PORTLAND ADVANTAGE PLUS - VALUE FUND

PORTLAND INVESTMENT COUNSEL®
OWNERS. OPERATORS. AND INVESTORS.

(as at July 31, 2017)

	Net Asset Value Per Unit (as at July 31, 2017)	PERFORMANCE (as at July 31, 2017)					
		1 Month	3 Months	6 Months	1 Year	2 Years[1]	Since Inception[1]
Portland Advantage Plus - Value Fund - Series A (CAD)	$22.3884	6.2%	(3.3%)	(3.9%)	(26.1%)	(20.1%)	(26.7%)
Portland Advantage Plus - Value Fund - Series F (CAD)	$21.9894	6.3%	(3.0%)	(3.4%)	(25.3%)	(19.2%)	(25.9%)
MSCI World Total Return Index	-	(1.6%)	(4.0%)	6.0%	10.9%	5.2%	7.8%

FUND FACTS

Fund Net Assets	$0.8 million CAD
Inception Date	Jan. 30, 2015
Fund Type	Alternative Strategies
Offer Document	Offering Memorandum
Eligible for PAC Plans	Yes, monthly minimum of $500
Eligible for Registered Plans	Yes
Purchases and Redemptions	Monthly with no minimum investment term or redemption fee

HOW THE FUND IS MANAGED

- Focused investing in a number of quality equities, ordinarily selected from liquid, large cap stocks, domiciled in long-term growth industries, which we believe are undervalued and/or have the potential of increased returns due to activist investor campaigns.
- Leverage by purchasing securities on margin; leverage will initially be lower than 60% and ordinarily is not expected to exceed 70% of the portfolio (market value of securities).

KEY REASONS TO INVEST

- Experienced portfolio manager has practiced focused value investing for more than 25 years.
- Leveraged growth potential.
- Access to attractive borrowing terms by benefitting from Portland Holdings' financial strength and reputation.
- Embedded product leverage is non-recourse to individual investors versus recourse when using traditional margin accounts.
- Diversification benefits (alternative strategy, e.g. for asset-rich cash-poor investors).

PORTFOLIO COMPOSITION

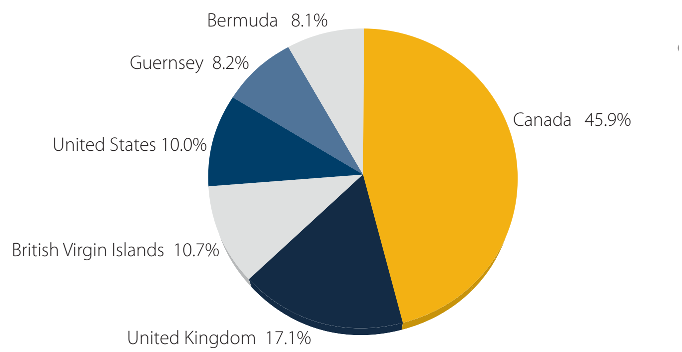
- Businesses led by eminent capital allocators.
- Businesses being transformed by eminent capital allocators (activist investors).
- Opportunities that prevail now.

PORTFOLIO MANAGER

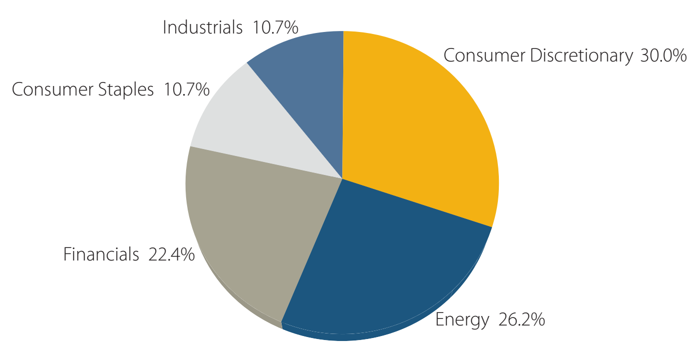
Michael Lee-Chin, B.Eng., LLD (Honorary)
Executive Chairman, Chief Executive Officer and Portfolio Manager

Dragos Berbecel, BComm., MBA, CFA
Portfolio Manager

Geographic Mix (as a % of total assets)



Sector Mix (as a % of total assets)



Asset Mix (as a % of net asset value)

Equities	236.4%
Other Net Assets (Liabilities)[2]	8.8%
Cash	(145.2%)

Leverage Ratio[3]	50.6%

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(as at July 31, 2017)

Top Holdings	Percentage of Total Assets
Liberty Global PLC LiLAC	17.1%
Nomad Foods Limited	10.7%
Whitecap Resources, Inc.	10.2%
Pershing Square Holdings, Ltd.	8.2%
Brookfield Business Partners L.P.	8.1%
Crescent Point Energy Corp.	8.0%
Baytex Energy Corp.	8.0%
Berkshire Hathaway Inc.	7.4%
Restaurant Brands International Inc.	7.2%
Brookfield Asset Management Inc.	6.8%
Linamar Corporation	5.7%
Hertz Global Holdings, Inc.	2.6%

FUND COMMENTARY (as at June 30, 2017)

For the period March 31, 2017, to June 30, 2017, the Fund's benchmark, the MSCI World Total Return Index had a return of 1.6%. For the same period, the Fund's Series F units had a return of (10.3%). Unlike the Index, the Fund's return is after the deduction of its fees and expenses. The Fund's key relative performance detractors during the period were Crescent Point Energy Corp., Baytex Energy Corp. and Hertz Global Holdings, Inc., while the Fund's relative performance contributors were Nomad Foods Limited, Restaurant Brands International Inc. and Linamar Corporation. The Fund's leverage amplified the underperformance.

The Fund's net asset value at June 30, 2017, was $0.8 million.

The Fund aims to provide positive long-term total returns by investing in a focused portfolio (generally no more than 15 names) of quality equities, selected from global companies domiciled in long-term growth industries and which are trading at a discount to their intrinsic value and/or have the potential of increased returns due to activist investor actions, while using leverage to enhance long-term capital appreciation.

Activist investors are value investors with a push. They are looking for opportunities to demand a change in a company's strategy in order to unlock shareholder value. Common strategies include demanding a raise in dividends/share buybacks, the divestment of assets and/or the embracing or rejecting of mergers and acquisitions. Activist investors achieve their goals by cooperating with other institutional investors, acquiring board representation and/or changing the management of the target company.

Driven in large part by what it is perceived as largely reflationary economic policies from the new Donald Trump-led U.S. administration, the U.S. Fed has accelerated the pace of its previously tentative monetary tightening. With two Fed Funds rate raises since the beginning of the year and expectations for a perhaps one more just before the end of the year, combined with expectations for a reduction in the U.S. Fed's balance sheet via asset sales starting this fall, the excessive liquidity available to the capital markets is, albeit gradually, mopped up. Such a development, we believe, is likely to favour value based investment strategies, which have otherwise underperformed growth strategies since the beginning of the current market cycle, some eight years earlier. With valuations getting ahead of the fundamentals in certain areas of the market, the Manager believes that companies influenced by eminent capital allocators and activist investors have the ability to stand out by adapting quicker to market forces and improving their profitability through both operational changes and balance sheet optimization.

As expected, given the Fund's value focused mandate, the performance was mainly driven by company specific developments, the most important of which are detailed below, though a critical role was played by the continued sell-off in the energy sector as the crude oil market continues to be searching for balance.

Nomad Foods reported financial results for the first quarter ended March 31, 2017, which pointed to a marked improvement in its business, and raised its full year 2017 guidance. With sales in its core business growing after six years of declines and €600 million at its disposal, Nomad Foods is finally in a good position to make acquisitions. The company was formed in 2014 as a vehicle to consolidate Europe's slow-growth 25 billion euro frozen food market.

Restaurant Brands International (RBI) reported robust same store sales growth for both Tim Hortons and Burger King combined with sustained restaurants growth. RBI's most recent acquisition, that of Popeyes Louisiana Kitchen, is seen by the management as having unique complementary features relative to the existing portfolio of brands.

During the quarter we added Linamar Corp. to the portfolio, a decision driven by its well defined growth prospects combined with an attractive valuation. Linamar is primarily a manufacturer of vehicle parts, in particular transmission and engine parts, as well as assembled modules, transmissions, engines and power transfer units. Linamar also owns Skyjack Inc., a manufacturer of mobile industrial equipment, in particular aerial work platforms (scissors), booms and telehandlers, responsible for about 15% of the company's revenues. The company was founded by Frank Hasenfratz in his garage in 1966 and has grown to over $6 billion in revenue under the stewardship of Frank and his daughter Linda (who is the current CEO). The family still owns close to 30% of the listed company. Subsequent to our initial purchase, the company reported its 23 consecutive quarter of double digit operating earnings growth. During the period Linamar was a key contributor to fund performance.

During the period crude oil prices globally continued to be affected by concerns around the supply and demand imbalance. Prices retrenched in the earlier part of the quarter as U.S. crude oil inventories were late to revert to drawdowns from inventory builds, likely driven by a faster than expected production recovery in the U.S. shale basins, most notably Permian, Texas. Technological advances (longer horizontal wells, more fracks per well, increased pressure and quantity of proppant, better drilling chemicals) and geological features of the Permian basin (stacked layers of oil bearing rock) allowed for significant improvements in well deliverability (initial oil production) and attracted significant investor interest over the past couple of years. Production growth limits in the Permian are likely to be tested by cost increases (costs were up roughly 15% in 2016) and full cycle economics (including the cost of land and infrastructure) are becoming challenged at current crude oil levels. Crude oil prices rallied ahead of OPEC's May 25 meeting, when the organization, alongside a number of non-OPEC nations, most notably Russia, decided to extend the current production cap into the end of first quarter of 2018. Absent a deepening of the production cuts and still stubbornly high levels of crude oil and refined product inventories in the U.S., crude oil markets slid once again, also driven by record levels of short-selling in the crude oil and refined product contracts. The quarter ended with a short-covering rally, with the North American benchmark, the WTI (West Texas Intermediate) closing at $46.04, down 9% over the period. Energy holdings in the Fund suffered, as a result, negatively impacting the performance of the Fund.

As at June 30, 2017, based on total assets, the top 5 sector exposure was constituted by energy 29.2%, consumer discretionary 24.8%, financials 24.4%, consumer staples 11.0% and industrials 10.6%. The Fund makes use of low-cost leverage to augment its long term returns. Leverage within the Fund was at inception, lower than 60% and ordinarily is not expected to exceed 70% of the portfolio (market value of securities). As at June 30, 2017, leverage in the Fund was 61.1% of the portfolio.

RISK MANAGEMENT STRATEGY

The Manager relies on the following risk mitigation measures:

- Value discipline
- Portfolio construction
- Intending to preserve excess margin or 'buffer'

POTENTIAL RISKS

While the Manager exercises prudence and due diligence throughout the investment process, no guarantees can be given to offset a risk of loss and investors should consult with their Financial Advisor prior to investing in the Fund.

The Manager believes the following risks are key to the Fund's performance: leverage, highly volatile markets and equity risk. Please read the "Risk Factors" section in the Offering Memorandum for a more detailed description of all the relevant risks.

FUNDSERV CODES

Fund Name	Series A	Series F*	Series N
Portland Advantage Plus - Value Fund	PTL970	PTL980	PTL966
Portland Advantage Plus - Value Fund USD	PTL870	PTL880	PTL866

Generally only available through dealers who have entered into a Portland Series F Dealer Agreement

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1. Annualized.

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

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

Additional Sources: Bloomberg, Thomson Reuters

The Portland Advantage Plus – Value Fund (the "Fund") is not publicly offered. It is only available under prospectus exemptions and other exemptions available to investors who meet certain eligibility or minimum or maximum purchase requirements. Currently these exemptions include the accredited investor exemption and the $150,000 minimum purchase exemption for institutional investors. Information herein is pertaining to the Fund solely for the purpose of providing information and is not to be construed as a public offering in any jurisdiction of Canada. The offering of Units of the Fund is made pursuant to an Offering Memorandum and the information contained herein is a summary only and is qualified by the more detailed information in the Offering Memorandum. If there are any discrepancies between this document and the Offering Memorandum, the Offering Memorandum is deemed correct. Commissions, trailing commissions, management fees and expenses may be associated with investments. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and does not take into account sales, redemptions, distributions or optional charges or income taxes payable by any securityholder in respect of a participating fund that would have reduced returns. Funds are not guaranteed, their values change frequently and past performance may not be repeated.

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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