	245,482
Net realized (gain) loss on forward currency contracts	692,417	-
Change in unrealized (appreciation) depreciation of investments and derivatives	3,722,024	(5,344,576)
Foreign currency gain (loss) on cash and other net assets	54,196	90,569
(Increase) decrease in interest receivable	(800)	-
(Increase) decrease in dividends receivable	1,519	(1,091)
Increase (decrease) in other payable and accrued liabilities	(37,158)	37,158
Purchase of investments	(6,222,847)	(4,445,715)
Proceeds from sale of investments	19,479,442	6,237,105
Net Cash Generated (Used) by Operating Activities	13,308,981	1,813,085
Cash Flows from Financing Activities		
Distributions to holders of units, net of reinvested distributions	(376,776)	(746,768)
Change in net margin loan and borrowing	(1,104,868)	(252,765)
Change in margin cash	27,166	(24,816)
Proceeds from redeemable units issued	2,329,794	-
Amount paid on redemption of redeemable units	(14,209,214)	(91,725)
Net Cash Generated (Used) by Financing Activities	(13,333,898)	(1,116,074)
Net increase (decrease) in cash and cash equivalents	(24,917)	697,011
Foreign currency gain (loss) on cash and other net assets	(54,196)	(90,569)
Cash and Cash Equivalents Beginning of Period	635,835	29,393
Cash and Cash Equivalents End of Period	\$ 556,722	\$ 635,835
Cash and cash equivalents comprise:		
Cash at bank	356,840	635,835
Short-term investments	199,882	-
	556,722	635,835
From operating activities:		
Interest received, net of withholding tax	14,050	-
Dividends received, net of withholding tax	417,728	728,557
Income taxes paid	-	-
From financing activities:		
Interest paid	4,216	20,145

*From January 1, 2014 to September 30, 2014

**From January 1 2013, to December 31, 2013

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

Schedule of Investment Portfolio

as at September 30, 2014

No. of Shares/Units	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES				
Australia				
18,000	Amcor Limited	\$190,340	\$199,716	1.7%
240,000	AusNet Services	227,830	320,815	2.8%
25,000	GrainCorp Limited	197,888	209,323	1.8%
7,000	WorleyParsons Limited	107,765	105,156	0.9%
		<u>723,823</u>	<u>835,010</u>	<u>7.2%</u>
Bermuda				
2,000	Jardine Matheson Holdings Limited	131,688	133,713	1.2%
Canada				
14,500	Canfor Corporation	352,430	363,660	3.2%
5,000	Pacific Rubiales Energy Corporation Portland Global Energy Efficiency and Renewable Energy Fund	86,652	93,900	0.8%
2,478	LP 'O'	123,920	131,953	1.2%
1,032	Portland Private Income Fund 'O'	51,473	51,452	0.4%
		<u>614,475</u>	<u>640,965</u>	<u>5.6%</u>
France				
6,000	BNP Paribas SA	478,665	446,137	3.9%
4,000	Total SA ADR	230,334	289,189	2.5%
		<u>708,999</u>	<u>735,326</u>	<u>6.4%</u>
Germany				
6,000	GEA Group AG	146,058	293,447	2.6%
3,000	Rheinmetall AG	199,258	161,822	1.4%
		<u>345,316</u>	<u>455,269</u>	<u>4.0%</u>
Great Britain				
32,000	Barclays PLC ADR	851,276	531,622	4.6%
5,800	BHP Billiton PLC ADR	359,513	361,288	3.1%
6,500	Enesco PLC Class 'A'	344,796	301,208	2.6%
30,000	Foxtons Group PLC	121,639	117,324	1.0%
9,000	HSBC Holdings PLC ADR	539,003	513,674	4.5%
6,000	Johnson Matthey PLC	224,567	318,575	2.8%
20,000	Kingfisher PLC	119,214	117,833	1.0%
19,000	National Grid PLC	191,172	306,898	2.7%
22,000	Pearson PLC	446,970	496,217	4.3%
14,000	Prudential PLC	174,367	350,408	3.1%
150,000	Rentokil Initial PLC	342,419	321,413	2.8%
2,000	Royal Dutch Shell PLC 'A' ADR	132,580	170,799	1.5%
65,000	Serco Group PLC	498,396	338,266	2.9%
4,000	SSE PLC	102,409	112,558	1.0%
45,000	Tesco PLC	300,347	152,412	1.3%
		<u>4,748,668</u>	<u>4,510,495</u>	<u>39.2%</u>
Hong Kong				
22,000	Hutchison Whampoa Limited	182,356	298,764	2.6%
Japan				
5,000	Seven & i Holdings Company Limited	147,226	217,420	1.9%
1,800	Toyota Motor Corporation ADR	157,063	237,312	2.1%
		<u>304,289</u>	<u>454,732</u>	<u>4.0%</u>
South Korea				
2,800	Posco ADR	213,870	238,395	2.1%
160	Samsung Electronics Company Limited	227,041	200,974	1.8%
		<u>440,911</u>	<u>439,369</u>	<u>3.9%</u>
Switzerland				
15,000	ABB Limited ADR	291,021	377,078	3.3%
4,200	Nestle SA	248,731	346,331	3.0%
1,500	Novartis AG ADR	86,600	158,386	1.4%
700	Roche Holding AG	130,594	232,613	2.0%
5,000	Syngenta AG ADR	281,633	355,428	3.1%
		<u>1,038,579</u>	<u>1,469,836</u>	<u>12.8%</u>
United States				
8,000	Alcentra Capital Corporation	113,529	119,175	1.0%
20,000	Ares Capital Corporation	365,689	362,551	3.2%
3,000	Deere & Company	289,262	275,918	2.4%
3,000	JPMorgan Chase & Company	175,941	202,724	1.8%
1,250	Mondelez International Inc.	49,304	48,046	0.4%
1,000	Walgreen Company	66,095	66,486	0.6%
		<u>1,059,820</u>	<u>1,074,900</u>	<u>9.4%</u>
	Total investment portfolio	<u>10,298,924</u>	<u>11,048,379</u>	<u>96.3%</u>

Schedule of Investment Portfolio (cont'd)

as at September 30, 2014

No. of Shares/Units/ (Contract size)	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
DERIVATIVES - WRITTEN OPTIONS				
Written Call Options¹				
Great Britain				
USD (5)	BHP Billiton PLC ADR December 2014 @ 70.00 USD	(671)	(196)	-
GBP (4) ²	National Grid PLC December 2014 @ 9.20 GBP	(814)	(600)	-
GBP (2) ²	Prudential PLC December 2014 @ 15.00 GBP	(1,021)	(418)	-
		(2,506)	(1,214)	-
Japan				
USD (5)	Toyota Motor Corporation ADR October 2014 @ 125.00 USD	(576)	(39)	-
USD (5)	Toyota Motor Corporation ADR October 2014 @ 130.00 USD	(290)	(31)	-
		(866)	(70)	-
Korea				
USD (5)	Posco ADR November 2014 @ 85.00 USD	(478)	(267)	-
USD (5)	Posco ADR November 2014 @ 90.00 USD	(539)	(112)	-
		(1,017)	(379)	-
Switzerland				
USD (5)	Syngenta AG ADR December 2014 @ 85.00 USD	(319)	(168)	-
	Total written call options	(4,708)	(1,831)	-
Written Put Options				
Canada				
CAD (20)	Canfor Corporation October 2014 @ 21.00 CAD	(1,330)	(100)	-
CAD (40)	Pacific Rubiales Energy Corporation October 2014 @ 16.00 CAD	(1,660)	(400)	-
CAD (40)	Pacific Rubiales Energy Corporation October 2014 @ 17.00 CAD	(1,660)	(800)	-
CAD (20)	Pacific Rubiales Energy Corporation November 2014 @ 16.00 CAD	(780)	(750)	-
		(5,430)	(2,050)	-
Great Britain				
GBP (10) ²	Kingfisher PLC November 2014 @ 2.80 GBP	(710)	(46)	-
	Royal Bank of Scotland Group PLC ADR November 2014 @ 10.00 USD	(831)	(785)	-
GBP (10) ²	Tesco PLC November 2014 @ 1.70 GBP	(711)	(1,137)	-
		(2,252)	(1,968)	-
Panama				
USD (4)	Copa Holdings SA 'A' November 2014 @ 120.00 USD	(1,357)	(6,394)	(0.1%)
Switzerland				
USD (10)	Syngenta AG ADR December 2014 @ 65.00 USD	(920)	(2,917)	-
United States				
USD (8)	Deere & Company November 2014 @ 77.50 USD	(476)	(539)	-
USD (10)	Mondelez International Inc. November 2014 @ 32.00 USD	(337)	(348)	-
USD (10)	Mondelez International Inc. November 2014 @ 33.00 USD	(389)	(561)	-
USD (15)	Mondelez International Inc. December 2014 @ 31.00 USD	(437)	(454)	-
USD (10)	Walgreen Company November 2014 @ 55.00 USD	(701)	(617)	-
		(2,340)	(2,519)	-
	Total written put options	(12,299)	(15,848)	(0.1%)
	Total written options	(17,007)	(17,679)	(0.1%)
FORWARD CURRENCY CONTRACTS (Schedule 1a)				
	Total unrealized gain on forward currency contracts		29,265	0.2%
	Total unrealized loss on forward currency contracts		(24,830)	(0.2%)
			4,435	-
	Net investments	10,281,917	11,035,135	96.2%
	Transaction costs	(14,590)	-	-
		10,267,327	11,035,135	96.2%
	Other assets less liabilities		437,067	3.8%
	TOTAL NET ASSETS		\$11,472,202	100.0%

¹ The contract size of the options is 100 shares, except as otherwise noted.² The contract size of this option is 1,000 shares.

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

Schedule of Investment Portfolio (cont'd)

as at September 30, 2014

Schedule 1a

Contract Price	Settlement Date	Purchased Currency			Sold Currency			Unrealized gain (loss) (\$)
		Currency	Amount (\$)	Value as at September 30, 2014 (\$)	Currency	Amount (\$)	Value as at September 30, 2014 (\$)	
1.00124	Oct-08-2014	Canadian dollar	848,948	848,948	Australian dollar	850,000	832,061	16,887
95.04500	Oct-08-2014	Canadian dollar	231,469	231,469	Japanese yen	22,000,000	224,942	6,527
0.83781	Oct-08-2014	Canadian dollar	358,079	358,079	Swiss franc	300,000	352,228	5,851
							Unrealized gain	29,265
0.70571	Dec-17-2014	Canadian dollar	956,489	956,489	Euro	675,000	957,977	(1,488)
0.91083	Dec-17-2014	Canadian dollar	988,110	988,110	US dollar	900,000	1,011,452	(23,342)
							Unrealized loss	(24,830)

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

(a) OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Fund uses two counterparties for the execution of currency forward contracts. Both counterparties are Canadian chartered banks with which the Fund has master netting or similar arrangements in place. This means that in the event of default, the Fund may set off the assets held with the counterparty against the liabilities it owes to the same counterparty. As such, the contracts in place under these arrangements have been offset and presented as a net figure in the statements of financial position of the Fund. There is no collateral associated with these arrangements.

As at September 30, 2014, there was no offsetting of currency forwards because the currency forwards in a net unrealized gain were with a different counterparty than those in an unrealized loss.

The following table presents the gross amount of recognized financial assets and liabilities of the Fund that are offset under master netting or similar arrangements collateral as at December 31, 2013 and January 1, 2013.

	Counterparty 1 (\$)	Counterparty 2 (\$)	Total (\$)
December 31, 2013			
Derivative assets offset	7,890	51,917	59,807
Derivative liabilities offset	(19,276)	(248,777)	(268,053)
Total	(11,386)	(196,860)	(208,246)
January 1, 2013			
Derivative assets offset	68,403	-	68,403
Derivative liabilities offset	(175,336)	-	(175,336)
Total	(106,933)	-	(106,933)

(b) FINANCIAL INSTRUMENTS BY CATEGORY

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

Assets	Held for Trading (\$)	Financial assets at FVTPL Designated at Inception (\$)	Total (\$)	Financial assets at amortized cost (\$)	Total (\$)
Cash and cash equivalents	-	-	-	556,722	556,722
Margin accounts	-	-	-	7,007	7,007
Subscription receivable	-	-	-	55,030	55,030
Receivable for investments sold	-	-	-	85,402	85,402
Interest receivable	-	-	-	800	800
Dividends receivable	-	-	-	22,370	22,370
Investments	-	10,908,961	10,908,961	-	10,908,961
Investments - pledged as collateral	-	139,418	139,418	-	139,418
Derivative assets	29,265	-	29,265	-	29,265
Total	29,265	11,048,379	11,077,644	727,331	11,804,975

Liabilities	Held for Trading (\$)	Financial assets at FVTPL Designated at Inception (\$)	Total (\$)	Financial liabilities at amortized cost (\$)	Total (\$)
Redemptions payable	-	-	-	74,170	74,170
Payable for investments purchased	-	-	-	214,178	214,178
Distributions payable	-	-	-	1,916	1,916
Derivative liabilities	42,509	-	42,509	-	42,509
Total	42,509	-	42,509	290,264	332,773

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	232,220	-	232,220	-	232,220
Total	232,220	-	232,220	2,045,566	2,277,786

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 nine month period ending September 30, 2014 and the year ending December 31, 2013.

Category	Net gains (losses) (\$)	
	2014	2013
Financial Assets at FVTPL:		
Held for trading	(479,736)	(834,694)
Designated at inception	955,535	6,673,159
Total	475,799	5,838,465
Financial Liabilities at FVTPL:		
Held for trading	74,763	102,856
Total	550,562	5,941,321

(c) 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 September 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 \$551,535 (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.

Concentration Risk

The following tables present the Fund's exposure as a percentage of its net assets attributable to holders of redeemable units by geographic region and by industry sector as at September 30, 2014, December 31, 2013 and January 1, 2013.

By Geographic Region	September 30, 2014	December 31, 2013	January 1, 2013
Great Britain	39.2%	30.1%	36.0%
Switzerland	12.8%	26.4%	24.3%
United States	9.4%	0.0%	0.0%
Australia	7.2%	8.4%	8.2%
France	6.4%	13.6%	15.5%
Canada	5.6%	2.8%	0.0%
Japan	4.0%	4.0%	3.0%
Germany	4.0%	10.5%	8.2%
South Korea	3.9%	0.9%	3.1%
Hong Kong	2.6%	4.9%	4.8%
Bermuda	1.2%	0.0%	0.0%
Spain	0.0%	0.9%	0.9%
Panama	-0.1%	1.8%	2.3%
Sweden	0.0%	1.2%	0.0%
Netherlands	0.0%	0.0%	2.0%
Forward Contracts	0.1%	-0.9%	0.0%
Cash & Other Assets	3.7%	-4.6%	-8.3%
Total	100.0%	100.0%	100.0%

By Industry Sector	September 30, 2014	December 31, 2013	January 1, 2013
Financials	24.0%	23.7%	27.7%
Industrials	19.2%	17.6%	16.1%
Materials	16.0%	12.2%	13.2%
Consumer Staples	9.0%	12.2%	8.4%
Energy	8.3%	8.6%	9.8%
Utilities	7.6%	7.8%	7.2%
Consumer Discretionary	7.4%	4.4%	4.3%
Health Care	3.4%	13.3%	12.1%
Information Technology	1.8%	0.0%	0.0%
Aerospace & Defense	0.0%	0.0%	0.8%
Telecommunication Services	0.0%	5.7%	8.7%
Forward Contracts	0.1%	-0.9%	0.0%
Short Positions – Derivative	-0.1%	0.0%	0.0%
Cash & Other Assets	3.3%	-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 September 30, 2014, December 31, 2013 and January 1, 2013, in Canadian dollar terms, net of 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.

September 30, 2014

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
United States Dollar	(998,581)	4,729,566	3,730,985	(49,929)	236,478	186,549
British Pound	15,160	2,629,702	2,644,862	758	131,485	132,243
Swiss Franc	(342,703)	578,944	236,241	(17,135)	28,947	11,812
Hong Kong Dollar	-	298,764	298,764	-	14,938	14,938
South Korean Won	-	200,974	200,974	-	10,049	10,049
Australian Dollar	(827,919)	835,009	7,090	(41,396)	41,750	355
Swedish Krona	78	-	78	4	-	4
Euro	(948,842)	901,406	(47,436)	(47,442)	45,070	(2,372)
Japanese Yen	(224,942)	217,420	(7,522)	(11,247)	10,871	(376)
Total	(3,327,749)	10,391,785	7,064,036	(166,387)	519,588	353,202
% of net assets attributable to holders of redeemable units	-29.0%	90.6%	61.6%	-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	(4,916,436)	8,713,192	3,796,756	(245,822)	435,660	189,838
British Pound	(1,836,971)	3,982,133	2,147,162	(91,749)	199,107	107,358
Swiss Franc	(1,300,600)	2,603,343	1,302,743	(65,030)	130,167	65,137
Hong Kong Dollar	-	933,881	933,881	-	46,694	46,694
Australian Dollar	(1,085,608)	1,564,407	478,799	(54,280)	78,220	23,940
South African Rand	(82,040)	-	(82,040)	(4,102)	-	(4,102)
Euro	(3,132,076)	2,876,096	(255,980)	(156,604)	143,805	(12,799)
Japanese Yen	(574,000)	209,828	(364,172)	(28,700)	10,491	(18,209)
Total	(12,925,731)	20,882,880	7,957,149	(646,287)	1,044,144	397,857
% of net assets attributable to holders of redeemable units	-67.0%	108.2%	41.2%	-3.3%	5.4%	2.1%

Interest Rate Risk

As at September 30, 2014, the Fund did not have significant direct exposure to interest rate risk. The Fund had exposure to interest rate risk associated with its margin loan balances as at December 31, 2013 and January 1, 2013. The margin loan balances of \$1,104,868 and \$1,357,633 respectively as at December 31 and January 1, 2013 were repayable on demand. Such margin loans were subject to a variable rate of interest as described in Note 11.

If interest rates had doubled in 2013 and 2012, interest expense would have been higher and ending net assets attributable to holders of redeemable units would have been lower by \$20,145 and \$10,315 as at December 31, 2013 and January 1, 2013, respectively.

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 September 30, 2014 the Fund had forward currency contracts with a counterparty in an unrealized gain of \$29,265. The counterparty had a long term Standard & Poor's credit rating of A, which exceeds 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.

The Fund's cash balances are maintained at financial institutions with credit rating A+ and therefore credit risk is deemed minimal.

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.

As at September 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.

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 - \$1,357,633) which represented 4.3% of total assets as at December 31, 2013 (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.

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
September 30, 2014	\$174,000	\$541,804	-	\$715,804
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, redemptions payable, payable for securities purchased, derivative liabilities associated with currency forward contracts and distributions payable were due within 3 months from the financial reporting date. Issued redeemable units are payable on demand.

(d) FAIR VALUE MEASUREMENTS

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

	Assets at fair value as at September 30, 2014			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities - long	10,864,974	-	-	10,864,974
Investment Funds - long	-	51,452	131,953	183,405
Forward contracts	-	29,265	-	29,265
Total	10,864,974	80,717	131,953	11,077,644

Liabilities at fair value as at September 30, 2014				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Options - short	(17,679)	-	-	(17,679)
Forward contracts	-	(24,830)	-	(24,830)
Total	(17,679)	(24,830)	-	(42,509)

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
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 September 30, 2014 the Fund held units of Portland Global Energy Efficiency and Renewable Energy Fund LP ("Portland GEEREF"), which is a closed-ended investment fund. Portland GEEREF has the same Manager and administrator as the Fund. This investment is considered Level 3 in the fair value hierarchy because it does not allow redemptions prior to dissolution. Portland GEEREF is the Fund's only Level 3 investment. The Fund measures the Portland GEEREF units at the most recently published NAV per unit as reported by its administrator, considering restrictions on the Fund's ability to redeem units of Portland GEEREF. If the NAV per unit had been higher or lower by 5%, the net assets attributable to holders of redeemable units would have been higher or lower by \$6,598.

As at September 30, 2014 the Fund held units of Portland Private Income Fund which is an open-ended investment fund that holds private debt securities. The Fund measures the fair value of this holding at the most recently published net asset value per unit because the units are redeemable on a monthly basis and has been classified as Level 2 in the fair value hierarchy.

Reconciliation of Level 3 Fair Value Measurement of Financial Instruments

The following tables reconcile the Fund's Level 3 fair value measurement of financial instruments for the periods ended September 30, 2014 and December 31, 2013:

September 30, 2014	Investment Funds \$	Total \$
Balance at Beginning of Period	539,121	539,121
Investment purchases during the period	3,720	3,720
Proceeds from sales during the period	(787,691)	(787,691)
Net transfers in (out) during the period	-	-
Net realized gain (loss) on sale of investments	248,570	248,570
Change in unrealized appreciation (depreciation) in value of investments	8,033	8,033
Balance at End of Period	131,953	131,953
Change in unrealized appreciation (depreciation) in value of investments held at end of period	8,033	8,033

December 31, 2013	Investment Funds \$	Total \$
Balance at Beginning of Period	-	-
Investment purchases during the period	659,131	659,131
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	80	80
Balance at End of Period	659,401	659,401
Change in unrealized appreciation (depreciation) in value of investments held at end of period	80	80

There were no Level 3 investments held by the Fund as at January 1, 2013.

During the period ended September 30, 2014, the Fund disposed of its Level 3 investment in units of Portland CVBI LP for \$787,691, realizing a gain on disposal of \$248,570.

(e) STRUCTURED ENTITIES

The Fund's investments in Investee Funds are subject to the terms and conditions of the respective Investee Fund's offering documentation and are susceptible to market price risk arising from uncertainties about future values of those Investee Funds. The investment manager makes investment decisions after extensive due diligence on the underlying fund, its strategy and the overall quality of the underlying fund's manager. All of the Investee Funds in the investment portfolio are managed by the same Manager as the Fund.

The right of the Fund to request redemption of its investments in Investee Funds ranges in frequency from monthly to on termination.

The exposure to investments in Investee Funds at fair value by type of fund as at September 30, 2014 and as at December 31, 2013 is disclosed in the following tables. These investments are included at their carrying value in financial assets at fair value through profit or loss in the statement of financial position. The Manager's best estimate of the maximum exposure to loss from the Fund's investment in Investee Funds is the carrying value below.

September 30, 2014

Type	Number of Investee Funds	Net asset value of Investee Fund	Investment at carrying value	% of net assets attributable to holders of units
Alternative – private income	1	5,660,555	51,452	0.9%
Alternative – fund of funds	1	2,047,373	131,953	6.4%

December 31, 2013

Type	Number of Investee Funds	Net asset value of Investee Fund	Investment at carrying value	% of net assets attributable to holders of units
Alternative – private equity	1	4,174,268	539,121	12.9%
Alternative – fund of funds	1	1,189,462	120,280	10.1%

The Fund did not hold any investments in structured entities as at January 1, 2013.

Notes to Financial Statements

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 as a closed-ended unit trust offered under a long form prospectus 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 Fund 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 on December 15, 2014. 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) as published by the International Accounting Standards Board (IASB), including 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.

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 which are Held for Trading, all of the Fund's investments have been designated at FVTPL including its equity investments and investments in other investment funds.

The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount which approximates fair value due to their short term nature.

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.

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. The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

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. 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.

The Fund's investments in units of investment funds ("Investee Funds") are subject to the terms and conditions of the respective Investee Fund's offering documentation. The investments in Investee Funds are valued based on the latest available net asset value (NAV) per unit for each Investee Fund, as determined by the Investee Funds' administrators. The Fund reviews the details of the reported information obtained from the Investee Funds and considers:

- the liquidity of the Investee Fund or its underlying investments;
- the value date of the NAV provided;
- any restrictions on redemptions; and
- the basis of accounting and, in instances where the basis of accounting is other than fair value, fair valuation information provided by the Investee Fund's advisors.

If necessary, the Fund makes adjustments to the NAV per unit of various Investee Funds to obtain the best estimate of fair value.

In accordance with the Fund's fair value policy, an Investment Committee comprised of representatives from the fund reporting and oversight, compliance and portfolio management teams respond to fair value situations, including determination of the process for valuing private securities on a continuous basis whether or not they are considered Level 3 in the fair value hierarchy (refer note 5). The Investment Committee also determines when it is appropriate to deviate from the predetermined process, as required to ensure the periodic valuation of such private securities is fair, using inputs from various sources which may include the portfolio management team, the administrator and general news. Any deviations from the policy are reported to senior management and the Independent Review Committee and if deemed necessary, to the Board of Directors.

Structured Entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes: (a) restricted activities; (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors; (c) insufficient equity to permit the structured entity to finance its activities without subordinate financial support; and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Fund considers all of its investments in Investee Funds to be investments in unconsolidated structured entities. The Fund invests in Investee Funds whose objectives range from achieving medium- to long-term capital growth. The Investee Funds are managed by the same asset manager as the Fund and apply various investment strategies to accomplish their respective investment objectives. The Investee Funds finance their operations

by issuing units which may or may not be puttable to the Investee Fund at the holder's option and entitle the holder to a proportional stake in the respective Investee Fund's net assets. The Fund holds both redeemable and non-redeemable units in Investee Funds.

The change in fair value of each Investee Fund is included in the statement of comprehensive income in 'Change in unrealized appreciation (depreciation) of the investments and derivatives'.

Revenue recognition

'Interest for distribution purposes' shown on the statements of comprehensive income represents the interest earned by the Fund on debt securities and Investee Funds 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.

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 investments and options are recognized when incurred and are presented in the statement of comprehensive income within 'net realized gain (loss) on investments and options'. Realized gains and losses on forward currency contracts are recognized when incurred and are presented in the statement of comprehensive income within 'net realized gain (loss) on foreign currency contracts'.

Unrealized exchange gains or losses on investments, options 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.

Interest expense associated with margin borrowing is recorded on an accrual basis.

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. Refer to Note 6 for calculation.

Distribution to the Unitholders

Distributions will be made to Unitholders only at such times and in such amounts as may be determined at 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.

Collateral

Cash collateral provided by the Fund is identified in the statements of financial position as margin cash and is not included as a component of cash and cash equivalents.

Collateral other than cash is classified in the statements of financial position separately from other assets and liabilities as pledged collateral if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral.

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 recognized 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. 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 investments 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.

Functional and presentation currency

The Fund's investors are mainly from Canada, with subscriptions and redemptions of the redeemable units denominated in Canadian dollars. The primary activity of the Fund is to invest in a portfolio of global dividend-paying equity securities. The performance of the Fund is measured and reported to the investors in Canadian dollars. The manager considers the Canadian dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Canadian dollars, which is the Fund's functional and presentation currency.

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 and margin borrowings. The fair value and future cash flows of such instruments held by the Fund will fluctuate due to changes in market interest rates.

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.

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 market data 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 September 30, 2014 was as follows:

Period ended September 30, 2014	Balance, Beginning of Period	Units Redeemed Pre Conversion	Units converted May 23, 2013 note 1(b)	Units Issued Post Conversion	Units Reinvested Post Conversion	Units Redeemed Post Conversion	Balance, End of Period	Weighted Average Number of Units
Trust Units (note 1b)	3,719,005	(1,832,785)	(1,886,220)	-	-	-	-	
Series A Units	-	-	-	11,631	81	-	11,712	7,210
Series A2 Units	-	-	1,204,440	32,173	21,582	(284,315)	973,880	1,606,321
Series F Units	-	-	-	194,070	2,231	(1,026)	195,275	104,310

The number of units issued and outstanding for the period ended December 31, 2013 was as follows:

Period ended December 31, 2013	Balance, Beginning of Period	Units Issued	Units Reinvested	Units Redeemed	Balance, End of Period
Trust Units (note 1b)	3,733,841	-	-	(14,836)	3,719,005

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

Units could 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 were 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 were quoted for trading on the Redemption Date.

For the purposes of this calculation, "market price" was 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 did not afford for the calculation of a volume weighted average price, but provided the last bid and last asking prices of the Units on a particular day, the "market price" was 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 could 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 was 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) was 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 did not reflect the value thereof and in which case the fair market value as determined by the Manager was 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 was deducted in computing the Annual Redemption Price.

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

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 statements of financial position as a deferred income tax asset.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statements of comprehensive income. Withholding taxes are shown as a separate item in the statements of comprehensive income.

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

As of 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 based on a percentage of the net asset value of each series of the Fund 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%

	From December 31, 2013 to May 23, 2014 (note 1(b))	Prior to December 31, 2013
Trust Unit	1.95%	0.95%

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 fund operating expenses at its discretion but is under no obligation to do so.

Prior to May 23, 2014 when the Fund was closed-ended, the Manager received service fees from the Fund and facilitated the payment of such service fees to dealers whose advisors had clients who held units of the Fund. Service fees were calculated at a rate of 0.40% per annum, calculated daily and paid quarterly. After May 23, 2014 such service fees were no longer applicable.

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 September 30, 2014 and December 31, 2013. The table includes the amount of operating expense reimbursement that was paid to affiliates of the Manager for administrative services provided in managing the day-to-day operation of the Fund 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.

Period ended	Management Fees (\$)	Operating Expense Reimbursement (\$)	Service Fees (\$)	Operating Expenses Reimbursed to Affiliates of the Manager (\$)
September 30, 2014	140,857	109,785	32,493	2,303
December 31, 2013	394,584	159,967	84,554	634

The Fund owed the following amounts to the Manager:

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

During the year, the Manager paid \$28,565 to the Fund to compensate unitholders who redeemed units at a NAV per Unit that was originally too low as a result of a NAV error. The amount paid by the Manager to the Fund has been included as 'proceeds from redeemable units issued' in the statements of changes in net assets attributable to holders of redeemable units.

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.

	September 30, 2014	December 31, 2013	January 1, 2013
Series A2/Trust Units	308	–	–
Series F	102	–	–

The Manager, its officers and directors (“Related Parties”) may invest in units of the Fund from time to time in the normal course of business. All such transactions are measured at net asset value per unit. As at September 30, 2014, 2 Related Parties owned less than 1.0% of the Fund.

As at September 30, 2014, the Fund held 2,478 units of Portland Global Energy Efficiency and Renewable Energy Fund LP (December 2013: 2,404; January 1, 2013: nil), and 1,032 units of Portland Private Income Fund (December 2013: nil; January 1, 2013: nil) both of which have the same Manager as the Fund.

During the period ending September 30, 2014, the Fund disposed the holdings of Portland CVBI Holdings LP which had the same Manager as the Fund.

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 its option writing strategy. In the event of default by the Fund, including failure to make any payment or delivery to RBCDS, RBCDS may freeze the collateral property and cease the provision of settlement services. In such circumstances, RBCDS has the right to set off the collateral property to reduce or eliminate the amount owed to them. RBCDS also has the right to sell or otherwise dispose of the collateral property held on account for the Fund in order to set off against amounts owing to them from the Fund. 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 nine month period ended September 30, 2014 (for the year ended December 31, 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 nine month period ended September 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. All property held by ML for or on account of the Fund shall be subject to a general lien for the Fund’s obligations to ML wherever or however arising (including, without limitation, in connection with the Fund’s option accounts) and ML is hereby authorized to sell and/or purchase, pledge, repledge, hypothecate or rehypothecate any and all such property without notice or advertisement to satisfy such a general lien. Such cash collateral has been classified separately on the statement of financial position as “Margin accounts”.

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	January 1, 2013
Equity as reported under Canadian GAAP	\$23,444,078	\$19,292,325
Revaluation of investments at FVTPL	\$ 14,512	\$ 9,863
Net assets attributable to holders of redeemable units	\$23,458,590	\$19,302,188

Comprehensive Income	Year ended December 31, 2013
Comprehensive income as reported under Canadian GAAP	\$ 4,989,504
Revaluation of investments at FVTPL	\$ 4,649
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 4,994,153

Revaluation of investments at FVTPL

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 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 \$4,649 for the year ended December 31, 2013.

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.

Classification of redeemable units issued by the Fund

Under Canadian GAAP, the Fund accounted for its redeemable units as equity. Under IFRS, IAS 32 requires that units of an entity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as financial liability. The Fund's units do not meet the criteria in IAS 32 for classification as equity and therefore have been reclassified as financial liabilities on transition to IFRS.

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.

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