



PORTLAND
INVESTMENT COUNSEL®

PORTLAND MUTUAL FUNDS
ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2015

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Chairman's Message

As I prepared to write this letter this year, I found myself struggling. I didn't want to repeat what I have previously written. Surely, there was something exciting and new that I could share with you. There are plenty of interesting issues to discuss, analyze and potentially theorize about. Consider the case of Greece – in the recent past, Greece has approached the precipice of economic collapse and exit from the Eurozone multiple times. Consider the price of oil – the current condition of supply exceeding demand has not only driven down the spot price of oil by over 60% from previous highs but has also driven down the prices of oil and gas companies, some by over 90%. Consider the new technologies – electric cars, driverless cars, the smart watch and Uber. Consider the geo-political issues in the world – tensions between Russia and the West, ISIS, etc. The Canadian election, when will the Fed raise rates – the list goes on and on.

With all this stimulation, why was I having a hard time coming up with something new to write? And, then the answer came to me. As a writer, I was falling victim to the very same temptations that impair investors' abilities to create wealth. I was being distracted by all the noise and, worse, being fooled into thinking that the ever increasing amount and volume of noise must present some meaning for investing – something NEW AND IMPROVED.

There is a saying that the more things change, the more they stay the same. The world has, is, and will continue to undergo change. That is evolution and progress. However, the core principles of investing have not changed. We believe wealth has, is, and will continue to be created by people who own a few, high quality businesses in long-term growth industries that they understand and which make prudent use of other people's money and which businesses they hold for the long run. Economist and professional investor, Benjamin Graham's timeless wisdom that "In the short run, the market is a voting machine but in the long run, it is a weighing machine" continues to be relevant when looking at stock prices. While innovations like discount brokerages, ETFs and robo-advice have brought down the cost of investing, they may also be having the adverse impact of increasing price volatility which exploits people's emotions, thereby increasing the tendency to allow the voting machine to drive behavior which inherently results in selling low and buying high. Warren Buffet's advice of "Be fearful when others are greedy and greedy when others are fearful" has never been more appropriate.

While the "noise" will exploit the emotions of some, many others will simply seek refuge from the noise. This refuge shows up in the form of low or no return, stable value investments. The common refrain is "Wealth creation is no longer my objective – I only want to preserve my wealth". Not losing one's capital is the first rule of investing. However, "preserving capital" is not necessarily the same as "preserving wealth". For most people, the concept of wealth is defined by the relationship of one's capital to one's standard of living and the cost of that standard of living. However, one's target standard of living and the related cost are both functions of the environment around us. For example, how many of us building a retirement plan 20 years ago would have been creating a budget for mobile phones and high speed broadband. Yet, to not have those things today would feel like one were having to go without "necessities". More broadly speaking, it is important to remember that the cost of most goods and services we consume is a function of two things – the cost to produce and the ability of the consumer to pay. For example, the house in which we'd like to live is typically related to where our friends and family live and the cost of those houses is a function of what those friends and family can afford. In summary, the definition of our "standard of living" and its related costs are both indirectly impacted by the purchasing power of those around us. As Will Rogers, comedian and actor said, "Even if you're on the right track, you'll get run over if you just sit there." The same can be said about wealth and that is why it is important to control our emotions and be guided by a sound intellectual framework.

I am excited by the opportunities that I see in the market place. I always find it easier to invest when prices are low than when they are high. Investing money in 2009 was easy – everything was on sale. The market correction that took place in the last few months has created opportunities. The general pessimism that overhangs the oil and gas sector has created opportunities. Our behavior today will be our history tomorrow...we must make sure that it is well written.

"Michael Lee-Chin"

Management's Responsibility 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 Advantage Fund, Portland Canadian Balanced Fund, Portland Canadian Focused Fund, Portland Global Banks Fund, Portland Global Income Fund, Portland Global Dividend Fund and Portland Value Fund (the "Funds"). The Funds' 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 Funds are described in Note 3 to these financial statements.

PricewaterhouseCoopers LLP is the external auditor of the Funds. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on the financial statements. Their report is attached.

"Michael Lee-Chin"

**Michael Lee-Chin,
Director
December 7, 2015**

"Robert Almeida"

**Robert Almeida,
Director
December 7, 2015**

Independent Auditor's Report

December 7, 2015

To the Unitholders of:

Portland Advantage Fund
Portland Canadian Balanced Fund
Portland Canadian Focused Fund
Portland Global Banks Fund
Portland Global Income Fund
Portland Global Dividend Fund
Portland Value Fund

(collectively the Funds)

We have audited the accompanying financial statements of each of the Funds, which comprise the statements of financial position, comprehensive income, changes in net assets attributable to holders of redeemable units, and cash flows as at and for the periods indicated in Note 1, 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 the financial statements of each of the Funds 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 the financial statements of each of the Funds 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 of each of the Funds present fairly, in all material respects, the financial position, financial performance and cash flows of each of the Funds as at and for the periods indicated in Note 1 in accordance with International Financial Reporting Standards.

Chartered Professional Accountants, Licensed Public Accountants

PricewaterhouseCoopers LLP

Toronto, Canada

Statements of Financial Position

| | As at September 30, 2015 | As at September 30, 2014 | As at October 1, 2013 |
|--|-----------------------------|-----------------------------|--------------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 16,134 | \$ 661,617 | \$ 295,162 |
| Subscriptions receivable | 37,118 | 72,805 | - |
| Interest receivable | - | 361 | 189 |
| Dividends receivable | 14,885 | 10,763 | 1,897 |
| Investments (note 5) | 5,076,016 | 4,033,028 | 833,711 |
| | <u>5,144,153</u> | <u>4,778,574</u> | <u>1,130,959</u> |
| Liabilities | | | |
| Current Liabilities | | | |
| Management fee payable | 7,028 | - | - |
| Expenses payable | 2,436 | - | - |
| Redemptions payable | 7,017 | - | 25,000 |
| Payable for investments purchased | - | 90,540 | - |
| | <u>16,481</u> | <u>90,540</u> | <u>25,000</u> |
| Net Assets Attributable to Holders of Redeemable Units | <u>\$ 5,127,672</u> | <u>\$ 4,688,034</u> | <u>\$ 1,105,959</u> |
| Series A | 2,617,354 | 2,658,899 | 948,044 |
| Series F | 2,504,363 | 2,022,327 | 151,658 |
| Series G | 5,955 | 6,808 | 6,257 |
| Net Assets Attributable to Holders of Redeemable Units | <u>\$ 5,127,672</u> | <u>\$ 4,688,034</u> | <u>\$ 1,105,959</u> |
| Number of Redeemable Units Outstanding (note 6) | | | |
| Series A | 244,347 | 216,622 | 83,890 |
| Series F | 227,399 | 161,307 | 13,288 |
| Series G | 600 | 600 | 600 |
| Net Assets Attributable to Holders of Redeemable Units per Unit | | | |
| Series A | 10.71 | 12.27 | 11.30 |
| Series F | 11.01 | 12.54 | 11.41 |
| Series G | 9.92 | 11.35 | 10.43 |

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 | 2015 | 2014 |
|---|---------------------|------------------|
| Income | | |
| Net gains (losses) on investments | | |
| Dividends | \$ 301,236 | \$ 71,284 |
| Interest for distribution purposes | 730 | 2,060 |
| Net realized gain (loss) on investments | 691 | 4,622 |
| Change in unrealized appreciation (depreciation) of investments | (853,460) | 66,154 |
| Net gains (losses) on investments | (550,803) | 144,120 |
| Other income | | |
| Foreign currency gain (loss) on cash and other net assets | 5,476 | 733 |
| Total income (net) | (545,327) | 144,853 |
| Expenses | | |
| Management fees (note 8) | 93,641 | 46,752 |
| Unitholder reporting costs | 116,911 | 67,792 |
| Audit fees | 16,245 | 20,211 |
| Custodial fees | 5,704 | 10,513 |
| Legal fees | 5,456 | 15,577 |
| Independent review committee fees | 4,400 | 5,336 |
| Interest expense | 1,124 | 399 |
| Income tax expense | - | 218 |
| Withholding tax expense | 3,422 | 321 |
| Transaction costs | 4,924 | 1,032 |
| Total operating expenses | 251,827 | 168,151 |
| Less: expenses absorbed by Manager | (116,574) | (105,682) |
| Net expenses | 135,253 | 62,469 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | \$ (680,580) | \$ 82,384 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | (390,848) | 82,150 |
| Series F | (288,879) | (317) |
| Series G | (853) | 551 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit | | |
| Series A | (1.64) | 0.58 |
| Series F | (1.28) | (0.01) |
| Series G | (1.42) | 0.92 |

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 | 2015 | 2014 |
|--|---------------------|---------------------|
| Net Assets Attributable to Holders of Redeemable Units at Beginning of Period | | |
| Series A | \$ 2,658,899 | \$ 948,044 |
| Series F | 2,022,327 | 151,658 |
| Series G | 6,808 | 6,257 |
| | <u>4,688,034</u> | <u>1,105,959</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | | |
| Series A | (390,848) | 82,150 |
| Series F | (288,879) | (317) |
| Series G | (853) | 551 |
| | <u>(680,580)</u> | <u>82,384</u> |
| Distributions to Holders of Redeemable Units | | |
| From net investment income: | | |
| Series A | - | - |
| Series F | (18,060) | - |
| Series G | - | - |
| | <u>(18,060)</u> | <u>-</u> |
| From capital gains: | | |
| Series A | (838) | - |
| Series F | (892) | - |
| Series G | (2) | - |
| | <u>(1,732)</u> | <u>-</u> |
| Redeemable Unit Transactions | | |
| Proceeds from redeemable units issued | | |
| Series A | 1,105,738 | 2,051,875 |
| Series F | 1,120,237 | 1,953,233 |
| Series G | - | - |
| | <u>2,225,975</u> | <u>4,005,108</u> |
| Reinvestments of distributions to holders of redeemable units | | |
| Series A | 838 | - |
| Series F | 18,822 | - |
| Series G | 2 | - |
| | <u>19,662</u> | <u>-</u> |
| Redemptions of redeemable units | | |
| Series A | (756,435) | (423,170) |
| Series F | (349,192) | (82,247) |
| Series G | - | - |
| | <u>(1,105,627)</u> | <u>(505,417)</u> |
| Net Increase (Decrease) from Redeemable Unit Transactions | <u>1,140,010</u> | <u>3,499,691</u> |
| Net Assets Attributable to Holders of Redeemable Units at End of Period | | |
| Series A | 2,617,354 | 2,658,899 |
| Series F | 2,504,363 | 2,022,327 |
| Series G | 5,955 | 6,808 |
| Net Assets Attributable to Holders of Redeemable Units at End of Period | <u>\$ 5,127,672</u> | <u>\$ 4,688,034</u> |

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

Statements of Cash Flows

| for the periods ended September 30 | 2015 | | 2014 | |
|---|-----------|--------------------|-----------|--------------------|
| Cash Flows from Operating Activities | | | | |
| Increase (decrease) in net assets attributable to holders of redeemable units | \$ | (680,580) | \$ | 82,384 |
| Adjustments for: | | | | |
| Net realized (gain) loss on investments | | (691) | | (4,622) |
| Change in unrealized (appreciation) depreciation of investments | | 853,460 | | (66,154) |
| Foreign currency (gain) loss on cash and other net assets | | (5,476) | | (733) |
| (Increase) decrease in interest receivable | | 361 | | (172) |
| (Increase) decrease in dividends receivable | | (4,122) | | (8,866) |
| Increase (decrease) in management fees payable and accrued liabilities | | 9,464 | | - |
| Purchase of investments | | (3,203,119) | | (3,068,314) |
| Proceeds from sale of investments | | 1,216,822 | | 30,313 |
| Net Cash Generated (Used) by Operating Activities | | (1,813,881) | | (3,036,164) |
| Cash Flows from Financing Activities | | | | |
| Distributions to holders of redeemable units, net of reinvested distributions | | (130) | | - |
| Proceeds from redeemable units issued | | 2,261,662 | | 3,932,303 |
| Amount paid on redemption of redeemable units | | (1,098,610) | | (530,417) |
| Net Cash Generated (Used) by Financing Activities | | 1,162,922 | | 3,401,886 |
| Net increase (decrease) in cash and cash equivalents | | (650,959) | | 365,722 |
| Foreign currency gain (loss) on cash and other net assets | | 5,476 | | 733 |
| Cash and Cash Equivalents Beginning of Period | | 661,617 | | 295,162 |
| Cash and Cash Equivalents End of Period | \$ | 16,134 | \$ | 661,617 |
| Cash and cash equivalents comprise: | | | | |
| Cash at bank | | 16,134 | | 462,095 |
| Short-term investments | | - | | 199,522 |
| | | 16,134 | | 661,617 |
| From operating activities: | | | | |
| Interest received, net of withholding tax | | 1,091 | | 1,888 |
| Dividends received, net of withholding tax | | 233,334 | | 54,115 |
| Income taxes paid | | - | | 218 |
| Interest paid | | (1,124) | | (399) |

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

Schedule of Investment Portfolio

as at September 30, 2015

| No. of Shares/Units | Security Name | Average Cost | Fair Value | % of Net Assets Attributable to Holders of Redeemable Units |
|------------------------|---|------------------|---------------------|--|
| EQUITIES | | | | |
| Bermuda | | | | |
| 5,730 | Brookfield Infrastructure Partners Limited Partnership | \$ 234,548 | \$ 282,285 | |
| 7,325 | Brookfield Property Partners Limited Partnership | 167,905 | 210,008 | |
| 6,698 | Invesco Limited | 238,308 | 280,258 | |
| | | <u>640,761</u> | <u>772,551</u> | 15.1% |
| Canada | | | | |
| 14,570 | Baytex Energy Corporation | 411,149 | 62,214 | |
| 4,990 | BCE Inc. | 241,833 | 272,554 | |
| 12,990 | Brookfield Asset Management Inc. 'A' | 465,872 | 545,450 | |
| 24,943 | Canadian Oil Sands Limited | 380,593 | 157,390 | |
| 6,071 | CI Financial Corporation | 196,631 | 183,951 | |
| 31,692 | Crescent Point Energy Corporation | 787,950 | 483,937 | |
| 8,227 | IGM Financial Inc. | 393,339 | 278,566 | |
| 19,893 | Northland Power Inc. | 334,843 | 345,939 | |
| 6,869 | The Bank of Nova Scotia | 431,226 | 404,103 | |
| 4,435 | The Toronto-Dominion Bank | 219,406 | 233,281 | |
| | | <u>3,862,842</u> | <u>2,967,385</u> | 57.9% |
| Cayman Islands | | | | |
| 6,850 | CK Hutchison Holdings Limited ADR | 120,999 | 119,401 | 2.3% |
| Great Britain | | | | |
| 557,200 | Cable & Wireless Communications PLC | 491,778 | 625,028 | 12.2% |
| Panama | | | | |
| 1,028 | Copa Holdings SA 'A' | 138,064 | 57,751 | 1.1% |
| United States | | | | |
| 845 | Berkshire Hathaway Inc. 'B' | 113,640 | 147,630 | |
| 3,262 | Franklin Resources Inc. | 180,750 | 162,842 | |
| 8,000 | Hertz Global Holdings Inc. | 230,848 | 179,319 | |
| 1,180 | iShares India 50 ETF | 28,211 | 44,109 | |
| | | <u>553,449</u> | <u>533,900</u> | 10.4% |
| | Total investment portfolio | 5,807,893 | 5,076,016 | 99.0% |
| | Transaction costs | (3,222) | - | - |
| | | \$ 5,804,671 | 5,076,016 | 99.0% |
| | Other assets less liabilities | | 51,656 | 1.0% |
| | NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS | | <u>\$ 5,127,672</u> | 100.0% |

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

(a) FINANCIAL INSTRUMENTS BY CATEGORY

The following tables present the carrying amounts of the Fund's financial instruments by category as at September 30, 2015:

| Assets | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial assets at amortized cost (\$) | Total (\$) |
|---------------------------|--------------------------|--|------------------|---|------------------|
| Cash and cash equivalents | - | - | - | 16,134 | 16,134 |
| Subscriptions receivable | - | - | - | 37,118 | 37,118 |
| Dividends receivable | - | - | - | 14,885 | 14,885 |
| Investments | - | 5,076,016 | 5,076,016 | - | 5,076,016 |
| Total | - | 5,076,016 | 5,076,016 | 68,137 | 5,144,153 |

| Liabilities | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial liabilities at amortized cost (\$) | Total (\$) |
|------------------------|--------------------------|--|---------------|--|---------------|
| Management fee payable | - | - | - | 7,028 | 7,028 |
| Expenses payable | - | - | - | 2,436 | 2,436 |
| Redemptions payable | - | - | - | 7,017 | 7,017 |
| Total | - | - | - | 16,481 | 16,481 |

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 | - | - | - | 661,617 | 661,617 |
| Subscriptions receivable | - | - | - | 72,805 | 72,805 |
| Interest receivable | - | - | - | 361 | 361 |
| Dividends receivable | - | - | - | 10,763 | 10,763 |
| Investments | - | 4,033,028 | 4,033,028 | - | 4,033,028 |
| Total | - | 4,033,028 | 4,033,028 | 745,546 | 4,778,574 |

| Liabilities | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial liabilities at amortized cost (\$) | Total (\$) |
|-----------------------------------|--------------------------|--|---------------|--|---------------|
| Payable for investments purchased | - | - | - | 90,540 | 90,540 |
| Total | - | - | - | 90,540 | 90,540 |

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

| Assets | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial assets at amortized cost (\$) | Total (\$) |
|---------------------------|--------------------------|--|----------------|---|------------------|
| Cash and cash equivalents | - | - | - | 295,162 | 295,162 |
| Interest receivable | - | - | - | 189 | 189 |
| Dividends receivable | - | - | - | 1,897 | 1,897 |
| Investments | - | 833,711 | 833,711 | - | 833,711 |
| Total | - | 833,711 | 833,711 | 297,248 | 1,130,959 |

| Liabilities | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial liabilities at amortized cost (\$) | Total (\$) |
|---------------------|--------------------------|--|---------------|--|---------------|
| Redemptions payable | - | - | - | 25,000 | 25,000 |
| Total | - | - | - | 25,000 | 25,000 |

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the years ended September 30, 2015 and September 30, 2014.

| Category | Net gains (losses) (\$) | |
|----------------------------|-------------------------|----------------|
| | 2015 | 2014 |
| Financial Assets at FVTPL: | | |
| Held for trading | - | - |
| Designated at inception | (550,803) | 144,120 |
| Total | (550,803) | 144,120 |

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

(b) 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, 2015 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 \$253,801 (September 30, 2014: \$201,651; October 1, 2013: \$41,686). 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, 2015, September 30, 2014 and October 1, 2013.

| By Geographic Region | September 30, 2015 | September 30, 2014 | October 1, 2013 |
|---------------------------|--------------------|--------------------|-----------------|
| Canada | 57.9% | 57.6% | 39.3% |
| Bermuda | 15.1% | 12.1% | 13.2% |
| Great Britain | 12.2% | - | - |
| United States | 10.4% | 9.7% | 14.2% |
| Cayman Islands | 2.3% | - | - |
| Panama | 1.1% | 1.7% | 2.2% |
| Cash and Other Net Assets | 1.0% | 14.2% | 24.6% |
| Columbia | - | 1.6% | 3.3% |
| Hong Kong | - | 3.1% | 3.2% |
| Total | 100.0% | 100.0% | 100.0% |

| By Industry Sector | September 30, 2015 | September 30, 2014 | October 1, 2013 |
|--|--------------------|--------------------|-----------------|
| Asset Management and Custody Banks | 17.8% | 23.6% | 30.1% |
| Oil and Gas Exploration and Production | 12.5% | 11.0% | 3.2% |
| Diversified Banks | 12.4% | 8.6% | 13.1% |
| Integrated Telecommunication Services | 12.2% | - | - |
| Diversified Real Estate Activity | 10.6% | 5.0% | 5.3% |
| Regulated Power Generation | 6.7% | 3.3% | - |
| Electric Utilities | 5.5% | 4.0% | 5.7% |
| Telecom Carriers | 5.3% | 4.2% | - |
| Real Estate Operating Companies | 4.1% | 3.2% | - |
| Trucking | 3.5% | - | - |
| Property and Casual Insurance | 2.9% | 2.3% | 2.8% |
| Real Estate Development | 2.3% | 3.1% | 3.2% |
| Integrated Oil and Gas | 1.2% | 8.7% | 3.0% |
| Air Freight Transportation | 1.1% | 1.7% | - |
| Cash and Other Net Assets | 1.0% | 14.2% | 24.6% |
| Exchange Traded Fund | 0.9% | 0.8% | 2.4% |
| Renewable Energy | - | 3.0% | - |
| Consumer Finance | - | 2.9% | 3.5% |
| Multi-Sector Holdings | - | 0.5% | 1.0% |
| Airlines | - | - | 2.2% |
| Total | 100.0% | 100.0% | 100.0% |

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

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 tables below indicate the foreign currencies to which the Fund had significant exposure at September 30, 2015, September 30, 2014 and October 1, 2013, in Canadian dollar terms. 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, 2015

| | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|---|---------------|-------------------|------------------|--|-------------------|---------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| United States Dollar | 8,758 | 1,273,594 | 1,282,352 | 438 | 63,680 | 64,118 |
| British Pound | - | 625,028 | 625,028 | - | 31,251 | 31,251 |
| Total | 8,758 | 1,898,622 | 1,907,380 | 438 | 94,931 | 95,369 |
| % of net assets attributable to holders of redeemable units | 0.2% | 37.0% | 37.2% | 0.0% | 1.9% | 1.9% |

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 | 5,401 | 1,133,136 | 1,138,537 | 270 | 56,657 | 56,927 |
| Columbian Peso | - | 46,208 | 46,208 | - | 2,310 | 2,310 |
| Total | 5,401 | 1,179,344 | 1,184,745 | 270 | 58,967 | 59,237 |
| % of net assets attributable to holders of redeemable units | 0.1% | 25.2% | 25.3% | 0.0% | 1.3% | 1.3% |

October 1, 2013

| | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|---|---------------|-------------------|----------------|--|-------------------|---------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| United States Dollar | 750 | 373,791 | 374,541 | 37 | 18,690 | 18,727 |
| Columbian Peso | - | 24,024 | 24,024 | - | 1,201 | 1,201 |
| Total | 750 | 397,815 | 398,565 | 37 | 19,891 | 19,928 |
| % of net assets attributable to holders of redeemable units | 0.1% | 36.0% | 36.1% | 0.0% | 1.8% | 1.8% |

Interest Rate Risk

As at September 30, 2015, September 30, 2014 and October 1, 2013 the Fund did not have significant direct exposure to interest rate risk.

Credit Risk

As at September 30, 2015, September 30, 2014 and October 1, 2013, the Fund did not have significant direct exposure to credit risk.

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 as applicable.

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 at the time of purchase. The Fund may also borrow temporarily to fund redemptions or settle trades.

As at September 30, 2015, September 30, 2014 and October 1, 2013 the Fund did not have any borrowings.

All other obligations including management fee payable, payable expenses, redemptions payable, payable for securities purchased and distributions payable were due within 3 months from the financial reporting date. Issued redeemable units are payable on demand.

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

(c) FAIR VALUE MEASUREMENTS

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at September 30, 2015, September 30, 2014 and October 1, 2013.

| | Assets at fair value as at September 30, 2015 | | | |
|-----------------|---|--------------|--------------|------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Equities - Long | 5,076,016 | - | - | 5,076,016 |
| Total | 5,076,016 | - | - | 5,076,016 |

| | Assets at fair value as at September 30, 2014 | | | |
|-----------------|---|--------------|--------------|------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Equities - Long | 4,033,028 | - | - | 4,033,028 |
| Total | 4,033,028 | - | - | 4,033,028 |

| | Assets at fair value as at October 1, 2013 | | | |
|-----------------|--|--------------|--------------|----------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Equities - Long | 833,711 | - | - | 833,711 |
| Total | 833,711 | - | - | 833,711 |

Fair values are classified as Level 1 when the related security 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. All liabilities of the Fund are carried at amortized cost and therefore are not presented in the tables above.

(d) STRUCTURED ENTITIES

The Fund's investments are summarized below.

| September 30, 2015 | Fair Value of Fund's Investment (\$) | Net Asset Value of ETF (\$millions) | % of ETF's Net Assets |
|----------------------|--------------------------------------|-------------------------------------|-----------------------|
| iShares India 50 ETF | 44,109 | 1,109 | - |

| September 30, 2014 | Fair Value of Fund's Investment (\$) | Net Asset Value of ETF (\$millions) | % of ETF's Net Assets |
|----------------------|--------------------------------------|-------------------------------------|-----------------------|
| iShares India 50 ETF | 39,247 | 754 | - |

| October 1, 2013 | Fair Value of Fund's Investment (\$) | Net Asset Value of ETF (\$millions) | % of ETF's Net Assets |
|----------------------|--------------------------------------|-------------------------------------|-----------------------|
| iShares India 50 ETF | 25,512 | 405 | - |

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

Statements of Financial Position

| | As at September 30, 2015 | As at September 30, 2014 | As at October 1, 2013 |
|--|-----------------------------|-----------------------------|--------------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 363,671 | \$ 1,930,400 | \$ 613,731 |
| Subscriptions receivable | 300 | 350 | 70,750 |
| Interest receivable | 48 | 868 | 94 |
| Dividends receivable | 9,863 | 2,607 | 781 |
| Investments (note 5) | 3,303,117 | 1,877,839 | 353,782 |
| | <u>3,676,999</u> | <u>3,812,064</u> | <u>1,039,138</u> |
| Liabilities | | | |
| Current Liabilities | | | |
| Management fee payable | 5,847 | - | - |
| Expenses payable | 1,670 | - | - |
| Redemptions payable | 401 | - | - |
| Payable for investments purchased | - | 10,245 | - |
| | <u>7,918</u> | <u>10,245</u> | <u>-</u> |
| Net Assets Attributable to Holders of Redeemable Units | <u>\$ 3,669,081</u> | <u>\$ 3,801,819</u> | <u>\$ 1,039,138</u> |
| Series A | 2,738,271 | 2,419,511 | 985,388 |
| Series F | 822,922 | 1,275,406 | 47,101 |
| Series G | 107,888 | 106,902 | 6,649 |
| Net Assets Attributable to Holders of Redeemable Units | <u>\$ 3,669,081</u> | <u>\$ 3,801,819</u> | <u>\$ 1,039,138</u> |
| Number of Redeemable Units Outstanding (note 6) | | | |
| Series A | 215,918 | 191,592 | 83,867 |
| Series F | 62,993 | 99,161 | 3,969 |
| Series G | 9,313 | 9,285 | 622 |
| Net Assets Attributable to Holders of Redeemable Units per Unit | | | |
| Series A | 12.68 | 12.63 | 11.75 |
| Series F | 13.06 | 12.86 | 11.87 |
| Series G | 11.58 | 11.51 | 10.68 |

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 | 2015 | 2014 |
|---|------------|------------|
| Income | | |
| Net gains (losses) on investments | | |
| Dividends | \$ 140,015 | \$ 42,805 |
| Interest for distribution purposes | 4,098 | 14,040 |
| Net realized gain (loss) on investments | 175,040 | 20,929 |
| Change in unrealized appreciation (depreciation) of investments | (148,935) | 113,265 |
| Net gains (losses) on investments | 170,218 | 191,039 |
| Other income | | |
| Foreign currency gain (loss) on cash and other net assets | (563) | (2,092) |
| Total income (net) | 169,655 | 188,947 |
| Expenses | | |
| Management fees (note 8) | 79,457 | 45,155 |
| Unitholder reporting costs | 107,437 | 70,033 |
| Audit fees | 16,245 | 20,211 |
| Custodial fees | 2,833 | 1,540 |
| Legal fees | 5,456 | 16,001 |
| Independent review committee fees | 4,400 | 5,336 |
| Interest expense | 132 | 4 |
| Withholding tax expense | 2,711 | 1,210 |
| Transaction costs | 2,223 | 426 |
| Total operating expenses | 220,894 | 159,916 |
| Less: expenses absorbed by Manager | (112,568) | (100,190) |
| Net expenses | 108,326 | 59,726 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | \$ 61,329 | \$ 129,221 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 22,471 | 104,582 |
| Series F | 37,872 | 24,386 |
| Series G | 986 | 253 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit | | |
| Series A | 0.10 | 0.74 |
| Series F | 0.38 | 0.58 |
| Series G | 0.11 | 0.30 |

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 | 2015 | | 2014 | |
|--|------|--------------------|------|------------------|
| Net Assets Attributable to Holders of Redeemable Units at Beginning of Period | | | | |
| Series A | \$ | 2,419,511 | \$ | 985,388 |
| Series F | | 1,275,406 | | 47,101 |
| Series G | | 106,902 | | 6,649 |
| | | <u>3,801,819</u> | | <u>1,039,138</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | | | | |
| Series A | | 22,471 | | 104,582 |
| Series F | | 37,872 | | 24,386 |
| Series G | | 986 | | 253 |
| | | <u>61,329</u> | | <u>129,221</u> |
| Distributions to Holders of Redeemable Units | | | | |
| From net investment income: | | | | |
| Series A | | - | | (1,164) |
| Series F | | - | | (339) |
| Series G | | - | | - |
| | | | | <u>(1,503)</u> |
| From capital gains: | | | | |
| Series A | | (7,772) | | - |
| Series F | | (4,097) | | - |
| Series G | | (328) | | - |
| | | <u>(12,197)</u> | | <u>-</u> |
| Redeemable Unit Transactions | | | | |
| Proceeds from redeemable units issued | | | | |
| Series A | | 927,433 | | 1,537,066 |
| Series F | | 582,776 | | 1,234,485 |
| Series G | | - | | 100,000 |
| | | <u>1,510,209</u> | | <u>2,871,551</u> |
| Reinvestments of distributions to holders of redeemable units | | | | |
| Series A | | 7,478 | | 1,164 |
| Series F | | 4,347 | | 339 |
| Series G | | 328 | | - |
| | | <u>12,153</u> | | <u>1,503</u> |
| Redemptions of redeemable units | | | | |
| Series A | | (630,850) | | (207,525) |
| Series F | | (1,073,382) | | (30,566) |
| Series G | | - | | - |
| | | <u>(1,704,232)</u> | | <u>(238,091)</u> |
| Net Increase (Decrease) from Redeemable Unit Transactions | | <u>(181,870)</u> | | <u>2,634,963</u> |
| Net Assets Attributable to Holders of Redeemable Units at End of Period | | | | |
| Series A | | 2,738,271 | | 2,419,511 |
| Series F | | 822,922 | | 1,275,406 |
| Series G | | 107,888 | | 106,902 |
| Net Assets Attributable to Holders of Redeemable Units at End of Period | \$ | <u>3,669,081</u> | \$ | <u>3,801,819</u> |

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

Statements of Cash Flows

| for the periods ended September 30 | 2015 | | 2014 | |
|---|-----------|--------------------|-----------|--------------------|
| Cash Flows from Operating Activities | | | | |
| Increase (decrease) in net assets attributable to holders of redeemable units | \$ | 61,329 | \$ | 129,221 |
| Adjustments for: | | | | |
| Net realized (gain) loss on investments | | (175,040) | | (20,929) |
| Change in unrealized (appreciation) depreciation of investments | | 148,935 | | (113,265) |
| Foreign currency (gain) loss on cash and other net assets | | 563 | | 2,092 |
| (Increase) decrease in interest receivable | | 820 | | (774) |
| (Increase) decrease in dividends receivable | | (7,256) | | (1,826) |
| Increase (decrease) in management fees payable and accrued liabilities | | 7,517 | | - |
| Purchase of investments | | (4,497,287) | | (1,519,141) |
| Proceeds from sale of investments | | 3,087,869 | | 139,523 |
| Net Cash Generated (Used) by Operating Activities | | (1,372,550) | | (1,385,099) |
| Cash Flows from Financing Activities | | | | |
| Distributions to holders of redeemable units, net of reinvested distributions | | (44) | | - |
| Proceeds from redeemable units issued | | 1,510,259 | | 2,941,951 |
| Amount paid on redemption of redeemable units | | (1,703,831) | | (238,091) |
| Net Cash Generated (Used) by Financing Activities | | (193,616) | | 2,703,860 |
| Net increase (decrease) in cash and cash equivalents | | (1,566,166) | | 1,318,761 |
| Foreign currency gain (loss) on cash and other net assets | | (563) | | (2,092) |
| Cash and Cash Equivalents Beginning of Period | | 1,930,400 | | 613,731 |
| Cash and Cash Equivalents End of Period | \$ | 363,671 | \$ | 1,930,400 |
| Cash and cash equivalents comprise: | | | | |
| Cash at bank | | 63,737 | | 31,046 |
| Short-term investments | | 299,934 | | 1,899,354 |
| | | 363,671 | | 1,930,400 |
| From operating activities: | | | | |
| Interest received, net of withholding tax | | 4,918 | | 13,266 |
| Dividends received, net of withholding tax | | 130,048 | | 39,769 |
| Interest paid | | (132) | | (4) |

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

Schedule of Investment Portfolio

as at September 30, 2015

| No. of Shares/Units | Security Name | Average Cost | Fair Value | % of Net Assets Attributable to Holders of Redeemable Units |
|------------------------|---|---------------------|---------------------|--|
| EQUITIES | | | | |
| Canada | | | | |
| 4,500 | ATCO Limited 'I' | \$ 159,939 | \$ 176,400 | |
| 3,000 | Bank of Montreal | 226,160 | 218,340 | |
| 1,600 | BMO Ultra Short-Term Bond ETF | 88,960 | 87,504 | |
| 3,700 | Canadian Imperial Bank of Commerce | 357,001 | 354,756 | |
| 6,510 | Fortis Inc. | 232,993 | 248,487 | |
| 5,000 | iShares 1-5 Year Laddered Corporate Bond Index ETF | 98,486 | 96,250 | |
| 1,000 | iShares Canadian Corporate Bond Index ETF | 21,239 | 21,200 | |
| 200 | iShares Canadian Universe Bond Index ETF | 6,087 | 6,302 | |
| 7,400 | iShares Core Canadian Short Term Corporate Maple Bond Index ETF | 146,993 | 145,706 | |
| 1,000 | iShares Core High Quality Canadian Bond Index ETF | 20,389 | 20,880 | |
| 7,500 | National Bank of Canada | 335,708 | 319,500 | |
| 13,100 | RioCan Real Estate Investment Trust | 318,106 | 333,657 | |
| 4,500 | Royal Bank of Canada | 353,561 | 332,055 | |
| 5,400 | The Bank of Nova Scotia | 344,403 | 317,682 | |
| 5,800 | The Toronto-Dominion Bank | 301,441 | 305,080 | |
| | | <u>3,011,466</u> | <u>2,983,799</u> | <u>81.3%</u> |
| United States | | | | |
| 4,100 | Aflac Inc. | 312,259 | 319,318 | 8.7% |
| | Total investment portfolio | <u>3,323,725</u> | <u>3,303,117</u> | <u>90.0%</u> |
| | Transaction costs | <u>(1,066)</u> | <u>-</u> | <u>-</u> |
| | | \$ <u>3,322,659</u> | <u>3,303,117</u> | <u>90.0%</u> |
| | Other assets less liabilities | | <u>365,964</u> | <u>10.0%</u> |
| | NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS | | <u>\$ 3,669,081</u> | <u>100.0%</u> |

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

(a) FINANCIAL INSTRUMENTS BY CATEGORY

The following tables present the carrying amounts of the Fund's financial instruments by category as at September 30, 2015:

| Assets | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial assets at amortized cost (\$) | Total (\$) |
|---------------------------|--------------------------|--|------------------|---|------------------|
| Cash and cash equivalents | - | - | - | 363,671 | 363,671 |
| Subscriptions receivable | - | - | - | 300 | 300 |
| Interest receivable | - | - | - | 48 | 48 |
| Dividends receivable | - | - | - | 9,863 | 9,863 |
| Investments | - | 3,303,117 | 3,303,117 | - | 3,303,117 |
| Total | - | 3,303,117 | 3,303,117 | 373,882 | 3,676,999 |

| Liabilities | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial liabilities at amortized cost (\$) | Total (\$) |
|------------------------|--------------------------|--|---------------|--|---------------|
| Management fee payable | - | - | - | 5,847 | 5,847 |
| Expenses payable | - | - | - | 1,670 | 1,670 |
| Redemptions Payable | - | - | - | 401 | 401 |
| Total | - | - | - | 7,918 | 7,918 |

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 | - | - | - | 1,930,400 | 1,930,400 |
| Subscriptions receivable | - | - | - | 350 | 350 |
| Interest receivable | - | - | - | 868 | 868 |
| Dividends receivable | - | - | - | 2,607 | 2,607 |
| Investments | - | 1,877,839 | 1,877,839 | - | 1,877,839 |
| Total | - | 1,877,839 | 1,877,839 | 1,934,225 | 3,812,064 |

| Liabilities | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial liabilities at amortized cost (\$) | Total (\$) |
|-----------------------------------|--------------------------|--|---------------|--|---------------|
| Payable for investments purchased | - | - | - | 10,245 | 10,245 |
| Total | - | - | - | 10,245 | 10,245 |

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

| Assets | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial assets at amortized cost (\$) | Total (\$) |
|---------------------------|--------------------------|--|----------------|---|------------------|
| Cash and cash equivalents | - | - | - | 613,731 | 613,731 |
| Subscriptions receivable | - | - | - | 70,750 | 70,750 |
| Interest receivable | - | - | - | 94 | 94 |
| Dividends receivable | - | - | - | 781 | 781 |
| Investments | - | 353,782 | 353,782 | - | 353,782 |
| Total | - | 353,782 | 353,782 | 685,356 | 1,039,138 |

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the years ended September 30, 2015 and September 30, 2014.

| Category | Net gains (losses) (\$) | |
|----------------------------|-------------------------|----------------|
| | 2015 | 2014 |
| Financial Assets at FVTPL: | | |
| Held for trading | - | - |
| Designated at inception | 170,218 | 191,039 |
| Total | 170,218 | 191,039 |

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

(b) 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, 2015 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 \$165,156 (September 30, 2014: \$93,892; October 1, 2013: \$17,689). 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 industry sector as at September 30, 2015, September 30, 2014 and October 1, 2013.

| By Industry Sector | September 30, 2015 | September 30, 2014 | October 1, 2013 |
|---------------------------|--------------------|--------------------|-----------------|
| Financials | 68.1% | 30.3% | 16.0% |
| Utilities | 11.6% | - | - |
| Exchange Traded Fund | 10.3% | 9.6% | 9.8% |
| Cash and Other Net Assets | 10.0% | 50.5% | 66.0% |
| Information Technology | - | 3.9% | 4.9% |
| Energy | - | 3.3% | 1.4% |
| Corporate Bonds | - | 2.4% | - |
| Consumer Discretionary | - | - | 1.9% |
| 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 directly affected by changes in the value of these currencies relative to the Canadian dollar.

The Fund has indirect exposure to foreign currencies through its investments in ETFs which may themselves invest in securities that trade in foreign currencies.

The tables below indicate the foreign currencies to which the Fund had significant direct exposure at September 30, 2015, September 30, 2014 and October 1, 2013, in Canadian dollar terms. 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, 2015

| | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|--|---------------|-------------------|----------------|--|-------------------|---------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| United States Dollar | - | 319,319 | 319,319 | - | 15,966 | 15,966 |
| Total | - | 319,319 | 319,319 | - | 15,966 | 15,966 |
| % of net assets attributable to holders of redeemable units | 0.0% | 8.7% | 8.7% | 0.0% | 0.4% | 0.4% |

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 | - | 914,692 | 914,692 | - | 45,735 | 45,735 |
| Total | - | 914,692 | 914,692 | - | 45,735 | 45,735 |
| % of net assets attributable to holders of redeemable units | 0.0% | 24.1% | 24.1% | 0.0% | 1.2% | 1.2% |

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

October 1, 2013

| | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|---|---------------|-------------------|---------------|--|-------------------|--------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| United States Dollar | - | 81,725 | 81,725 | - | 4,086 | 4,086 |
| Total | - | 81,725 | 81,725 | - | 4,086 | 4,086 |
| % of net assets attributable to holders of redeemable units | 0.0% | 7.9% | 7.9% | 0.0% | 0.4% | 0.4% |

Interest Rate Risk

As at September 30, 2015, September 30, 2014 and October 1, 2013 the Fund did not have significant direct exposure to interest rate risk. The Fund has indirect exposure to interest rate risk through its investments in bond ETFs.

Credit Risk

As at September 30, 2015, September 30, 2014 and October 1, 2013, the Fund did not have significant direct exposure to credit risk. The Fund has indirect exposure to credit risk through its investments in bond ETFs.

Liquidity Risk

The Fund is exposed to liquidity risk on its obligations, including its issued redeemable units, management fee payable, expenses payable, payable for securities purchased, redemptions payable and distributions payable.

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 at the time of purchase. The Fund may also borrow temporarily to fund redemptions or settle trades.

As at September 30, 2015, September 30, 2014 and October 1, 2013 the Fund did not have any borrowings.

All other obligations including management fee payable, expenses payable, redemptions payable, payable for securities purchased, and distributions payable were due within 3 months from the financial reporting date. Issued redeemable units are payable on demand.

(c) FAIR VALUE MEASUREMENTS

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at September 30, 2015, September 30, 2014 and October 1, 2013.

| | Assets at fair value as at September 30, 2015 | | | |
|-----------------|---|--------------|--------------|------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Equities - Long | 3,303,117 | - | - | 3,303,117 |
| Total | 3,303,117 | - | - | 3,303,117 |

| | Assets at fair value as at September 30, 2014 | | | |
|-----------------|---|---------------|--------------|------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Equities - Long | 1,785,839 | - | - | 1,785,839 |
| Bonds - Long | - | 92,000 | - | 92,000 |
| Total | 1,785,839 | 92,000 | - | 1,877,839 |

| | Assets at fair value as at October 1, 2013 | | | |
|-----------------|--|--------------|--------------|----------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Equities - Long | 353,782 | - | - | 353,782 |
| Total | 353,782 | - | - | 353,782 |

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. All liabilities of the Fund are carried at amortized cost and therefore are not presented in the tables above.

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

(d) STRUCTURED ENTITIES

The Fund's investments in ETFs are summarized below.

| September 30, 2015 | Fair Value of Fund's Investment (\$) | Net Asset Value of ETF (\$millions) | % of ETF's Net Assets |
|---|--------------------------------------|-------------------------------------|-----------------------|
| BMO Ultra Short-Term Bond ETF | 87,504 | 44 | 0.2 |
| iShares Core Canadian Short Term Corporate Maple Bond Index ETF | 145,706 | 414 | - |
| iShares Core High Quality Canadian Bond Index ETF | 20,880 | 272 | - |
| iShares 1-5 Year Laddered Corporate Bond Index ETF | 96,250 | 2,293 | - |
| iShares Canadian Corporate Bond Index ETF | 21,200 | 1,581 | - |
| iShares Canadian Universe Bond Index ETF | 6,302 | 1,865 | - |

| September 30, 2014 | Fair Value of Fund's Investment (\$) | Net Asset Value of ETF (\$millions) | % of ETF's Net Assets |
|---|--------------------------------------|-------------------------------------|-----------------------|
| iShares Core Canadian Short Term Corporate Maple Bond Index ETF | 158,400 | 176 | 0.1 |
| iShares Core High Quality Canadian Bond Index ETF | 20,490 | 93 | - |
| iShares 1-5 Year Laddered Corporate Bond Index ETF | 156,320 | 2,303 | - |
| iShares Canadian Corporate Bond Index ETF | 21,200 | 1,485 | - |
| iShares Canadian Universe Bond Index ETF | 6,176 | 1,563 | - |

| October 1, 2013 | Fair Value of Fund's Investment (\$) | Net Asset Value of ETF (\$millions) | % of ETF's Net Assets |
|--|--------------------------------------|-------------------------------------|-----------------------|
| iShares DEX Short Term Corporate Universe and Maple Bond Index Fund* | 23,628 | 59 | - |
| iShares Advantaged Canadian Bond Index Fund | 3,982 | 93 | - |
| iShares 1-5 Year Laddered Corporate Bond Index ETF | 68,845 | 1,880 | - |
| iShares DEX All Corporate Bond Index Fund** | 4,150 | 1,546 | - |
| iShares DEX Universe Bond Index Fund*** | 1,503 | 1,586 | - |

* iShares DEX Short Term Corporate Universe and Maple Bond Index Fund changed its name to iShares Core Canadian Short Term Corporate Maple Bond Index ETF in March 2014

** iShares DEX All Corporate Bond Index Fund changed its name to iShares Canadian Corporate Bond Index ETF in March 2014

*** iShares DEX Universe Bond Index Fund changed its name to iShares Canadian Universe Bond Index ETF in March 2014

Statements of Financial Position

| | As at September 30, 2015 | As at September 30, 2014 | As at October 1, 2013 |
|--|-----------------------------|-----------------------------|--------------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 447,770 | \$ 2,223,802 | \$ 2,951,768 |
| Subscriptions receivable | 1,405 | 35,625 | 20,750 |
| Interest receivable | 48 | 1,849 | 425 |
| Dividends receivable | 22,839 | 6,546 | 1,138 |
| Investments (note 5) | 6,933,745 | 3,457,251 | 466,636 |
| | <u>7,405,807</u> | <u>5,725,073</u> | <u>3,440,717</u> |
| Liabilities | | | |
| Current Liabilities | | | |
| Management fee payable | 8,032 | - | - |
| Expenses payable | 3,418 | - | - |
| Redemptions payable | 61,882 | - | - |
| | <u>73,332</u> | <u>-</u> | <u>-</u> |
| Net Assets Attributable to Holders of Redeemable Units | <u>\$ 7,332,475</u> | <u>\$ 5,725,073</u> | <u>\$ 3,440,717</u> |
| Series A | 1,652,985 | 2,626,736 | 2,426,268 |
| Series F | 5,559,835 | 2,979,696 | 996,904 |
| Series G | 119,655 | 118,641 | 17,545 |
| Net Assets Attributable to Holders of Redeemable Units | <u>\$ 7,332,475</u> | <u>\$ 5,725,073</u> | <u>\$ 3,440,717</u> |
| Number of Redeemable Units Outstanding (note 6) | | | |
| Series A | 133,150 | 212,070 | 212,435 |
| Series F | 434,414 | 235,462 | 86,405 |
| Series G | 10,053 | 9,984 | 1,605 |
| Net Assets Attributable to Holders of Redeemable Units per Unit | | | |
| Series A | 12.41 | 12.39 | 11.42 |
| Series F | 12.80 | 12.65 | 11.54 |
| Series G | 11.90 | 11.88 | 10.93 |

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 | 2015 | 2014 |
|---|-------------------|-------------------|
| Income | | |
| Net gains (losses) on investments | | |
| Dividends | \$ 259,016 | \$ 91,375 |
| Interest for distribution purposes | 9,416 | 25,785 |
| Net realized gain (loss) on investments | 358,741 | 42,224 |
| Change in unrealized appreciation (depreciation) of investments | (356,061) | 281,450 |
| Net gains (losses) on investments | <u>271,112</u> | <u>440,834</u> |
| Other income | | |
| Foreign currency gain (loss) on cash and other net assets | 389 | (4,519) |
| Total income (net) | <u>271,501</u> | <u>436,315</u> |
| Expenses | | |
| Management fees (note 8) | 114,769 | 75,282 |
| Unitholder reporting costs | 106,985 | 86,763 |
| Audit fees | 16,245 | 20,211 |
| Custodial fees | 2,753 | 1,595 |
| Legal fees | 5,456 | 9,617 |
| Independent review committee fees | 4,400 | 5,336 |
| Interest expense | 15 | 9 |
| Income tax expense | - | 565 |
| Withholding tax expense | 5,515 | 3,106 |
| Transaction costs | 3,224 | 799 |
| Total operating expenses | <u>259,362</u> | <u>203,283</u> |
| Less: expenses absorbed by Manager | <u>(91,304)</u> | <u>(99,953)</u> |
| Net expenses | <u>168,058</u> | <u>103,330</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | <u>\$ 103,443</u> | <u>\$ 332,985</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 21,995 | 196,536 |
| Series F | 80,433 | 135,353 |
| Series G | 1,015 | 1,096 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit | | |
| Series A | 0.11 | 0.95 |
| Series F | 0.20 | 0.99 |
| Series G | 0.10 | 0.60 |

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 | 2015 | | 2014 | |
|--|------|--------------------|------|------------------|
| Net Assets Attributable to Holders of Redeemable Units at Beginning of Period | | | | |
| Series A | \$ | 2,626,736 | \$ | 2,426,268 |
| Series F | | 2,979,696 | | 996,904 |
| Series G | | 118,641 | | 17,545 |
| | | <u>5,725,073</u> | | <u>3,440,717</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | | | | |
| Series A | | 21,995 | | 196,536 |
| Series F | | 80,433 | | 135,353 |
| Series G | | 1,015 | | 1,096 |
| | | <u>103,443</u> | | <u>332,985</u> |
| Distributions to Holders of Redeemable Units | | | | |
| From net investment income: | | | | |
| Series A | | - | | - |
| Series F | | (18,905) | | - |
| Series G | | (326) | | - |
| | | <u>(19,231)</u> | | <u>-</u> |
| From capital gains: | | | | |
| Series A | | (11,963) | | - |
| Series F | | (19,064) | | - |
| Series G | | (495) | | - |
| | | <u>(31,522)</u> | | <u>-</u> |
| Redeemable Unit Transactions | | | | |
| Proceeds from redeemable units issued | | | | |
| Series A | | 613,931 | | 632,332 |
| Series F | | 3,476,585 | | 2,040,205 |
| Series G | | - | | 100,000 |
| | | <u>4,090,516</u> | | <u>2,772,537</u> |
| Reinvestments of distributions to holders of redeemable units | | | | |
| Series A | | 11,963 | | - |
| Series F | | 37,777 | | - |
| Series G | | 820 | | - |
| | | <u>50,560</u> | | <u>-</u> |
| Redemptions of redeemable units | | | | |
| Series A | | (1,609,677) | | (628,400) |
| Series F | | (976,687) | | (192,766) |
| Series G | | - | | - |
| | | <u>(2,586,364)</u> | | <u>(821,166)</u> |
| Net Increase (Decrease) from Redeemable Unit Transactions | | <u>1,554,712</u> | | <u>1,951,371</u> |
| Net Assets Attributable to Holders of Redeemable Units at End of Period | | | | |
| Series A | | 1,652,985 | | 2,626,736 |
| Series F | | 5,559,835 | | 2,979,696 |
| Series G | | 119,655 | | 118,641 |
| Net Assets Attributable to Holders of Redeemable Units at End of Period | \$ | <u>7,332,475</u> | \$ | <u>5,725,073</u> |

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

Statements of Cash Flows

| for the periods ended September 30 | 2015 | 2014 |
|---|--------------------|---------------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units | \$ 103,443 | \$ 332,985 |
| Adjustments for: | | |
| Net realized (gain) loss on investments | (358,741) | (42,224) |
| Change in unrealized (appreciation) depreciation of investments | 356,061 | (281,450) |
| Foreign currency (gain) loss on cash and other net assets | (389) | 4,519 |
| (Increase) decrease in interest receivable | 1,801 | (1,424) |
| (Increase) decrease in dividends receivable | (16,293) | (5,408) |
| Increase (decrease) in management fees payable and accrued liabilities | 11,450 | - |
| Purchase of investments | (7,614,597) | (3,067,014) |
| Proceeds from sale of investments | 4,140,783 | 400,073 |
| Net Cash Generated (Used) by Operating Activities | (3,376,482) | (2,659,943) |
| Cash Flows from Financing Activities | | |
| Distributions to holders of redeemable units, net of reinvested distributions | (193) | - |
| Proceeds from redeemable units issued | 4,124,736 | 2,757,662 |
| Amount paid on redemption of redeemable units | (2,524,482) | (821,166) |
| Net Cash Generated (Used) by Financing Activities | 1,600,061 | 1,936,496 |
| Net increase (decrease) in cash and cash equivalents | (1,776,421) | (723,447) |
| Foreign currency gain (loss) on cash and other net assets | 389 | (4,519) |
| Cash and Cash Equivalents Beginning of Period | 2,223,802 | 2,951,768 |
| Cash and Cash Equivalents End of Period | \$ 447,770 | \$ 2,223,802 |
| Cash and cash equivalents comprise: | | |
| Cash at bank | 147,836 | 124,516 |
| Short-term investments | 299,934 | 2,099,286 |
| | 447,770 | 2,223,802 |
| From operating activities: | | |
| Interest received, net of withholding tax | 11,217 | 24,361 |
| Dividends received, net of withholding tax | 237,208 | 82,861 |
| Income taxes paid | - | 565 |
| Interest paid | (15) | (9) |

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

Schedule of Investment Portfolio

as at September 30, 2015

| No. of Shares/Units | Security Name | Average Cost | Fair Value | % of Net Assets Attributable to Holders of Redeemable Units |
|------------------------|---|---------------------|---------------------|--|
| EQUITIES | | | | |
| Canada | | | | |
| 9,500 | ATCO Limited 'I' | \$ 337,650 | \$ 372,400 | |
| 9,110 | Bank of Montreal | 702,280 | 663,026 | |
| 9,000 | Canadian Imperial Bank of Commerce | 875,157 | 862,920 | |
| 15,462 | Fortis Inc. | 553,385 | 590,185 | |
| 18,300 | National Bank of Canada | 809,042 | 779,580 | |
| 27,600 | RioCan Real Estate Investment Trust | 668,114 | 702,972 | |
| 10,900 | Royal Bank of Canada | 851,303 | 804,311 | |
| 13,100 | The Bank of Nova Scotia | 835,142 | 770,673 | |
| 13,500 | The Toronto-Dominion Bank | 703,540 | 710,100 | |
| | | <u>6,335,613</u> | <u>6,256,167</u> | <u>85.3%</u> |
| United States | | | | |
| 8,700 | AFLAC INC. | 662,598 | 677,578 | 9.3% |
| | Total investment portfolio | <u>6,998,211</u> | <u>6,933,745</u> | <u>94.6%</u> |
| | Transaction costs | <u>(2,494)</u> | <u>-</u> | <u>-</u> |
| | | \$ <u>6,995,717</u> | <u>6,933,745</u> | <u>94.6%</u> |
| | Other assets less liabilities | | <u>398,730</u> | <u>5.4%</u> |
| | NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS | | <u>\$ 7,332,475</u> | <u>100.0%</u> |

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

(a) FINANCIAL INSTRUMENTS BY CATEGORY

The following tables present the carrying amounts of the Fund's financial instruments by category as at September 30, 2015:

| Assets | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial assets at amortized cost (\$) | Total (\$) |
|---------------------------|--------------------------|--|------------------|---|------------------|
| Cash and cash equivalents | - | - | - | 447,770 | 447,770 |
| Subscriptions receivable | - | - | - | 1,405 | 1,405 |
| Interest receivable | - | - | - | 48 | 48 |
| Dividends receivable | - | - | - | 22,839 | 22,839 |
| Investments | - | 6,933,745 | 6,933,745 | - | 6,933,745 |
| Total | - | 6,933,745 | 6,933,745 | 472,062 | 7,405,807 |

| Liabilities | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial liabilities at amortized cost (\$) | Total (\$) |
|------------------------|--------------------------|--|---------------|--|---------------|
| Management fee payable | - | - | - | 8,032 | 8,032 |
| Expenses payable | - | - | - | 3,418 | 3,418 |
| Redemptions payable | - | - | - | 61,882 | 61,882 |
| Total | - | - | - | 73,332 | 73,332 |

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 | - | - | - | 2,223,802 | 2,223,802 |
| Subscriptions receivable | - | - | - | 35,625 | 35,625 |
| Interest receivable | - | - | - | 1,849 | 1,849 |
| Dividends receivable | - | - | - | 6,546 | 6,546 |
| Investments | - | 3,457,251 | 3,457,251 | - | 3,457,251 |
| Total | - | 3,457,251 | 3,457,251 | 2,267,822 | 5,725,073 |

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

| Assets | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial assets at amortized cost (\$) | Total (\$) |
|---------------------------|--------------------------|--|----------------|---|------------------|
| Cash and cash equivalents | - | - | - | 2,951,768 | 2,951,768 |
| Subscriptions receivable | - | - | - | 20,750 | 20,750 |
| Interest receivable | - | - | - | 425 | 425 |
| Dividends receivable | - | - | - | 1,138 | 1,138 |
| Investments | - | 466,636 | 466,636 | - | 466,636 |
| Total | - | 466,636 | 466,636 | 2,974,081 | 3,440,717 |

There were no liabilities in the Fund as at September 30, 2014 and October 1, 2013.

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the years ended September 30, 2015 and September 30, 2014.

| Category | Net gains (losses) (\$) | |
|----------------------------|-------------------------|----------------|
| | 2015 | 2014 |
| Financial Assets at FVTPL: | | |
| Held for trading | - | - |
| Designated at inception | 271,112 | 440,834 |
| Total | 271,112 | 440,834 |

(b) 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.

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

If the price of investments held by the Fund on September 30, 2015 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 \$346,687 (September 30, 2014: \$172,862; October 1, 2013: \$23,332). 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, 2015, September 30, 2014 and October 1, 2013.

| By Geographic Region | September 30, 2015 | September 30, 2014 | October 1, 2013 |
|---------------------------|--------------------|--------------------|-----------------|
| Canada | 85.3% | 25.4% | 7.2% |
| United States | 9.3% | 29.7% | 6.4% |
| Cash and Other Net Assets | 5.4% | 39.7% | 86.4% |
| Great Britain | - | 5.2% | - |
| Total | 100.0% | 100.0% | 100.0% |

| By Industry Sector | September 30, 2015 | September 30, 2014 | October 1, 2013 |
|---------------------------|--------------------|--------------------|-----------------|
| Financials | 81.4% | 44.4% | 7.5% |
| Utilities | 13.2% | - | - |
| Cash and Other Net Assets | 5.4% | 39.7% | 86.4% |
| Information Technology | - | 6.7% | 5.0% |
| Energy | - | 5.2% | 0.5% |
| Corporate Bonds | - | 4.0% | - |
| Consumer Discretionary | - | - | 0.6% |
| 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 tables below indicate the foreign currencies to which the Fund had significant exposure at September 30, 2015, September 30, 2014 and October 1, 2013, in Canadian dollar terms. 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, 2015

| | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|--|---------------|-------------------|----------------|--|-------------------|---------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| United States Dollar | - | 677,578 | 677,578 | - | 33,879 | 33,879 |
| Total | - | 677,578 | 677,578 | - | 33,879 | 33,879 |
| % of net assets attributable to holders of redeemable units | 0.0% | 9.3% | 9.3% | 0.0% | 0.5% | 0.5% |

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 | - | 1,997,518 | 1,997,518 | - | 99,876 | 99,876 |
| Total | - | 1,997,518 | 1,997,518 | - | 99,876 | 99,876 |
| % of net assets attributable to holders of redeemable units | 0.0% | 34.9% | 34.9% | 0.0% | 1.7% | 1.7% |

October 1, 2013

| | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|--|---------------|-------------------|----------------|--|-------------------|---------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| United States Dollar | - | 218,223 | 218,223 | - | 10,911 | 10,911 |
| Total | - | 218,223 | 218,223 | - | 10,911 | 10,911 |
| % of net assets attributable to holders of redeemable units | 0.0% | 6.4% | 6.4% | 0.0% | 0.3% | 0.3% |

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

Interest Rate Risk

As at September 30, 2015, September 30, 2014 and October 1, 2013 the Fund did not have significant direct exposure to interest rate risk.

Credit Risk

As at September 30, 2015, September 30, 2014 and October 1, 2013, the Fund did not have significant direct exposure to credit risk.

Liquidity Risk

The Fund is exposed to liquidity risk on its obligations, including its issued redeemable units, 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 at the time of purchase. The Fund may also borrow temporarily to fund redemptions or settle trades.

As at September 30, 2015, September 30, 2014 and October 1, 2013 the Fund did not have any borrowings.

All other obligations including management fees payable, expenses payable, redemptions payable, payable for securities purchased and distributions payable were due within 3 months from the financial reporting date. Issued redeemable units are payable on demand.

(c) FAIR VALUE MEASUREMENTS

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at September 30, 2015, September 30, 2014 and October 1, 2013.

| | Assets at fair value as at September 30, 2015 | | | |
|-----------------|---|--------------|--------------|------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Equities - Long | 6,933,745 | - | - | 6,933,745 |
| Total | 6,933,745 | - | - | 6,933,745 |

| | Assets at fair value as at September 30, 2014 | | | |
|-----------------|---|----------------|--------------|------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Equities - Long | 3,227,251 | - | - | 3,227,251 |
| Bonds - Long | - | 230,000 | - | 230,000 |
| Total | 3,227,251 | 230,000 | - | 3,457,251 |

| | Assets at fair value as at October 1, 2013 | | | |
|-----------------|--|--------------|--------------|----------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Equities - Long | 466,636 | - | - | 466,636 |
| Total | 466,636 | - | - | 466,636 |

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. All liabilities of the Fund are carried at amortized cost and therefore are not presented in the tables above.

(d) STRUCTURED ENTITIES

The Fund does not have any investments in ETFs or underlying funds.

Statements of Financial Position

| | As at September 30, 2015 | As at September 30, 2014 | As at October 1, 2013 |
|--|-----------------------------|-----------------------------|--------------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 18,469 | \$ 430 | \$ 98,308 |
| Margin accounts (note 11) | 4,052 | 39,213 | 108,999 |
| Subscriptions receivable | 35,000 | 8,400 | - |
| Receivable for investments sold | 64,532 | 91,277 | - |
| Interest receivable | - | 970 | 6 |
| Dividends receivable | 3,632 | 10,940 | 81,431 |
| Harmonized sales tax recoverable | 1,325 | - | - |
| Investments (note 5) | 8,211,294 | 9,929,991 | 19,428,185 |
| Investments - pledged as collateral (note 5 and 11) | 823,481 | 1,062,471 | 6,404,007 |
| Derivative assets | - | - | 152,120 |
| | <u>9,161,785</u> | <u>11,143,692</u> | <u>26,273,056</u> |
| Liabilities | | | |
| Current Liabilities | | | |
| Management fee payable | 14,639 | - | - |
| Expenses payable | 4,215 | - | - |
| Redemptions payable | 12,504 | 56,406 | - |
| Distributions payable | 1,628 | 1,068 | - |
| Derivative liabilities | 33,454 | 53,017 | 360,252 |
| | <u>66,440</u> | <u>110,491</u> | <u>360,252</u> |
| Net Assets Attributable to Holders of Redeemable Units | \$ 9,095,345 | \$ 11,033,201 | \$ 25,912,804 |
| Trust Units (note 1b) | - | - | 25,912,804 |
| Series A | 150,723 | 3,209 | - |
| Series A2 (note 1b) | 8,712,264 | 10,945,714 | - |
| Series F | 232,358 | 84,278 | - |
| Net Assets Attributable to Holders of Redeemable Units | \$ 9,095,345 | \$ 11,033,201 | \$ 25,912,804 |
| Number of Redeemable Units Outstanding (note 6) | | | |
| Trust Units (note 1b) | - | - | 12,195,709 |
| Series A | 13,981 | 306 | - |
| Series A2 (note 1b) | 804,849 | 1,043,186 | - |
| Series F | 21,156 | 7,981 | - |
| Net Assets Attributable to Holders of Redeemable Units per Unit | | | |
| Trust Units (note 1b) | - | - | 2.12 |
| Series A | 10.78 | 10.48 | - |
| Series A2 (note 1b) | 10.82 | 10.49 | - |
| Series F | 10.98 | 10.56 | - |

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 | 2015 | 2014 |
|---|-------------------|---------------------|
| Income | | |
| Net gains (losses) on investments and derivatives | | |
| Dividends | \$ 190,556 | \$ 312,991 |
| Interest for distribution purposes | 10,113 | 11,343 |
| Net realized gain (loss) on investments and options | (301,981) | (15,208,676) |
| Net realized gain (loss) on forward currency contracts | (102,102) | (986,492) |
| Change in unrealized appreciation (depreciation) of investments and derivatives | 1,317,131 | 18,138,816 |
| Net gains (losses) on investments and derivatives | <u>1,113,717</u> | <u>2,267,982</u> |
| Other income | | |
| Foreign currency gain (loss) on cash and other net assets | 477 | 16,833 |
| Total income (net) | <u>1,114,194</u> | <u>2,284,815</u> |
| Expenses | | |
| Management fees (note 8) | 196,205 | 283,860 |
| Securityholder reporting costs | 166,021 | 161,639 |
| Audit fees | 15,388 | 18,847 |
| Custodial fees | 6,033 | 8,866 |
| Legal fees | 6,055 | 13,723 |
| Service fees | - | 31,529 |
| Independent review committee fees | 4,168 | 5,207 |
| Interest expense (note 11) | 1,194 | 3,398 |
| Withholding tax expense | 20,933 | 30,936 |
| Transaction costs | 8,422 | 43,717 |
| Total operating expenses | <u>424,419</u> | <u>601,722</u> |
| Less: expenses absorbed by Manager | <u>(142,706)</u> | <u>(83,086)</u> |
| Net expenses | <u>281,713</u> | <u>518,636</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | <u>\$ 832,481</u> | <u>\$ 1,766,179</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Trust Units (note 1b) | - | 254,202 |
| Series A | (5,073) | 209 |
| Series A2 (note 1b) | 827,979 | 1,504,776 |
| Series F | 9,575 | 6,992 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit | | |
| Trust Units (note 1b) | - | 0.02 |
| Series A | (0.89) | 1.22 |
| Series A2 (note 1b) | 0.92 | 1.17 |
| Series F | 0.70 | 1.02 |

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 | 2015 | 2014 |
|--|---------------------|----------------------|
| Net Assets Attributable to Holders of Redeemable Units at Beginning of Period | | |
| Trust Units (note 1b) | \$ - | \$ 25,912,804 |
| Series A | 3,209 | - |
| Series A2 (note 1b) | 10,945,714 | - |
| Series F | 84,278 | - |
| | <u>11,033,201</u> | <u>25,912,804</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | | |
| Trust Units (note 1b) | - | 254,202 |
| Series A | (5,073) | 209 |
| Series A2 (note 1b) | 827,979 | 1,504,776 |
| Series F | 9,575 | 6,992 |
| | <u>832,481</u> | <u>1,766,179</u> |
| Distributions to Holders of Redeemable Units | | |
| From return of capital: | | |
| Trust Units (note 1b) | - | - |
| Series A | (3,223) | (80) |
| Series A2 (note 1b) | (446,161) | (605,418) |
| Series F | (7,315) | (3,185) |
| | <u>(456,699)</u> | <u>(608,683)</u> |
| Redeemable Unit Transactions | | |
| Proceeds from redeemable units issued | | |
| Trust Units (note 1b) | - | - |
| Series A | 152,587 | 3,000 |
| Series A2 (note 1b) | 120,320 | 1,045,002 |
| Series F | 153,544 | 99,506 |
| | <u>426,451</u> | <u>1,147,508</u> |
| Reinvestments of distributions to holders of redeemable units | | |
| Trust Units (note 1b) | - | - |
| Series A | 3,223 | 80 |
| Series A2 (note 1b) | 429,202 | 598,456 |
| Series F | 7,092 | 3,047 |
| | <u>439,517</u> | <u>601,583</u> |
| Redemptions of redeemable units | | |
| Trust Units (note 1b) | - | (6,245,639) |
| Series A | - | - |
| Series A2 (note 1b) | (3,164,790) | (11,518,469) |
| Series F | (14,816) | (22,082) |
| | <u>(3,179,606)</u> | <u>(17,786,190)</u> |
| Conversion of Trust Units (note 1b) | | |
| Trust Units | - | (19,921,367) |
| Series A2 | - | 19,921,367 |
| | <u>-</u> | <u>-</u> |
| Net Increase (Decrease) from Redeemable Unit Transactions | <u>(2,313,638)</u> | <u>(16,037,099)</u> |
| Net Assets Attributable to Holders of Redeemable Units at End of Period | | |
| Trust Units (note 1b) | - | - |
| Series A | 150,723 | 3,209 |
| Series A2 (note 1b) | 8,712,264 | 10,945,714 |
| Series F | 232,358 | 84,278 |
| Net Assets Attributable to Holders of Redeemable Units at End of Period | <u>\$ 9,095,345</u> | <u>\$ 11,033,201</u> |

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

Statements of Cash Flows

| for the periods ended September 30 | 2015 | | 2014 | |
|---|------|--------------------|------|---------------------|
| Cash Flows from Operating Activities | | | | |
| Increase (decrease) in net assets attributable to holders of redeemable units | \$ | 832,481 | \$ | 1,766,179 |
| Adjustments for: | | | | |
| Net realized (gain) loss on investments and options | | 301,981 | | 15,208,676 |
| Change in unrealized (appreciation) depreciation of investments and derivatives | | (1,317,131) | | (18,138,816) |
| Foreign currency (gain) loss on cash and other net assets | | (477) | | (16,833) |
| (Increase) decrease in interest receivable | | 970 | | (964) |
| (Increase) decrease in dividends receivable | | 7,308 | | 70,491 |
| (Increase) decrease in harmonized sales tax recoverable | | (1,325) | | - |
| Increase (decrease) in management fees payable and accrued liabilities | | 18,854 | | - |
| Purchase of investments | | (1,358,067) | | (9,400,996) |
| Proceeds from sale of investments | | 4,338,086 | | 26,924,474 |
| Net Cash Generated (Used) by Operating Activities | | 2,822,680 | | 16,412,211 |
| Cash Flows from Financing Activities | | | | |
| Distributions to holders of redeemable units, net of reinvested distributions | | (16,622) | | (6,032) |
| Change in margin cash | | 35,161 | | 69,786 |
| Proceeds from redeemable units issued | | 399,851 | | 1,139,108 |
| Amount paid on redemption of redeemable units | | (3,223,508) | | (17,729,784) |
| Net Cash Generated (Used) by Financing Activities | | (2,805,118) | | (16,526,922) |
| Net increase (decrease) in cash and cash equivalents | | 17,562 | | (114,711) |
| Foreign currency gain (loss) on cash and other net assets | | 477 | | 16,833 |
| Cash and Cash Equivalents Beginning of Period | | 430 | | 98,308 |
| Cash and Cash Equivalents End of Period | \$ | 18,469 | \$ | 430 |
| Cash and cash equivalents comprise: | | | | |
| Cash at bank | | 18,469 | | 430 |
| | | 18,469 | | 430 |
| From operating activities: | | | | |
| Interest received, net of withholding tax | | 11,083 | | 10,379 |
| Dividends received, net of withholding tax | | 176,931 | | 328,224 |
| From financing activities: | | | | |
| Interest paid | | 1,194 | | 3,398 |

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

Schedule of Investment Portfolio

as at September 30, 2015

| No. of Shares/Units/ (Contracts) | Security Name | Average Cost | Fair Value | % of Net Assets Attributable to Holders of Redeemable Units |
|--|--------------------------------------|--------------|--------------|--|
| EQUITIES | | | | |
| Canada | | | | |
| 46,000 | Crown Capital Partners Inc. | \$ 488,066 | \$ 391,000 | 4.3% |
| France | | | | |
| 1,400 | BNP Paribas SA | 95,317 | 109,825 | 1.2% |
| Germany | | | | |
| 21,000 | Commerzbank AG | 349,517 | 295,873 | 3.3% |
| Great Britain | | | | |
| 60,000 | Barclays PLC | 647,592 | 296,611 | |
| 50,000 | Barclays PLC ADR | 1,300,827 | 990,112 | |
| 3,200 | HSBC Holdings PLC ADR | 233,572 | 162,405 | |
| 45,000 | Royal Bank of Scotland Group PLC ADR | 571,385 | 575,176 | |
| 500 | Standard Chartered PLC | 10,723 | 6,487 | |
| | | 2,764,099 | 2,030,791 | 22.3% |
| Japan | | | | |
| 18,000 | Sumitomo Mitsui Financial Group Inc. | 153,192 | 184,008 | 2.0% |
| Netherlands | | | | |
| 45,000 | ING Groep NV ADR | 648,143 | 851,912 | 9.4% |
| Switzerland | | | | |
| 7,000 | Credit Suisse Group AG ADR | 222,500 | 225,368 | 2.5% |
| United States | | | | |
| 27,000 | Bank of America Corporation | 454,529 | 563,600 | |
| 25,000 | Citigroup Inc. | 1,295,330 | 1,661,687 | |
| 3,000 | Citizens Financial Group Inc. | 91,354 | 95,903 | |
| 3,000 | Fifth Third Bancorp | 71,245 | 76,007 | |
| 18,500 | JPMorgan Chase & Company | 730,173 | 1,511,221 | |
| 2,500 | Morgan Stanley | 80,630 | 105,509 | |
| 3,000 | State Street Corporation | 216,586 | 270,144 | |
| 2,400 | The Goldman Sachs Group Inc. | 425,941 | 558,729 | |
| 1,500 | Wells Fargo & Company | 46,047 | 103,198 | |
| | | 3,411,835 | 4,945,998 | 54.4% |
| | Total investment portfolio | \$ 8,132,669 | \$ 9,034,775 | 99.4% |

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

Schedule of Investment Portfolio (continued)

as at September 30, 2015

| No. of Shares/Units/ (Contracts) | Security Name | Average Cost | Fair Value | % of Net Assets Attributable to Holders of Redeemable Units |
|--|---|--------------|--------------|--|
| DERIVATIVES - WRITTEN OPTIONS¹ | | | | |
| Written Call Options | | | | |
| United States | | | | |
| USD (10) | Citigroup Inc. November 2015 @ 67.50 USD | (250) | (40) | - |
| Written Put Options | | | | |
| Great Britain | | | | |
| USD (60) | Royal Bank of Scotland Group PLC ADR November 2015 @ 9.00 USD | (827) | (2,613) | - |
| Netherlands | | | | |
| USD (40) | ING Groep NV ADR October 2015 @ 15.00 USD | (1,526) | (5,225) | (0.1%) |
| Switzerland | | | | |
| USD (20) | UBS GROUP AG November 2015 @ 20.00 USD | (490) | (4,756) | |
| United States | | | | |
| USD (40) | Bank of America Corporation October 2015 @ 14.00 USD | (1,375) | (375) | |
| USD (20) | Citizens Financial Group Inc. October 2015 @ 25.00 USD | (881) | (4,087) | |
| USD (30) | Fifth Third Bancorp October 2015 @ 17.00 USD | (1,071) | (462) | |
| | | (3,327) | (4,924) | (0.1%) |
| | Total written put options | (6,170) | (17,518) | (0.2%) |
| | Total written options | (6,420) | (17,558) | (0.2%) |
| FORWARD CURRENCY CONTRACTS (Schedule 1) | | | | |
| | Total unrealized loss on forward currency contracts | | (15,896) | (0.2%) |
| | | | (15,896) | (0.2%) |
| | Net investments | 8,126,249 | 9,001,321 | 99.0% |
| | Transaction costs | (8,635) | - | - |
| | | \$ 8,117,614 | 9,001,321 | 99.0% |
| | Other assets less liabilities | | 94,024 | 1.0% |
| | NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS | | \$ 9,095,345 | 100.0% |

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

Schedule 1

| Contract Price | Settlement Date | Purchased Currency | | | Sold Currency | | | Unrealized gain (loss) (\$) |
|----------------|-----------------|--------------------|-------------|-------------------------------------|---------------|-------------|-------------------------------------|-----------------------------|
| | | Currency | Amount (\$) | Value as at September 30, 2015 (\$) | Currency | Amount (\$) | Value as at September 30, 2015 (\$) | |
| 90.68000 | Dec-16-2015 | Canadian Dollar | 110,278 | 110,278 | Japanese Yen | 10,000,000 | 112,033 | (1,755) |
| 0.67833 | Dec-16-2015 | Canadian Dollar | 884,520 | 884,520 | Euro | 600,000 | 898,661 | (14,141) |
| | | | | | | | Unrealized loss | (15,896) |

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. 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.

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 as at October 1, 2013. There was no offsetting as at September 30, 2015 and September 30, 2014 because currency forward contracts were all in an unrealized loss position.

| | Counterparty 1 (\$) | Counterparty 2 (\$) |
|------------------------------|---------------------|---------------------|
| October 1, 2013 | | |
| Gross derivative assets | 152,120 | 3,549 |
| Gross derivative liabilities | - | (333,533) |
| Net exposure | 152,120 | (329,984) |

(b) FINANCIAL INSTRUMENTS BY CATEGORY

The following tables present the carrying amounts of the Fund's financial instruments by category as at September 30, 2015:

| Assets | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial assets at amortized cost (\$) | Total (\$) |
|-------------------------------------|-----------------------|--|------------------|---|------------------|
| Cash and cash equivalents | - | - | - | 18,469 | 18,469 |
| Margin accounts | - | - | - | 4,052 | 4,052 |
| Subscriptions receivable | - | - | - | 35,000 | 35,000 |
| Receivable for investments sold | - | - | - | 64,532 | 64,532 |
| Dividends receivable | - | - | - | 3,632 | 3,632 |
| Taxes recoverable | - | - | - | 1,325 | 1,325 |
| Investments | - | 8,211,294 | 8,211,294 | - | 8,211,294 |
| Investments – pledged as collateral | - | 823,481 | 823,481 | - | 823,481 |
| Total | - | 9,034,775 | 9,034,775 | 127,010 | 9,161,785 |

| Liabilities | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial liabilities at amortized cost (\$) | Total (\$) |
|------------------------|-----------------------|--|---------------|--|---------------|
| Management fee payable | - | - | - | 14,639 | 14,639 |
| Expenses payable | - | - | - | 4,215 | 4,215 |
| Redemptions payable | - | - | - | 12,504 | 12,504 |
| Distributions payable | - | - | - | 1,628 | 1,628 |
| Derivative liabilities | 33,454 | - | 33,454 | - | 33,454 |
| Total | 33,454 | - | 33,454 | 32,986 | 66,440 |

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 | - | - | - | 430 | 430 |
| Margin accounts | - | - | - | 39,213 | 39,213 |
| Subscriptions receivable | - | - | - | 8,400 | 8,400 |
| Receivable for investments sold | - | - | - | 91,277 | 91,277 |
| Interest receivable | - | - | - | 970 | 970 |
| Dividends receivable | - | - | - | 10,940 | 10,940 |
| Investments | - | 9,929,991 | 9,929,991 | - | 9,929,991 |
| Investments - pledged as collateral | - | 1,062,471 | 1,062,471 | - | 1,062,471 |
| Total | - | 10,992,462 | 10,992,462 | 151,230 | 11,143,692 |

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

| Liabilities | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial liabilities at amortized cost (\$) | Total (\$) |
|------------------------|--------------------------|--|---------------|--|----------------|
| Redemptions payable | - | - | - | 56,406 | 56,406 |
| Distributions payable | - | - | - | 1,068 | 1,068 |
| Derivative liabilities | 53,017 | - | 53,017 | - | 53,017 |
| Total | 53,017 | - | 53,017 | 57,474 | 110,491 |

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

| Assets | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial assets at amortized cost (\$) | Total (\$) |
|-------------------------------------|--------------------------|--|-------------------|---|-------------------|
| Cash and cash equivalents | - | - | - | 98,308 | 98,308 |
| Margin accounts | - | - | - | 108,999 | 108,999 |
| Interest receivable | - | - | - | 6 | 6 |
| Dividends receivable | - | - | - | 81,431 | 81,431 |
| Investments | - | 19,428,185 | 19,428,185 | - | 19,428,185 |
| Investments - pledged as collateral | - | 6,404,007 | 6,404,007 | - | 6,404,007 |
| Derivative assets | 152,120 | - | 152,120 | - | 152,120 |
| Total | 152,120 | 25,832,192 | 25,984,312 | 288,744 | 26,273,056 |

| Liabilities | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial liabilities at amortized cost (\$) | Total (\$) |
|------------------------|--------------------------|--|----------------|--|----------------|
| Derivative liabilities | 360,252 | - | 360,252 | - | 360,252 |
| Total | 360,252 | - | 360,252 | - | 360,252 |

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the years ended September 30, 2015 and September 30, 2014.

| Category | Net gains (losses) (\$) | |
|---------------------------------|-------------------------|------------------|
| | 2015 | 2014 |
| Financial Assets at FVTPL: | | |
| Held for trading | (73,745) | (852,881) |
| Designated at inception | 1,158,896 | 3,027,384 |
| Total | 1,085,151 | 2,174,503 |
| Financial Liabilities at FVTPL: | | |
| Held for trading | 28,566 | 93,479 |
| Total | 1,113,717 | 2,267,982 |

(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, 2015 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 \$450,861 (September 30, 2014: \$549,623; October 1, 2013: \$1,291,610). Actual results may differ from the above sensitivity analysis and the difference could be material.

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

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, 2015, September 30, 2014 and October 1, 2013.

| By Geographic Region | September 30, 2015 | September 30, 2014 | October 1, 2013 |
|---------------------------|--------------------|--------------------|-----------------|
| United States | 54.3% | 44.4% | 20.1% |
| Great Britain | 22.3% | 29.2% | 69.6% |
| Netherlands | 9.3% | 6.5% | - |
| Canada | 4.3% | 1.8% | - |
| Germany | 3.3% | 3.0% | 0.5% |
| Switzerland | 2.5% | 3.5% | - |
| Japan | 2.0% | 1.5% | - |
| France | 1.2% | 9.4% | 7.5% |
| Cash and Other Net Assets | 1.0% | 1.0% | 1.0% |
| Forward Contracts | (0.2%) | (0.4%) | (0.7%) |
| Sweden | - | 0.1% | - |
| Spain | - | - | 2.0% |
| Total | 100.0% | 100.0% | 100.0% |

| By Industry Sector | September 30, 2015 | September 30, 2014 | October 1, 2013 |
|--|--------------------|--------------------|-----------------|
| Other Diversified Financial Services | 41.0% | 33.0% | 11.3% |
| Diversified Banks | 39.4% | 52.3% | 87.9% |
| Institutional Brokerage | 6.1% | 4.5% | - |
| Asset Management and Custody Banks | 4.3% | - | - |
| Institutional Financial Services | 3.0% | 2.7% | - |
| Diversified Capital Markets | 2.5% | 3.5% | 0.5% |
| Regional Banks | 1.9% | - | - |
| Investment Banking & Brokerage | 1.2% | 1.6% | - |
| Cash and Other Net Assets | 1.0% | 1.0% | 1.0% |
| Forward Contracts | (0.2%) | (0.4%) | (0.7%) |
| Short Positions – Derivatives | (0.2%) | - | - |
| Multi-Sector Holdings | - | 0.6% | - |
| Independent Power Producers and Energy Traders | - | 1.2% | - |
| 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.

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

The tables below indicate the foreign currencies to which the Fund had significant exposure at September 30, 2015, September 30, 2014 and October 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, 2015

| | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|--|--------------------|-------------------|------------------|--|-------------------|----------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| United States Dollar | 1,256 | 7,917,421 | 7,918,677 | 63 | 395,871 | 395,934 |
| British Pound | 1,130 | 303,098 | 304,228 | 57 | 15,155 | 15,212 |
| Japanese Yen | (112,033) | - | (112,033) | (5,602) | - | (5,602) |
| Euro | (897,030) | 405,697 | (491,333) | (44,852) | 20,285 | (24,567) |
| Total | (1,006,677) | 8,626,216 | 7,619,539 | (50,334) | 431,311 | 380,977 |
| % of net assets attributable to holders of redeemable units | (11.1%) | 94.8% | 83.8% | (0.6%) | 4.7% | 4.2% |

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 | (1,777,663) | 8,253,468 | 6,475,805 | (88,883) | 412,674 | 323,791 |
| British Pound | 1 | 1,146,601 | 1,146,602 | - | 57,330 | 57,330 |
| Swedish Krona | - | 14,586 | 14,586 | - | 729 | 729 |
| Euro | (1,762,209) | 1,375,186 | (387,023) | (88,110) | 68,759 | (19,351) |
| Total | (3,539,871) | 10,789,841 | 7,249,970 | (176,993) | 539,492 | 362,499 |
| % of net assets attributable to holders of redeemable units | (32.1%) | 97.8% | 65.7% | (1.6%) | 4.9% | 3.3% |

October 1, 2013

| | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|--|---------------------|-------------------|------------------|--|-------------------|----------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| United States Dollar | (6,353,269) | 11,764,643 | 5,411,374 | (317,663) | 588,232 | 270,569 |
| British Pound | (6,915,752) | 11,577,200 | 4,661,448 | (345,788) | 578,860 | 233,072 |
| Euro | (2,789,168) | 2,460,081 | (329,087) | (139,458) | 123,004 | (16,454) |
| Total | (16,058,189) | 25,801,924 | 9,743,735 | (802,909) | 1,290,096 | 487,187 |
| % of net assets attributable to holders of redeemable units | (62.0%) | 99.6% | 37.6% | (3.1%) | 5.0% | 1.9% |

Interest Rate Risk

As at September 30, 2015, September 30, 2014 and October 1, 2013 the Fund did not have significant direct exposure to interest rate risk.

Credit Risk

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

As at September 30, 2015 and September 30, 2014 currency forward contracts were in a net unrealized loss position; therefore, there was no credit risk associated with these contracts. The Fund had forward currency contracts with a counterparty in a net unrealized gain position of \$152,120 as at October 1, 2013. The counterparty had a long term Standard & Poor's credit rating of AA-, which exceeds the minimum requirement outlined in securities legislation.

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 and margin balances are maintained at financial institutions with credit ratings of A- and/or AA- and therefore credit risk is deemed minimal.

Liquidity Risk

The Fund is exposed to liquidity risk on its obligations, including its issued redeemable units, derivatives liabilities, management fees payable, expenses payable, redemptions payable and distributions payable.

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

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 at the time of purchase. The Fund may also borrow temporarily to fund redemptions or settle trades.

As at September 30, 2015, September 30, 2014 and October 1, 2013, 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 December 13, 2013 when the Fund was a closed end investment fund (note 1b), it was authorized to borrow an amount not exceeding 20% of the total assets of the Fund after giving effect to such borrowing (note 11). Borrowings were repayable on demand and were covered by collateral held on account at the broker with whom the borrowings were made.

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, 2015 | 290,737 | 125,941 | - | 416,678 |
| September 30, 2014 | 332,696 | 309,380 | - | 642,075 |
| October 1, 2013 | 345,079 | 424,278 | - | 769,357 |

All other obligations including management fees payable, expenses payable, redemptions payable, 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, 2015, September 30, 2014 and October 1, 2013.

| Assets at fair value as at September 30, 2015 | | | | |
|---|------------------|--------------|--------------|------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Equities - Long | 9,034,775 | - | - | 9,034,775 |
| Total | 9,034,775 | - | - | 9,034,775 |

| Liabilities at fair value as at September 30, 2015 | | | | |
|--|-----------------|-----------------|--------------|-----------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Options - short | (17,558) | - | - | (17,558) |
| Forward contracts | - | (15,896) | - | (15,896) |
| Total | (17,558) | (15,896) | - | (33,454) |

| Assets at fair value as at September 30, 2014 | | | | |
|---|-------------------|---------------|----------------|-------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Investment Funds - Long | - | 61,917 | 131,941 | 193,858 |
| Equities - Long | 10,798,604 | - | - | 10,798,604 |
| Total | 10,798,604 | 61,917 | 131,941 | 10,992,462 |

| Liabilities at fair value as at September 30, 2014 | | | | |
|--|----------------|-----------------|--------------|-----------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Options - short | (8,764) | - | - | (8,764) |
| Forward contracts | - | (44,253) | - | (44,253) |
| Total | (8,764) | (44,253) | - | (53,017) |

| Assets at fair value as at October 1, 2013 | | | | |
|--|-------------------|----------------|--------------|-------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Equities - long | 25,832,192 | - | - | 25,832,192 |
| Forward contracts | - | 152,120 | - | 152,120 |
| Total | 25,832,192 | 152,120 | - | 25,984,312 |

| Liabilities at fair value as at October 1, 2013 | | | | |
|---|-----------------|------------------|--------------|------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Options - short | (30,268) | - | - | (30,268) |
| Forward contracts | - | (329,984) | - | (329,984) |
| Total | (30,268) | (329,984) | - | (360,252) |

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

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 was considered Level 3 in the fair value hierarchy because it did not allow redemptions prior to dissolution. Portland GEEREF was 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 of Portland GEEREF had been higher or lower by 5%, the net assets attributable to holders of redeemable units would have been higher or lower by \$6,597.

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, 2015 and September 30, 2014:

| September 30, 2015 | Investment Funds \$ | Total \$ |
|---|------------------------|-------------|
| Balance at Beginning of Period | 131,941 | 131,941 |
| Investment purchases during the period | - | - |
| Proceeds from sales during the period | (144,532) | (144,532) |
| Net transfers in (out) during the period | - | - |
| Net realized gain (loss) on sale of investments | 20,606 | 20,606 |
| Change in unrealized appreciation (depreciation) in value of investments | (8,015) | (8,015) |
| Balance at End of Period | - | - |
| Change in unrealized appreciation (depreciation) in value of investments held at end of period | - | - |

| September 30, 2014 | Investment Funds \$ | Total \$ |
|---|------------------------|----------------|
| Balance at Beginning of Period | - | - |
| Investment purchases during the period | 478,023 | 478,023 |
| Proceeds from sales during the period | (517,359) | (517,359) |
| Net transfers in (out) during the period | - | - |
| Net realized gain (loss) on sale of investments | 163,262 | 163,262 |
| Change in unrealized appreciation (depreciation) in value of investments | 8,015 | 8,015 |
| Balance at End of Period | 131,941 | 131,941 |
| Change in unrealized appreciation (depreciation) in value of investments held at end of period | 8,015 | 8,015 |

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

During the period ended September 30, 2015, the Fund disposed of its Level 3 investment in units of Portland GEEREF for \$144,532, realizing a gain on disposal of \$20,606. During the period ended September 30, 2014, the Fund acquired and then disposed of its Level 3 investment in units of Portland CVBI LP for \$517,359, realizing a gain on disposal of \$163,262.

(e) STRUCTURED ENTITIES

The Fund's investments in Investee Funds or ETFs are subject to the terms and conditions of their respective offering documentation and are susceptible to market price risk arising from uncertainties about the future values. The investment manager makes investment decisions after extensive due diligence on the strategy and 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 is disclosed in the following table. 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 | 61,917 | 1.1% |
| Alternative – fund of funds | 1 | 2,047,373 | 131,941 | 6.4% |

The Fund did not hold any investments in structured entities as at September 30, 2015 and October 1, 2013.

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

Statements of Financial Position

| | As at September 30, 2015 | As at September 30, 2014 | As at October 1, 2013 |
|--|-----------------------------|-----------------------------|--------------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 58,435 | \$ 414,484 | \$ 3,498 |
| Margin accounts (note 11) | 30,574 | 27,755 | 83,483 |
| Subscriptions receivable | - | 315 | - |
| Receivable for investments sold | 66,181 | 41,373 | - |
| Interest receivable | 2,850 | 1,993 | - |
| Dividends receivable | 16,831 | 19,716 | 14,769 |
| Harmonized sales tax recoverable | 116 | - | - |
| Investments (note 5) | 5,439,015 | 6,499,235 | 6,639,918 |
| Investments - pledged as collateral (note 5 and 11) | 544,709 | 704,380 | 2,453,160 |
| Derivative assets | - | 10,890 | 66,352 |
| | <u>6,158,711</u> | <u>7,720,141</u> | <u>9,261,180</u> |
| Liabilities | | | |
| Current Liabilities | | | |
| Margin loan and borrowing (note 11) | - | - | 207,625 |
| Management fee payable | 8,438 | - | - |
| Expenses payable | 2,864 | - | - |
| Redemptions payable | 15,318 | 25,211 | - |
| Payable for investments purchased | 58,508 | 70,797 | - |
| Distributions payable | 1,628 | 1,346 | 103,305 |
| Derivative liabilities | 15,589 | 39,736 | 67,876 |
| | <u>102,345</u> | <u>137,090</u> | <u>378,806</u> |
| Net Assets Attributable to Holders of Redeemable Units | <u>\$ 6,056,366</u> | <u>\$ 7,583,051</u> | <u>\$ 8,882,374</u> |
| Trust Units (note 1b) | - | - | 8,882,374 |
| Series A | 776,845 | 496,434 | - |
| Series A2 (note 1b) | 4,102,793 | 5,750,867 | - |
| Series F | 1,176,728 | 1,335,750 | - |
| Net Assets Attributable to Holders of Redeemable Units | <u>\$ 6,056,366</u> | <u>\$ 7,583,051</u> | <u>\$ 8,882,374</u> |
| Number of Redeemable Units Outstanding (note 6) | | | |
| Trust Units (note 1b) | - | - | 2,852,626 |
| Series A | 84,293 | 48,149 | - |
| Series A2 (note 1b) | 443,266 | 556,822 | - |
| Series F | 125,023 | 128,390 | - |
| Net Assets Attributable to Holders of Redeemable Units per Unit | | | |
| Trust Units (note 1b) | - | - | 3.44 |
| Series A | 9.22 | 10.31 | - |
| Series A2 (note 1b) | 9.26 | 10.33 | - |
| Series F | 9.41 | 10.40 | - |

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 | 2015 | 2014 |
|---|---------------------|-------------------|
| Income | | |
| Net gains (losses) on investments and derivatives | | |
| Dividends | \$ 283,366 | \$ 250,358 |
| Interest for distribution purposes | 16,436 | 24,254 |
| Net realized gain (loss) on investments and options | 114,007 | 1,294,701 |
| Net realized gain (loss) on forward currency contracts | (23,467) | (269,243) |
| Change in unrealized appreciation (depreciation) of investments and derivatives | (549,486) | (297,164) |
| Net gains (losses) on investments and derivatives | (159,144) | 1,002,906 |
| Other income | | |
| Foreign currency gain (loss) on cash and other net assets | 1,697 | (3,416) |
| Total income (net) | (157,447) | 999,490 |
| Expenses | | |
| Management fees (note 8) | 117,617 | 111,013 |
| Securityholder reporting costs | 138,787 | 127,477 |
| Audit fees | 16,038 | 16,916 |
| Custodial fees | 10,804 | 12,632 |
| Legal fees | 6,311 | 13,175 |
| Service fees | - | 7,763 |
| Independent review committee fees | 4,344 | 5,286 |
| Interest expense (note 11) | 448 | 1,027 |
| Withholding tax expense | 19,829 | 21,062 |
| Transaction costs | 6,313 | 19,959 |
| Total operating expenses | 320,491 | 336,310 |
| Less: expenses absorbed by Manager | (136,084) | (64,527) |
| Net expenses | 184,407 | 271,783 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | \$ (341,854) | \$ 727,707 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Trust Units (note 1b) | - | 105,266 |
| Series A | (66,541) | 10,733 |
| Series A2 (note 1b) | (238,441) | 545,610 |
| Series F | (36,872) | 66,098 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit | | |
| Trust Units (note 1b) | - | 0.04 |
| Series A | (0.97) | 0.42 |
| Series A2 (note 1b) | (0.49) | 0.87 |
| Series F | (0.26) | 0.73 |

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 | 2015 | 2014 |
|--|---------------------|---------------------|
| Net Assets Attributable to Holders of Redeemable Units at Beginning of Period | | |
| Trust Units (note 1b) | \$ - | \$ 8,882,374 |
| Series A | 496,434 | - |
| Series A2 (note 1b) | 5,750,867 | - |
| Series F | 1,335,750 | - |
| | <u>7,583,051</u> | <u>8,882,374</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | | |
| Trust Units (note 1b) | - | 105,266 |
| Series A | (66,541) | 10,733 |
| Series A2 (note 1b) | (238,441) | 545,610 |
| Series F | (36,872) | 66,098 |
| | <u>(341,854)</u> | <u>727,707</u> |
| Distributions to Holders of Redeemable Units | | |
| From return of capital: | | |
| Trust Units (note 1b) | - | - |
| Series A | (34,857) | (10,941) |
| Series A2 (note 1b) | (240,559) | (290,921) |
| Series F | (70,275) | (38,146) |
| | <u>(345,691)</u> | <u>(340,008)</u> |
| Redeemable Unit Transactions | | |
| Proceeds from redeemable units issued | | |
| Trust Units (note 1b) | - | - |
| Series A | 431,842 | 486,576 |
| Series A2 (note 1b) | 95,718 | 1,259,408 |
| Series F | 435,598 | 2,346,684 |
| | <u>963,158</u> | <u>4,092,668</u> |
| Reinvestments of distributions to holders of redeemable units | | |
| Trust Units (note 1b) | - | - |
| Series A | 29,956 | 10,265 |
| Series A2 (note 1b) | 228,618 | 284,361 |
| Series F | 70,333 | 38,146 |
| | <u>328,907</u> | <u>332,772</u> |
| Redemptions of redeemable units | | |
| Trust Units (note 1b) | - | (968,672) |
| Series A | (79,989) | (199) |
| Series A2 (note 1b) | (1,493,410) | (4,066,559) |
| Series F | (557,806) | (1,077,032) |
| | <u>(2,131,205)</u> | <u>(6,112,462)</u> |
| Conversion of Trust Units (note 1b) | | |
| Trust Units | - | (8,018,968) |
| Series A2 | - | 8,018,968 |
| | <u>-</u> | <u>-</u> |
| Net Increase (Decrease) from Redeemable Unit Transactions | <u>(839,140)</u> | <u>(1,687,022)</u> |
| Net Assets Attributable to Holders of Redeemable Units at End of Period | | |
| Trust Units (note 1b) | - | - |
| Series A | 776,845 | 496,434 |
| Series A2 (note 1b) | 4,102,793 | 5,750,867 |
| Series F | 1,176,728 | 1,335,750 |
| Net Assets Attributable to Holders of Redeemable Units at End of Period | <u>\$ 6,056,366</u> | <u>\$ 7,583,051</u> |

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

Statements of Cash Flows

| for the periods ended September 30 | 2015 | | 2014 | |
|---|-----------|--------------------|-----------|--------------------|
| Cash Flows from Operating Activities | | | | |
| Increase (decrease) in net assets attributable to holders of redeemable units | \$ | (341,854) | \$ | 727,707 |
| Adjustments for: | | | | |
| Net realized (gain) loss on investments and options | | (114,007) | | (1,294,701) |
| Change in unrealized (appreciation) depreciation of investments and derivatives | | 549,486 | | 297,164 |
| Foreign currency (gain) loss on cash and other net assets | | (1,697) | | 3,416 |
| (Increase) decrease in interest receivable | | (857) | | (1,993) |
| (Increase) decrease in dividends receivable | | 2,885 | | (4,947) |
| (Increase) decrease in harmonized sales taxes recoverable | | (116) | | - |
| Increase (decrease) in management fees payable and accrued liabilities | | 11,302 | | - |
| Purchase of investments | | (2,925,630) | | (9,947,503) |
| Proceeds from sale of investments | | 3,659,688 | | 12,891,249 |
| Net Cash Generated (Used) by Operating Activities | | 839,200 | | 2,670,392 |
| Cash Flows from Financing Activities | | | | |
| Distributions to holders of redeemable units, net of reinvested distributions | | (16,502) | | (109,195) |
| Change in net margin loan and borrowing | | - | | (207,625) |
| Change in margin cash | | (2,819) | | 55,728 |
| Proceeds from redeemable units issued | | 963,473 | | 4,092,353 |
| Amount paid on redemption of redeemable units | | (2,141,098) | | (6,087,251) |
| Net Cash Generated (Used) by Financing Activities | | (1,196,946) | | (2,255,990) |
| Net increase (decrease) in cash and cash equivalents | | (357,746) | | 414,402 |
| Foreign currency gain (loss) on cash and other net assets | | 1,697 | | (3,416) |
| Cash and Cash Equivalents Beginning of Period | | 414,484 | | 3,498 |
| Cash and Cash Equivalents End of Period | \$ | 58,435 | \$ | 414,484 |
| Cash and cash equivalents comprise: | | | | |
| Cash at bank | | 58,435 | | 164,702 |
| Short-term investments | | - | | 249,782 |
| | | 58,435 | | 414,484 |
| From operating activities: | | | | |
| Interest received, net of withholding tax | | 15,579 | | 22,261 |
| Dividends received, net of withholding tax | | 243,403 | | 219,305 |
| From financing activities: | | | | |
| Interest paid | | 448 | | 1,027 |

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

Schedule of Investment Portfolio

as at September 30, 2015

| No. of Shares/Units/ (Contracts) | Security Name | Average Cost | Fair Value | % of Net Assets Attributable to Holders of Redeemable Units |
|--|---|------------------|------------------|--|
| BONDS | | | | |
| Canada | | | | |
| 100,000 | Northland Power Inc. 5.000% Convertible Bonds June 30, 2019 | \$ 100,000 | \$ 103,000 | |
| 125,000 | Pacific Exploration and Production Corporation 5.375% January 26, 2019 | 117,970 | 63,426 | |
| | | <u>217,970</u> | <u>166,426</u> | 2.7% |
| EQUITIES | | | | |
| Australia | | | | |
| 6,000 | Amcor Limited | 63,380 | 74,305 | |
| 70,000 | AusNet Services | 80,608 | 89,849 | |
| 9,000 | GrainCorp Limited | 72,157 | 76,590 | |
| 8,000 | Super Retail Group Limited | 67,080 | 67,027 | |
| | | <u>283,225</u> | <u>307,771</u> | 5.1% |
| Bermuda | | | | |
| 6,500 | Brookfield Property Partners Limited Partnership | 147,401 | 186,355 | |
| 7,000 | Cheung Kong Infrastructure Holdings Limited | 49,175 | 83,797 | |
| 1,000 | Jardine Matheson Holdings Limited | 58,121 | 63,306 | |
| | | <u>254,697</u> | <u>333,458</u> | 5.5% |
| Canada | | | | |
| 6,000 | Bank of Nova Scotia 2.978% Preferred Series 19 October 19, 2015 | 154,455 | 133,800 | |
| 8,500 | Barrick Gold Corporation | 158,685 | 72,430 | |
| 15,000 | BCE Inc. Preferred Series AE November 2, 2015 | 307,274 | 208,050 | |
| 3,000 | Brookfield Asset Management Inc. Preferred Series 8 October 19, 2015 | 69,418 | 43,830 | |
| 13,500 | Brookfield Office Properties Inc. 3.889% Preferred Series V October 19, 2015 | 178,825 | 143,437 | |
| 5,000 | Brookfield Renewable Power Inc. Preferred Series 2 April 30, 2020 | 92,541 | 69,500 | |
| 20,000 | Crown Capital Partners Inc. | 218,277 | 170,000 | |
| 3,000 | Enbridge Inc. 4.400% Preferred Series 11 March 1, 2020 | 73,730 | 50,400 | |
| 13,500 | First National Financial Corporation 4.650% Preferred Series 1 March 31, 2016 | 213,005 | 148,500 | |
| 3,000 | IGM Financial Inc. | 142,105 | 101,580 | |
| 7,000 | iShares 1-5 Year Laddered Corporate Bond Index ETF | 137,991 | 134,750 | |
| 2,000 | iShares S&P/TSX Canadian Preferred Share Index ETF | 32,399 | 25,000 | |
| 6,000 | Northland Power Inc. 5.250% Preferred Series 1 September 30, 2020 | 137,354 | 87,600 | |
| 2,483 | Portland Global Energy Efficiency and Renewable Energy Fund LP 'O' | 124,200 | 146,208 | |
| 4,000 | Power Financial Corporation Preferred Series A October 19, 2015 | 70,600 | 62,000 | |
| 12,500 | Thomson Reuters Corporation Preferred Series B October 19, 2015 | 225,533 | 156,250 | |
| 7,000 | TransAlta Corporation 5.000% Preferred Series E September 30, 2017 | 168,439 | 80,500 | |
| 4,800 | TransCanada Corporation 2.387% Preferred Series 2 October 19, 2015 | 86,332 | 62,208 | |
| | | <u>2,591,163</u> | <u>1,896,043</u> | 31.3% |
| France | | | | |
| 1,400 | BNP Paribas SA | 101,648 | 96,563 | 1.6% |
| Great Britain | | | | |
| 3,000 | Aggreko PLC | 82,445 | 57,767 | |
| 6,000 | Barclays PLC ADR | 120,507 | 118,813 | |
| 3,500 | BHP Billiton PLC ADR | 192,803 | 143,821 | |
| 3,000 | Bunzl PLC | 70,094 | 107,516 | |
| 50,000 | Cable & Wireless Communications PLC | 41,348 | 56,086 | |
| 3,000 | Compass Group PLC | 64,338 | 63,963 | |
| 800 | Diageo PLC ADR | 101,432 | 115,534 | |
| 1,200 | Johnson Matthey PLC | 67,001 | 59,480 | |
| 3,500 | Pearson PLC | 76,430 | 79,868 | |
| 25,000 | Rentokil Initial PLC | 54,871 | 74,461 | |
| 2,800 | Royal Dutch Shell PLC 'A' ADR | 195,824 | 177,781 | |
| | | <u>1,067,093</u> | <u>1,055,090</u> | 17.4% |
| Sweden | | | | |
| 5,000 | Nordea Bank AB | 41,852 | 74,378 | 1.2% |

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

Schedule of Investment Portfolio (continued)

as at September 30, 2015

| No. of Shares/Units/ (Contracts) | Security Name | Average Cost | Fair Value | % of Net Assets Attributable to Holders of Redeemable Units |
|--|---|--------------|--------------|--|
| Switzerland | | | | |
| 4,000 | ABB Limited ADR | 105,059 | 94,697 | |
| 800 | Compagnie Financiere Richemont SA 'A' | 82,102 | 83,032 | |
| 1,000 | Nestle SA | 77,132 | 100,431 | |
| 300 | Roche Holding AG | 85,694 | 105,709 | |
| 1,500 | Syngenta AG ADR | 112,793 | 128,179 | |
| | | 462,780 | 512,048 | 8.5% |
| United States | | | | |
| 800 | AFLAC INC. | 51,674 | 62,306 | |
| 10,000 | Ares Capital Corporation | 183,403 | 194,003 | |
| 9,000 | BlackRock Capital Investment Corporation | 88,164 | 106,836 | |
| 750 | Chevron Corporation | 99,577 | 79,262 | |
| 1,200 | Energy Select Sector SPDR Fund | 110,542 | 98,395 | |
| 15,115 | Fifth Street Senior Floating Rate Corporation | 198,583 | 176,792 | |
| 500 | iShares iBoxx \$ Investment Grade Corporate Bond ETF | 59,856 | 77,769 | |
| 6,000 | iShares International Select Dividend ETF | 236,169 | 226,131 | |
| 500 | iShares JP Morgan USD Emerging Markets Bond ETF | 57,565 | 71,277 | |
| 5,000 | iShares MSCI Japan ETF | 66,945 | 76,570 | |
| 1,500 | JPMorgan Chase & Company | 68,498 | 122,531 | |
| 2,500 | PowerShares Fundamental High Yield Corporate Bond Portfolio | 51,990 | 59,655 | |
| 1,500 | Technology Select Sector SPDR Fund | 69,638 | 79,383 | |
| 500 | Wal-Mart Stores Inc. | 40,684 | 43,436 | |
| 900 | Wells Fargo & Company | 28,038 | 61,919 | |
| 100 | WisdomTree Asia Local Debt Fund | 5,196 | 5,682 | |
| | | 1,416,522 | 1,541,947 | 25.5% |
| | Total equities | 6,218,980 | 5,817,298 | 96.1% |
| | Total investment portfolio | 6,436,950 | 5,983,724 | 98.8% |
| DERIVATIVES - WRITTEN OPTIONS¹ | | | | |
| Written Put Options | | | | |
| Bermuda | | | | |
| CAD (10) | Brookfield Property Partners Limited Partnership January 2016 @ 26.00 CAD | (940) | (475) | - |
| Great Britain | | | | |
| USD (30) | Barrick Gold Corporation October 2015 @ 6.00 USD | (506) | (1,045) | |
| CAD (10) | Crescent Point Energy Corporation October 2015 @ 25.00 CAD | (790) | (9,775) | |
| | | (1,296) | (10,820) | (0.2%) |
| United States | | | | |
| USD (5) | Emerson Electric Company December 2015 @ 39.00 USD | (525) | (570) | |
| USD (5) | JPMorgan Chase & Company December 2015 @ 52.50 USD | (571) | (576) | |
| USD (5) | Wal-Mart Stores Inc. November 2015 @ 57.50 USD | (385) | (241) | |
| | | (1,481) | (1,387) | - |
| | Total written put options | (3,717) | (12,682) | (0.2%) |
| | Total written options | (3,717) | (12,682) | (0.2%) |
| FORWARD CURRENCY CONTRACTS (Schedule 1) | | | | |
| | Total unrealized gain on forward currency contracts | | 236 | - |
| | Total unrealized loss on forward currency contracts | | (3,143) | (0.1%) |
| | | | (2,907) | (0.1%) |
| | Net investments | 6,433,233 | 5,968,135 | 98.5% |
| | Transaction costs | (7,397) | - | - |
| | | \$ 6,425,836 | 5,968,135 | 98.5% |
| | Other assets less liabilities | | 88,231 | 1.5% |
| | NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS | | \$ 6,056,366 | 100.0% |

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

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

Schedule 1

| Contract Price | Settlement Date | Purchased Currency | | | Sold Currency | | | Unrealized gain (loss) (\$) |
|----------------|-----------------|--------------------|---------|-------------------------------------|-------------------|-----------|-------------------------------------|-----------------------------|
| | | Currency | Amount | Value as at September 30, 2015 (\$) | Currency | Amount | Value as at September 30, 2015 (\$) | |
| 1.06274 | Oct-07-2015 | Canadian Dollar | 235,240 | 235,240 | Australian Dollar | 250,000 | 235,004 | 236 |
| | | | | | | | Unrealized gain | 236 |
| 6.35940 | Dec-16-2015 | Canadian Dollar | 39,312 | 39,312 | Swedish Krona | 250,000 | 39,990 | (678) |
| 90.68000 | Dec-16-2015 | Canadian Dollar | 44,111 | 44,111 | Japanese Yen | 4,000,000 | 44,813 | (702) |
| 0.73781 | Oct-07-2015 | Canadian Dollar | 149,090 | 149,090 | Swiss Franc | 110,000 | 150,853 | (1,763) |
| | | | | | | | Unrealized loss | (3,143) |

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. 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.

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 as at September 30, 2015 and October 1, 2013. There was no offsetting as at September 30, 2014 because currency forward contracts in an unrealized gain were with a different counterparty than those in an unrealized loss position.

| | Counterparty 1 (\$) | Counterparty 2 (\$) |
|------------------------------|---------------------|---------------------|
| September 30, 2015 | | |
| Gross derivative assets | - | 236 |
| Gross derivative liabilities | (1,380) | (1,763) |
| Net exposure | (1,380) | (1,527) |
| October 1, 2013 | | |
| Gross derivative assets | 68,454 | 1,420 |
| Gross derivative liabilities | (2,102) | (49,164) |
| Net exposure | 66,352 | (47,744) |

(b) FINANCIAL INSTRUMENTS BY CATEGORY

The following tables present the carrying amounts of the Fund's financial instruments by category as at September 30, 2015:

| Assets | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial assets at amortized cost (\$) | Total (\$) |
|-------------------------------------|-----------------------|--|------------------|---|------------------|
| Cash and cash equivalents | - | - | - | 58,435 | 58,435 |
| Margin accounts | - | - | - | 30,574 | 30,574 |
| Receivable for investments sold | - | - | - | 66,181 | 66,181 |
| Interest receivable | - | - | - | 2,850 | 2,850 |
| Dividends receivable | - | - | - | 16,831 | 16,831 |
| Taxes recoverable | - | - | - | 116 | 116 |
| Investments | - | 5,439,015 | 5,439,015 | - | 5,439,015 |
| Investments - pledged as collateral | - | 544,709 | 544,709 | - | 544,709 |
| Total | - | 5,983,724 | 5,983,724 | 174,987 | 6,158,711 |

| Liabilities | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial liabilities at amortized cost (\$) | Total (\$) |
|-----------------------------------|-----------------------|--|---------------|--|----------------|
| Management fee payable | - | - | - | 8,438 | 8,438 |
| Expenses payable | - | - | - | 2,864 | 2,864 |
| Redemptions payable | - | - | - | 15,318 | 15,318 |
| Payable for investments purchased | - | - | - | 58,508 | 58,508 |
| Distributions payable | - | - | - | 1,628 | 1,628 |
| Derivative liabilities | 15,589 | - | 15,589 | - | 15,589 |
| Total | 15,589 | - | 15,589 | 86,756 | 102,345 |

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 | - | - | - | 414,484 | 414,484 |
| Margin accounts | - | - | - | 27,755 | 27,755 |
| Subscriptions receivable | - | - | - | 315 | 315 |
| Receivable for investments sold | - | - | - | 41,373 | 41,373 |
| Interest receivable | - | - | - | 1,993 | 1,993 |
| Dividends receivable | - | - | - | 19,716 | 19,716 |
| Investments | - | 6,499,235 | 6,499,235 | - | 6,499,235 |
| Investments - pledged as collateral | - | 704,380 | 704,380 | - | 704,380 |
| Derivative assets | 10,890 | - | 10,890 | - | 10,890 |
| Total | 10,890 | 7,203,615 | 7,214,505 | 505,636 | 7,720,141 |

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

| Liabilities | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial liabilities at amortized cost (\$) | Total (\$) |
|-----------------------------------|--------------------------|--|---------------|--|----------------|
| Redemptions payable | - | - | - | 25,211 | 25,211 |
| Payable for investments purchased | - | - | - | 70,797 | 70,797 |
| Distributions payable | - | - | - | 1,346 | 1,346 |
| Derivative liabilities | 39,736 | - | 39,736 | - | 39,736 |
| Total | 39,736 | - | 39,736 | 97,354 | 137,090 |

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

| Assets | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial assets at amortized cost (\$) | Total (\$) |
|-------------------------------------|--------------------------|--|------------------|---|------------------|
| Cash and cash equivalents | - | - | - | 3,498 | 3,498 |
| Margin accounts | - | - | - | 83,483 | 83,483 |
| Dividends receivable | - | - | - | 14,769 | 14,769 |
| Investments | - | 6,639,918 | 6,639,918 | - | 6,639,918 |
| Investments - pledged as collateral | - | 2,453,160 | 2,453,160 | - | 2,453,160 |
| Derivative assets | 66,352 | - | 66,352 | - | 66,352 |
| Total | 66,352 | 9,093,078 | 9,159,430 | 101,750 | 9,261,180 |

| Liabilities | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial liabilities at amortized cost (\$) | Total (\$) |
|---------------------------|--------------------------|--|---------------|--|----------------|
| Margin loan and borrowing | - | - | - | 207,625 | 207,625 |
| Distributions payable | - | - | - | 103,305 | 103,305 |
| Derivative liabilities | 67,876 | - | 67,876 | - | 67,876 |
| Total | 67,876 | - | 67,876 | 310,930 | 378,806 |

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the years ended September 30, 2015 and September 30, 2014.

| Category | Net gains (losses) (\$) | |
|---------------------------------|-------------------------|------------------|
| | 2015 | 2014 |
| Financial Assets at FVTPL: | | |
| Held for trading | (18,552) | (295,673) |
| Designated at inception | (179,905) | 1,259,772 |
| Total | (198,457) | 964,099 |
| Financial Liabilities at FVTPL: | | |
| Held for trading | 39,313 | 38,807 |
| Total | (159,144) | 1,002,906 |

(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, 2015 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 \$298,552 (September 30, 2014: \$360,181; October 1, 2013: \$454,654). Actual results may differ from the above sensitivity analysis and the difference could be material.

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

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 industry sector, as at September 30, 2015, September 30, 2014 and October 1, 2013.

| By Geographic Region | September 30, 2015 | September 30, 2014 | October 1, 2013 |
|---------------------------|--------------------|--------------------|-----------------|
| Canada | 34.0% | 31.0% | - |
| United States | 25.5% | 23.6% | 43.7% |
| Great Britain | 17.2% | 19.6% | 32.5% |
| Switzerland | 8.5% | 5.8% | 3.9% |
| Bermuda | 5.5% | 5.3% | - |
| Australia | 5.1% | 6.3% | 2.1% |
| France | 1.6% | 2.5% | 4.7% |
| Cash and Other Net Assets | 1.5% | 5.1% | (2.4%) |
| Sweden | 1.2% | 1.0% | 5.7% |
| Forward Contracts | (0.1%) | (0.1%) | 0.3% |
| Panama | - | (0.1%) | - |
| Netherlands | - | - | 6.5% |
| Germany | - | - | 2.4% |
| Spain | - | - | 0.6% |
| Total | 100.0% | 100.0% | 100.0% |

| By Industry Sector | September 30, 2015 | September 30, 2014 | October 1, 2013 |
|-------------------------------|--------------------|--------------------|-----------------|
| Financials | 34.1% | 27.6% | 102.4% |
| Exchange Traded Fund | 14.1% | 12.9% | - |
| Energy | 10.5% | 7.7% | - |
| Utilities | 8.0% | 10.9% | - |
| Materials | 7.9% | 8.0% | - |
| Industrials | 7.6% | 8.9% | - |
| Consumer Staples | 5.6% | 5.5% | - |
| Consumer Discretionary | 4.9% | 7.4% | - |
| Telecommunication Services | 4.3% | 4.7% | - |
| Health Care | 1.8% | 1.6% | - |
| Cash and Other Net Assets | 1.5% | 5.1% | (2.4%) |
| Forward Contracts | (0.1%) | (0.1%) | 0.3% |
| Short Positions - Derivatives | (0.2%) | (0.2%) | (0.3%) |
| 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 accompanying notes are an integral part of these financial statements.

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.

The tables below indicate the foreign currencies to which the Fund had significant direct exposure at September 30, 2015, September 30, 2014 and October 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, 2015

| | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|--|------------------|-------------------|------------------|--|-------------------|----------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| United States Dollar | 90,307 | 2,550,638 | 2,640,945 | 4,515 | 127,532 | 132,047 |
| British Pound | 3,513 | 499,142 | 502,655 | 176 | 24,957 | 25,133 |
| Swiss Franc | (149,046) | 289,171 | 140,125 | (7,452) | 14,459 | 7,007 |
| Hong Kong Dollar | - | 83,797 | 83,797 | - | 4,190 | 4,190 |
| Australian Dollar | (235,004) | 307,771 | 72,768 | (11,750) | 15,389 | 3,639 |
| Swedish Krona | (39,990) | 74,378 | 34,388 | (2,000) | 3,719 | 1,719 |
| Japanese Yen | (44,813) | - | (44,813) | (2,241) | - | (2,241) |
| Total | (375,033) | 3,804,897 | 3,429,865 | (18,752) | 190,246 | 171,494 |
| % of net assets attributable to holders of redeemable units | (6.2%) | 62.8% | 56.6% | (0.3%) | 3.1% | 2.8% |

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 | (714,892) | 2,881,690 | 2,166,798 | (35,745) | 144,085 | 108,340 |
| British Pound | 1 | 889,841 | 889,842 | - | 44,492 | 44,492 |
| Swiss Franc | (117,387) | 223,381 | 105,994 | (5,869) | 11,169 | 5,300 |
| Hong Kong Dollar | - | 97,042 | 97,042 | - | 4,852 | 4,852 |
| Australian Dollar | (438,431) | 482,079 | 43,648 | (21,921) | 24,104 | 2,183 |
| Swedish Krona | (31,117) | 72,928 | 41,811 | (1,556) | 3,646 | 2,090 |
| Euro | (191,596) | 193,326 | 1,730 | (9,580) | 9,666 | 86 |
| Total | (1,493,422) | 4,840,287 | 3,346,865 | (74,671) | 242,014 | 167,343 |
| % of net assets attributable to holders of redeemable units | (19.7%) | 63.8% | 44.1% | (1.0%) | 3.2% | 2.2% |

October 1, 2013

| | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|--|--------------------|-------------------|------------------|--|-------------------|----------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| United States Dollar | (2,943,813) | 6,060,096 | 3,116,283 | (147,191) | 303,005 | 155,814 |
| British Pound | (828,738) | 1,456,531 | 627,793 | (41,437) | 72,827 | 31,390 |
| Swedish Krona | (400,024) | 509,368 | 109,344 | (20,001) | 25,468 | 5,467 |
| Australian Dollar | (95,977) | 187,619 | 91,642 | (4,799) | 9,380 | 4,581 |
| Swiss Franc | (278,885) | 57,131 | (221,754) | (13,944) | 2,857 | (11,087) |
| Euro | (1,108,140) | 802,200 | (305,940) | (55,407) | 40,110 | (15,297) |
| Total | (5,655,577) | 9,072,945 | 3,417,368 | (282,779) | 453,647 | 170,868 |
| % of net assets attributable to holders of redeemable units | (63.7%) | 102.2% | 38.5% | (3.2%) | 5.1% | 1.9% |

The Fund had indirect exposure to currency risk through ETFs which may hold securities traded in foreign securities.

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

Interest Rate Risk

As at September 30, 2015, September 30, 2014 and October 1, 2013 the Fund did not have significant direct exposure to interest rate risk. The Fund is also exposed to indirect interest rate risk as it holds units of exchange traded funds and other investment funds that invest in debt securities.

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, 2015, the Fund had forward currency contracts with two counterparties – the first having a long term Standard & Poor's credit rating of AA- and in a net unrealized gain position of \$nil (September 30, 2014: \$nil; October 1, 2013: \$66,352), and the second having a long term Standard & Poor's credit rating of A and in a net unrealized gain position of \$nil. (September 30, 2014: \$10,890; October 1, 2013: nil). The counterparties both have credit ratings which exceed the minimum requirement outlined in securities legislation.

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 and margin balances are maintained at financial institutions with credit ratings of A- and/or AA- 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 at the time of purchase. The Fund may also borrow temporarily to fund redemptions or settle trades.

As at September 30, 2015 and 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 December 13, 2013 when the Fund was a closed end investment fund (note 1b), it was authorized to borrow an amount not exceeding 20% of the total assets of the Fund after giving effect to such borrowing (note 11). Borrowings were repayable on demand and were covered by collateral held on account at the broker with whom the borrowings were made. As at October 1, 2013, the Fund had margin loan and borrowing of \$207,625.

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 | Greater than 3 months and less than one year (\$) | | | Total |
|---|---|--------------------|--------|---------|
| | Less than 1 month (\$) | 1 to 3 months (\$) | | |
| September 30, 2015 | 49,116 | 99,815 | 26,000 | 174,931 |
| September 30, 2014 | 134,371 | 397,101 | - | 531,472 |
| October 1, 2013 | 193,368 | 77,141 | - | 270,509 |

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, 2015, September 30, 2014 and October 1, 2013.

| Assets at fair value as at September 30, 2015 | | | | |
|---|------------------|----------------|----------------|------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Investment Funds - Long | - | - | 146,208 | 146,208 |
| Equities - Long | 5,527,653 | 143,437 | - | 5,671,090 |
| Bonds - Long | - | 166,426 | - | 166,426 |
| Total | 5,527,653 | 309,863 | 146,208 | 5,983,724 |

| Liabilities at fair value as at September 30, 2015 | | | | |
|--|-----------------|----------------|--------------|-----------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Options - Short | (12,682) | - | - | (12,682) |
| Forward contracts | - | (2,907) | - | (2,907) |
| Total | (12,682) | (2,907) | - | (15,589) |

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

| Assets at fair value as at September 30, 2014 | | | | |
|---|------------------|----------------|----------------|------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Investment Funds - Long | - | 43,178 | 132,227 | 175,405 |
| Equities - Long | 6,922,710 | - | - | 6,922,710 |
| Bonds - Long | - | 105,500 | - | 105,500 |
| Forward contracts | - | 10,890 | - | 10,890 |
| Total | 6,922,710 | 159,568 | 132,227 | 7,214,505 |

| Liabilities at fair value as at September 30, 2014 | | | | |
|--|-----------------|-----------------|--------------|-----------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Options - Short | (21,024) | - | - | (21,024) |
| Forward contracts | - | (18,712) | - | (18,712) |
| Total | (21,024) | (18,712) | - | (39,736) |

| Assets at fair value as at October 1, 2013 | | | | |
|--|------------------|---------------|--------------|------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Equities - Long | 9,093,078 | - | - | 9,093,078 |
| Forward contracts | - | 66,352 | - | 66,352 |
| Total | 9,093,078 | 66,352 | - | 9,159,430 |

| Liabilities at fair value as at October 1, 2013 | | | | |
|---|-----------------|-----------------|--------------|-----------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Options - Short | (20,132) | - | - | (20,132) |
| Forward contracts | - | (47,744) | - | (47,744) |
| Total | (20,132) | (47,744) | - | (67,876) |

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, 2015 and 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 of Portland GEEREF had been higher or lower by 5%, the net assets attributable to holders of redeemable units would have been higher or lower by \$7,310 (September 30, 2014: \$6,611; October 1, 2013: nil).

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, 2015 and September 30, 2014:

| September 30, 2015 | Investment Funds (\$) | Total (\$) |
|---|-----------------------|----------------|
| Balance at beginning of Period | 132,227 | 132,227 |
| Investment purchases during the period | - | - |
| Proceeds from sales during the period | - | - |
| Net transfers in (out) during the period | - | - |
| Net realized gain (loss) on sale of investments | - | - |
| Change in unrealized appreciation (depreciation) in value of investments | 13,981 | 13,981 |
| Balance at end of Period | 146,208 | 146,208 |
| Change in unrealized appreciation (depreciation) in value of investments held at end of period | 13,981 | 13,981 |

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

| September 30, 2014 | Investment Funds (\$) | Total (\$) |
|---|--------------------------|----------------|
| Balance at Beginning of Period | - | - |
| Investment purchases during the period | 621,772 | 621,772 |
| Proceeds from sales during the period | (751,678) | (751,678) |
| Net transfers in (out) during the period | - | - |
| Net realized gain (loss) on sale of investments | 254,106 | 254,106 |
| Change in unrealized appreciation(depreciation) in value of investments | 8,027 | 8,027 |
| Balance at End of Period | 132,227 | 132,227 |
| Change in unrealized appreciation (depreciation) in value of investments held at end of period | 8,027 | 8,027 |

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

During the period ended September 30, 2014, the Fund acquired and then disposed of its Level 3 investment in units of Portland CVBI LP for \$751,678, realizing a gain on disposal of \$254,106.

(e) STRUCTURED ENTITIES

The Fund's investments in Investee Funds or ETFs are subject to the terms and conditions of their respective offering documentation and are susceptible to market price risk arising from uncertainties about the future values. The investment manager makes investment decisions after extensive due diligence on the strategy and 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, 2015, September 30, 2014 and October 1, 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, 2015

| Type | Number of Investee Funds | Net asset value of Investee Fund (\$) | Investment at carrying value (\$) | % of net assets attributable to holders of units |
|-----------------------------|-----------------------------|--|--------------------------------------|---|
| Alternative – fund of funds | 1 | 6,318,286 | 146,208 | 2.3% |

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 | 43,178 | 0.8% |
| Alternative – fund of funds | 1 | 2,047,373 | 132,227 | 6.5% |

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

The Fund's investments in ETFs are summarized below:

| September 30, 2015 | Fair Value of Fund's Investment (\$) | Net Asset Value of ETF (\$millions) | % of ETF's Net Assets |
|---|---|--|-----------------------|
| WisdomTree Asia Local Debt Fund | 5,682 | 51 | - |
| PowerShares Fundamental High Yield Corporate Bond Portfolio | 59,655 | 820 | - |
| iShares 1-5 Year Laddered Corporate Bond Index ETF | 134,750 | 2,293 | - |
| iShares International Select Dividend ETF | 226,131 | 3,924 | - |
| iShares S&P/TSX Canadian Preferred Share Index ETF | 25,000 | 1,217 | - |
| iShares JP Morgan USD Emerging Markets Bond ETF | 71,277 | 5,955 | - |
| Energy Select Sector SPDR Fund | 98,395 | 14,831 | - |
| Technology Select Sector SPDR Fund | 79,383 | 15,258 | - |
| iShares MSCI Japan ETF | 76,570 | 24,934 | - |
| iShares iBoxx \$ Investment Grade Corporate Bond ETF | 77,769 | 29,648 | - |

| September 30, 2014 | Fair Value of Fund's Investment (\$) | Net Asset Value of ETF (\$millions) | % of ETF's Net Assets |
|---|---|--|-----------------------|
| WisdomTree Asia Local Debt Fund | 188,455 | 357 | 0.1 |
| iShares S&P/TSX Canadian Preferred Share Index ETF | 146,520 | 1,386 | - |
| iShares 1-5 Year Laddered Corporate Bond Index ETF | 195,400 | 2,303 | - |
| PowerShares Fundamental High Yield Corporate Bond Portfolio | 42,716 | 685 | - |
| iShares International Select Dividend ETF | 240,886 | 4,935 | - |
| iShares JP Morgan USD Emerging Markets Bond ETF | 88,613 | 4,961 | - |
| iShares iBoxx \$ Investment Grade Corporate Bond ETF | 66,307 | 19,400 | - |

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

Statements of Financial Position

| | As at September 30, 2015 | As at September 30, 2014 |
|--|-----------------------------|-----------------------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 130,824 | \$ 556,722 |
| Margin accounts (note 11) | 46,344 | 7,007 |
| Subscriptions receivable | 430 | 55,030 |
| Receivable for investments sold | 192,450 | 85,402 |
| Interest receivable | 1,600 | 800 |
| Dividends receivable | 13,359 | 22,370 |
| Harmonized sales tax recoverable | 932 | - |
| Investments (note 5) | 8,354,014 | 10,908,961 |
| Investments - pledged as collateral (note 5 and 11) | 819,424 | 139,418 |
| Derivative assets | 11,891 | 29,265 |
| | <u>9,571,268</u> | <u>11,804,975</u> |
| Liabilities | | |
| Current Liabilities | | |
| Management fee payable | 14,099 | - |
| Expenses payable | 4,305 | - |
| Redemptions payable | 34,304 | 74,170 |
| Payable for investments purchased | 212,102 | 214,178 |
| Distributions payable | 6,293 | 1,916 |
| Derivative liabilities | 29,765 | 42,509 |
| | <u>300,868</u> | <u>332,773</u> |
| Net Assets Attributable to Holders of Redeemable Units | <u>\$ 9,270,400</u> | <u>\$ 11,472,202</u> |
| Series A | 111,996 | 113,676 |
| Series A2 (note 1b) | 6,886,194 | 9,454,714 |
| Series F | 2,272,210 | 1,903,812 |
| Net Assets Attributable to Holders of Redeemable Units | <u>\$ 9,270,400</u> | <u>\$ 11,472,202</u> |
| Number of Redeemable Units Outstanding (note 6) | | |
| Series A | 12,464 | 11,712 |
| Series A2 (note 1b) | 763,877 | 973,880 |
| Series F | 248,627 | 195,275 |
| Net Assets Attributable to Holders of Redeemable Units per Unit | | |
| Series A | 8.99 | 9.71 |
| Series A2 (note 1b) | 9.01 | 9.71 |
| Series F | 9.14 | 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 | 2015 | 2014* |
|---|------------------|-------------------|
| Income | | |
| Net gains (losses) on investments and derivatives | | |
| Dividends | \$ 380,931 | \$ 465,427 |
| Interest for distribution purposes | 13,265 | 14,850 |
| Net realized gain (loss) on investments and options | 287,946 | 4,484,726 |
| Net realized gain (loss) on forward currency contracts | (75,163) | (692,417) |
| Change in unrealized appreciation (depreciation) of investments and derivatives | (278,259) | (3,722,024) |
| Net gains (losses) on investments and derivatives | <u>328,720</u> | <u>550,562</u> |
| Other Income | | |
| Foreign currency gain (loss) on cash and other net assets | 4,796 | (54,196) |
| Total income (net) | <u>333,516</u> | <u>496,366</u> |
| Expenses | | |
| Management fees (note 8) | 201,654 | 153,639 |
| Securityholder reporting costs | 119,044 | 77,832 |
| Audit fees | 16,912 | 22,687 |
| Custodial fees | 14,024 | 8,356 |
| Legal fees | 6,103 | 7,034 |
| Service fees | - | 35,409 |
| Independent review committee fees | 4,201 | 3,817 |
| Interest expense (note 11) | 1,082 | 4,216 |
| Withholding tax expense | 25,055 | 49,218 |
| Transaction costs | 16,014 | 29,244 |
| Total operating expenses | <u>404,089</u> | <u>391,452</u> |
| Less: expenses absorbed by Manager | (98,353) | - |
| Net expenses | <u>305,736</u> | <u>391,452</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | <u>\$ 27,780</u> | <u>\$ 104,914</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | (3,210) | (273) |
| Series A2 (note 1b) | (62,452) | 112,822 |
| Series F | 93,442 | (7,635) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit | | |
| Series A | (0.27) | (0.04) |
| Series A2 (note 1b) | (0.07) | 0.07 |
| Series F | 0.32 | (0.07) |

*For the period from January 1, 2014 to September 30, 2014

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 | 2015 | 2014* |
|--|---------------------|----------------------|
| Net Assets Attributable to Holders of Redeemable Units at Beginning of Period | | |
| Trust Units | \$ - | \$ 23,458,590 |
| Series A | 113,676 | - |
| Series A2 (note 1b) | 9,454,714 | - |
| Series F | 1,903,812 | - |
| | <u>11,472,202</u> | <u>23,458,590</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | | |
| Trust Units | - | - |
| Series A | (3,210) | (273) |
| Series A2 (note 1b) | (62,452) | 112,822 |
| Series F | 93,442 | (7,635) |
| | <u>27,780</u> | <u>104,914</u> |
| Distributions to Holders of Redeemable Units | | |
| From return of capital: | | |
| Trust Units | - | - |
| Series A | (6,041) | (1,496) |
| Series A2 (note 1b) | (424,606) | (404,828) |
| Series F | (150,002) | (22,079) |
| | <u>(580,649)</u> | <u>(428,403)</u> |
| Redeemable Unit Transactions | | |
| Proceeds from redeemable units issued | | |
| Trust Units | - | - |
| Series A | 5,000 | 114,652 |
| Series A2 (note 1b) | 92,001 | 348,634 |
| Series F | 1,536,335 | 1,921,538 |
| | <u>1,633,336</u> | <u>2,384,824</u> |
| Reinvestments of distributions to holders of redeemable units | | |
| Trust Units | - | - |
| Series A | 2,571 | 793 |
| Series A2 (note 1b) | 338,371 | 212,880 |
| Series F | 149,579 | 21,988 |
| | <u>490,521</u> | <u>235,661</u> |
| Redemptions of redeemable units | | |
| Trust Units | - | (11,421,183) |
| Series A | - | - |
| Series A2 (note 1b) | (2,511,834) | (2,852,201) |
| Series F | (1,260,956) | (10,000) |
| | <u>(3,772,790)</u> | <u>(14,283,384)</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>(1,648,933)</u> | <u>(11,662,899)</u> |
| Net Assets Attributable to Holders of Redeemable Units at End of Period | | |
| Series A | 111,996 | 113,676 |
| Series A2 (note 1b) | 6,886,194 | 9,454,714 |
| Series F | 2,272,210 | 1,903,812 |
| Net Assets Attributable to Holders of Redeemable Units at End of Period | <u>\$ 9,270,400</u> | <u>\$ 11,472,202</u> |

*For the period from January 1, 2014 to September 30, 2014

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

Statements of Cash Flows

| for the periods ended September 30 | 2015 | 2014* |
|---|--------------------|---------------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units | \$ 27,780 | \$ 104,914 |
| Adjustments for: | | |
| Net realized (gain) loss on investments and options | (287,946) | (4,484,726) |
| Change in unrealized (appreciation) depreciation of investments and derivatives | 278,259 | 3,722,024 |
| Foreign currency (gain) loss on cash and other net assets | (4,796) | 54,196 |
| (Increase) decrease in interest receivable | (800) | (800) |
| (Increase) decrease in dividends receivable | 9,011 | 1,519 |
| (Increase) decrease in taxes recoverable | (932) | - |
| Increase (decrease) in management fees payable and accrued liabilities | 18,404 | (37,158) |
| Purchase of investments | (4,940,681) | (6,222,847) |
| Proceeds from sale of investments | 6,720,815 | 20,171,859 |
| Net Cash Generated (Used) by Operating Activities | 1,819,114 | 13,308,981 |
| Cash Flows from Financing Activities | | |
| Distributions to holders of redeemable units, net of reinvested distributions | (85,751) | (376,776) |
| Change in net margin loan and borrowing | - | (1,104,868) |
| Change in margin cash | (39,337) | 27,166 |
| Proceeds from redeemable units issued | 1,687,936 | 2,329,794 |
| Amount paid on redemption of redeemable units | (3,812,656) | (14,209,214) |
| Net Cash Generated (Used) by Financing Activities | (2,249,808) | (13,333,898) |
| Net increase (decrease) in cash and cash equivalents | (430,694) | (24,917) |
| Foreign currency gain (loss) on cash and other net assets | 4,796 | (54,196) |
| Cash and Cash Equivalents Beginning of Period | 556,722 | 635,835 |
| Cash and Cash Equivalents End of Period | \$ 130,824 | \$ 556,722 |
| Cash and cash equivalents comprise: | | |
| Cash at bank | 130,824 | 356,840 |
| Short-term investments | - | 199,882 |
| | 130,824 | 556,722 |
| From operating activities: | | |
| Interest received, net of withholding tax | 12,521 | 14,050 |
| Dividends received, net of withholding tax | 307,317 | 417,728 |
| From financing activities: | | |
| Interest paid | 1,082 | 4,216 |

*For the period from January 1, 2014 to September 30, 2014

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

Schedule of Investment Portfolio

as at September 30, 2015

| No. of Shares/Units (Contracts) | Security Name | Average Cost | Fair Value | % of Net Assets Attributable to Holders of Redeemable Units |
|---------------------------------------|--|------------------|------------------|--|
| BONDS | | | | |
| Canada | | | | |
| 125,000 | Pacific Exploration and Production Corporation 5.375% January 26, 2019 | \$ 117,970 | \$ 63,426 | 0.7% |
| EQUITIES | | | | |
| Australia | | | | |
| 18,000 | Arcor Limited | 196,889 | 222,916 | |
| 225,000 | AusNet Services | 213,590 | 288,801 | |
| 14,200 | South32 Limited ADR | 125,987 | 90,560 | |
| | | 536,466 | 602,277 | 6.5% |
| Bermuda | | | | |
| 2,000 | Jardine Matheson Holdings Limited | 131,688 | 126,611 | 1.4% |
| Canada | | | | |
| 14,500 | Canfor Corporation | 333,035 | 230,695 | |
| 30,000 | Crown Capital Partners Inc. | 323,147 | 255,000 | |
| 6,047 | Northland Power Inc. | 95,017 | 105,157 | |
| 26,000 | Pacific Exploration and Production Corporation | 326,222 | 77,480 | |
| 2,478 | Portland Global Energy Efficiency and Renewable Energy Fund LP 'O' | 123,920 | 145,905 | |
| | | 1,201,341 | 814,237 | 8.8% |
| Cayman Islands | | | | |
| 10,000 | Cheung Kong Property Holdings Limited | 73,463 | 97,410 | |
| 11,000 | CK Hutchison Holdings Limited | 136,222 | 190,533 | |
| | | 209,685 | 287,943 | 3.1% |
| France | | | | |
| 5,045 | TOTAL SA ADR | 294,669 | 302,208 | 3.3% |
| Germany | | | | |
| 7,000 | GEA Group AG | 186,588 | 356,259 | 3.8% |
| Great Britain | | | | |
| 18,000 | Barclays PLC ADR | 478,843 | 356,440 | |
| 8,500 | BHP Billiton PLC ADR | 469,295 | 349,279 | |
| 200,000 | Cable & Wireless Communications PLC | 170,895 | 224,346 | |
| 9,000 | Compass Group PLC | 191,775 | 191,889 | |
| 1,200 | Diageo PLC ADR | 154,596 | 173,300 | |
| 6,500 | Ensko PLC 'A' | 344,796 | 122,619 | |
| 5,500 | Johnson Matthey PLC | 205,853 | 272,617 | |
| 35,000 | Kingfisher PLC | 197,036 | 254,131 | |
| 4,000 | National Grid PLC | 40,247 | 74,423 | |
| 500 | National Grid PLC ADR | 43,783 | 46,645 | |
| 14,000 | Pearson PLC | 286,772 | 319,470 | |
| 12,000 | Prudential PLC | 149,457 | 338,584 | |
| 100,000 | Rentokil Initial PLC | 228,280 | 297,846 | |
| 6,200 | Royal Dutch Shell PLC 'A' ADR | 434,197 | 393,657 | |
| | | 3,395,825 | 3,415,246 | 36.8% |
| Japan | | | | |
| 1,000 | Toyota Motor Corporation ADR | 87,258 | 157,132 | 1.7% |
| Switzerland | | | | |
| 12,000 | ABB Limited ADR | 221,406 | 284,091 | |
| 1,500 | Compagnie Financiere Richemont SA 'A' | 153,693 | 155,684 | |
| 2,000 | Dufry AG | 344,922 | 312,603 | |
| 3,000 | Nestle SA | 177,665 | 301,292 | |
| 800 | Novartis AG ADR | 46,187 | 98,524 | |
| 600 | Roche Holding AG | 111,938 | 211,418 | |
| 4,000 | Syngenta AG ADR | 237,538 | 341,810 | |
| | | 1,293,349 | 1,705,422 | 18.4% |
| United States | | | | |
| 20,000 | Ares Capital Corporation | 372,005 | 388,006 | |
| 2,500 | Deere & Company | 241,052 | 247,863 | |
| 16,998 | Fifth Street Senior Floating Rate Corporation | 221,438 | 198,816 | |
| 2,500 | JPMorgan Chase & Company | 146,618 | 204,219 | |
| 4,000 | Mondelez International Inc. | 171,168 | 224,390 | |
| 1,500 | Technology Select Sector SPDR Fund | 69,638 | 79,383 | |
| | | 1,221,919 | 1,342,677 | 14.5% |
| | Total equities | 8,558,788 | 9,110,012 | 98.3% |
| | Total investment portfolio | 8,676,758 | 9,173,438 | 99.0% |

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

Schedule of Investment Portfolio (continued)

as at September 30, 2015

| No. of Shares/Units/ (Contract Size) | Security Name | Average Cost | Fair Value | % of Net Assets Attributable to Holders of Redeemable Units |
|--|--|--------------|--------------|--|
| DERIVATIVES - PURCHASED OPTIONS¹ | | | | |
| Purchased Call Options | | | | |
| United States | | | | |
| USD 25 | iShares MSCI Japan ETF January 2017 @ 8.00 USD | 10,607 | 11,891 | 0.1% |
| DERIVATIVES - WRITTEN OPTIONS¹ | | | | |
| Written Put Options | | | | |
| Canada | | | | |
| CAD (10) | Crescent Point Energy Corporation October 2015 @ 25.00 CAD | (790) | (9,775) | |
| CAD (30) | Pacific Exploration and Production Corporation October 2015 @ 3.00 CAD | (270) | (810) | |
| CAD (20) | Pacific Exploration and Production Corporation October 2015 @ 4.00 CAD | (480) | (2,240) | |
| | | (1,540) | (12,825) | (0.2%) |
| Great Britain | | | | |
| GBP (5) ² | Compass Group PLC October 2015 @ 10.00 GBP | (1,655) | (329) | |
| GBP (5) ² | Compass Group PLC November 2015 @ 9.60 GBP | (1,550) | (734) | |
| | | (3,205) | (1,063) | - |
| Switzerland | | | | |
| SWF (10) | Compagnie Financiere Richemont SA 'A' November 2015 @ 66.00 SWF | (1,564) | (1,138) | |
| USD (4) | Novartis AG ADR November 2015 @ 85.00 USD | (606) | (723) | |
| | | (2,170) | (1,861) | - |
| United States | | | | |
| USD (5) | JPMorgan Chase & Company November 2015 @ 57.50 USD | (989) | (1,005) | |
| USD (12) | Mondelez International Inc. October 2015 @ 40.00 USD | (1,634) | (1,029) | |
| | | (2,623) | (2,034) | - |
| | Total written options | (9,538) | (17,783) | (0.2%) |
| FORWARD CURRENCY CONTRACTS (Schedule 1a) | | | | |
| | Total unrealized gain on forward currency contracts | | 518 | - |
| | Total unrealized loss on forward currency contracts | | (12,500) | (0.1%) |
| | | | (11,982) | (0.1%) |
| | Net investments | 8,677,827 | 9,155,564 | 98.8% |
| | Transaction costs | (11,811) | - | - |
| | | \$ 8,666,016 | 9,155,564 | 98.8% |
| | Other assets less liabilities | | 114,836 | 1.2% |
| | NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS | | \$ 9,270,400 | 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.

Schedule 1a

| Contract Price | Settlement Date | Purchased Currency | | | Sold Currency | | | |
|----------------|-----------------|--------------------|-------------|-------------------------------------|-------------------|-------------|-------------------------------------|-----------------------------|
| | | Currency | Amount (\$) | Value as at September 30, 2015 (\$) | Currency | Amount (\$) | Value as at September 30, 2015 (\$) | Unrealized gain (loss) (\$) |
| 1.06274 | Oct-07-2015 | Canadian Dollar | 517,528 | 517,528 | Australian Dollar | 550,000 | 517,010 | 518 |
| | | | | | | | Unrealized gain | 518 |
| 90.68000 | Dec-16-2015 | Canadian Dollar | 110,278 | 110,278 | Japanese Yen | 10,000,000 | 112,033 | (1,755) |
| 0.67833 | Dec-16-2015 | Canadian Dollar | 221,130 | 221,130 | Euro | 150,000 | 224,665 | (3,535) |
| 0.73781 | Oct-07-2015 | Canadian Dollar | 609,913 | 609,913 | Swiss Franc | 450,000 | 617,123 | (7,210) |
| | | | | | | | Unrealized loss | (12,500) |

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.

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 September 30, 2015.

| | Counterparty 1 (\$) | Counterparty 2 (\$) |
|------------------------------|---------------------|---------------------|
| September 30, 2015 | | |
| Gross derivative assets | - | 518 |
| Gross derivative liabilities | (5,290) | (7,210) |
| Net exposure | (5,290) | (6,692) |

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.

(b) FINANCIAL INSTRUMENTS BY CATEGORY

The following tables present the carrying amounts of the Fund's financial instruments by category as at September 30, 2015:

| Assets | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial assets at amortized cost (\$) | Total (\$) |
|-------------------------------------|-----------------------|--|------------------|---|------------------|
| Cash and cash equivalents | - | - | - | 130,824 | 130,824 |
| Margin accounts | - | - | - | 46,344 | 46,344 |
| Subscriptions receivable | - | - | - | 430 | 430 |
| Receivable for investments sold | - | - | - | 192,450 | 192,450 |
| Interest receivable | - | - | - | 1,600 | 1,600 |
| Dividends receivable | - | - | - | 13,359 | 13,359 |
| Taxes recoverable | - | - | - | 932 | 932 |
| Investments | - | 8,354,014 | 8,354,014 | - | 8,354,014 |
| Investments - pledged as collateral | - | 819,424 | 819,424 | - | 819,424 |
| Derivative assets | 11,891 | - | 11,891 | - | 11,891 |
| Total | 11,891 | 9,173,438 | 9,185,329 | 385,939 | 9,571,268 |

| Liabilities | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial liabilities at amortized cost (\$) | Total (\$) |
|-----------------------------------|-----------------------|--|---------------|--|----------------|
| Management fee payable | - | - | - | 14,099 | 14,099 |
| Expenses payable | - | - | - | 4,305 | 4,305 |
| Redemptions payable | - | - | - | 34,304 | 34,304 |
| Payable for investments purchased | - | - | - | 212,102 | 212,102 |
| Distributions payable | - | - | - | 6,293 | 6,293 |
| Derivative liabilities | 29,765 | - | 29,765 | - | 29,765 |
| Total | 29,765 | - | 29,765 | 271,103 | 300,868 |

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 |
| Subscriptions 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 |

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

| 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 table presents the net gains (losses) on financial instruments at FVTPL by category for the years ended September 30, 2015 and September 30, 2014.

| Category | Net gains (losses) (\$) | |
|---------------------------------|-------------------------|----------------|
| | 2015 | 2014 |
| Financial Assets at FVTPL: | | |
| Held for trading | (66,681) | (479,736) |
| Designated at inception | 327,870 | 955,535 |
| Total | 261,189 | 475,799 |
| Financial Liabilities at FVTPL: | | |
| Held for trading | 67,531 | 74,763 |
| Total | 328,720 | 550,562 |

(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, 2015 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 \$458,377 (September 30, 2014: \$551,535). 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, 2015 and September 30, 2014.

| By Geographic Region | September 30, 2015 | September 30, 2014 |
|---------------------------|--------------------|--------------------|
| Great Britain | 36.8% | 39.2% |
| Switzerland | 18.4% | 12.8% |
| United States | 14.6% | 9.4% |
| Canada | 9.3% | 5.6% |
| Australia | 6.5% | 7.2% |
| Germany | 3.8% | 4.0% |
| France | 3.3% | 6.4% |
| Cayman Islands | 3.1% | - |
| Japan | 1.7% | 4.0% |
| Bermuda | 1.4% | 1.2% |
| Cash and Other Net Assets | 1.2% | 3.7% |
| Forward Contracts | (0.1%) | 0.1% |
| Panama | - | (0.1%) |
| South Korea | - | 3.9% |
| Hong Kong | - | 2.6% |
| Total | 100.0% | 100.0% |

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

| By Industry Sector | September 30, 2015 | September 30, 2014 |
|-------------------------------|--------------------|--------------------|
| Financials | 21.9% | 24.0% |
| Materials | 16.3% | 16.0% |
| Consumer Discretionary | 15.0% | 7.4% |
| Industrials | 14.2% | 19.2% |
| Energy | 10.4% | 8.3% |
| Consumer Staples | 7.5% | 9.0% |
| Utilities | 7.1% | 7.6% |
| Health Care | 3.3% | 3.4% |
| Telecommunication Services | 2.4% | - |
| Cash and Other Net Assets | 1.2% | 3.3% |
| Exchange Traded Fund | 0.9% | - |
| Long Positions - Derivatives | 0.1% | - |
| Forward Contracts | (0.1%) | 0.1% |
| Short Positions - Derivatives | (0.2%) | (0.1%) |
| Information Technology | - | 1.8% |
| Total | 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.

The tables below indicate the foreign currencies to which the Fund had significant exposure at September 30, 2015 and September 30, 2014, 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, 2015

| | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|--|--------------------|-------------------|------------------|--|-------------------|----------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| United States Dollar | 97,805 | 4,194,687 | 4,292,492 | 4,890 | 209,734 | 214,624 |
| British Pound | 11,510 | 1,972,242 | 1,983,752 | 576 | 98,612 | 99,188 |
| Swiss Franc | (612,413) | 979,859 | 367,446 | (30,621) | 48,993 | 18,372 |
| Hong Kong Dollar | - | 287,943 | 287,943 | - | 14,397 | 14,397 |
| Euro | (221,174) | 356,260 | 135,086 | (11,059) | 17,813 | 6,754 |
| Australian Dollar | (517,010) | 511,717 | (5,293) | (25,851) | 25,586 | (265) |
| Japanese Yen | (112,033) | - | (112,033) | (5,602) | - | (5,602) |
| Total | (1,353,315) | 8,302,708 | 6,949,393 | (67,667) | 415,135 | 347,468 |
| % of net assets attributable to holders of redeemable units | (14.6%) | 89.6% | 75.0% | (0.7%) | 4.4% | 3.7% |

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

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 |
| Hong Kong Dollar | - | 298,764 | 298,764 | - | 14,938 | 14,938 |
| Swiss Franc | (342,703) | 578,944 | 236,241 | (17,135) | 28,947 | 11,812 |
| 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 |
| Japanese Yen | (224,942) | 217,420 | (7,522) | (11,247) | 10,871 | (376) |
| Euro | (948,842) | 901,406 | (47,436) | (47,442) | 45,070 | (2,372) |
| 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% |

Interest Rate Risk

As at September 30, 2015 and September 30, 2014, the Fund did not have significant direct exposure to interest rate risk.

Credit Risk

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

As at September 30, 2015 the forward currency contracts of the Fund were in an unrealized loss position and therefore have no associated credit risk. As at September 30, 2014 the Fund had forward currency contracts in an unrealized gain of \$29,265 with a counterparty having a long term Standard & Poor's credit rating of AA-. The counterparty credit ratings exceed the minimum requirement outlined in securities legislation.

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 and margin cash balances are maintained at financial institutions with credit rating A- and/or AA-, 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 at the time of purchase. The Fund may also borrow temporarily to fund redemptions or settle trades.

As at September 30, 2015 and 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). Borrowings were repayable on demand and were covered by collateral held on account at the broker with whom the borrowings were made.

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 | Greater than 3 months and less than one year (\$) | | | Total (\$) |
|---|---|--------------------|---|------------|
| | Less than 1 month (\$) | 1 to 3 months (\$) | | |
| September 30, 2015 | 207,550 | 271,752 | - | 479,302 |
| September 30, 2014 | 174,000 | 541,804 | - | 715,804 |

All other obligations including management fees payable, expenses payable, redemptions payable, payable for securities purchased, derivative liabilities and distributions payable were due within 3 months from the financial reporting date. Issued redeemable units are payable on demand.

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

(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, 2015 and September 30, 2014.

| Assets at fair value as at September 30, 2015 | | | | |
|---|------------------|---------------|----------------|------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Equities - Long | 8,964,107 | - | - | 8,964,107 |
| Investment Funds - Long | - | - | 145,905 | 145,905 |
| Bonds - long | - | 63,426 | - | 63,426 |
| Options - Long | 11,891 | - | - | 11,891 |
| Total | 8,975,998 | 63,426 | 145,905 | 9,185,329 |

| Liabilities at fair value as at September 30, 2015 | | | | |
|--|-----------------|-----------------|--------------|-----------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Options - short | (17,783) | - | - | (17,783) |
| Forward contracts | - | (11,982) | - | (11,982) |
| Total | (17,783) | (11,982) | - | (29,765) |

| 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) |

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, 2015 and 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 measured 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 \$7,295 (September 30, 2014: \$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, 2015 and September 30, 2014:

| September 30, 2015 | Investment Funds (\$) | Total (\$) |
|---|-----------------------|----------------|
| Balance at beginning of Period | 131,953 | 131,953 |
| Investment purchases during the period | - | - |
| Proceeds from sales during the period | - | - |
| Net transfers in (out) during the period | - | - |
| Net realized gain (loss) on sale of investments | - | - |
| Change in unrealized appreciation (depreciation) in value of investments | 13,952 | 13,952 |
| Balance at end of Period | 145,905 | 145,905 |
| Change in unrealized appreciation (depreciation) in value of investments held at end of period | 13,952 | 13,952 |

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

| September 30, 2014 | Investment Funds (\$) | Total (\$) |
|---|--------------------------|----------------|
| Balance at Beginning of Period | 659,401 | 659,401 |
| 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 | 7,953 | 7,953 |
| Balance at End of Period | 131,953 | 131,953 |
| Unrealized appreciation (depreciation) in value of investments held at end of period | 8,033 | 8,033 |

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 or ETFs are subject to the terms and conditions of their respective offering documentation and are susceptible to market price risk arising from uncertainties about the future values. The investment manager makes investment decisions after extensive due diligence on the strategy and 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, 2015 and September 30, 2014 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, 2015

| Type | Number of Investee Funds/ ETFs | Net asset value of Investee Fund/ETFs (\$) | Investment at carrying value (\$) | % of net assets attributable to holders of units |
|-----------------------------|--------------------------------------|---|--------------------------------------|---|
| Alternative – fund of funds | 1 | 6,318,286 | 145,905 | 2.3% |

September 30, 2014

| Type | Number of Investee Funds/ ETFs | Net asset value of Investee Fund/ETFs (\$) | 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% |

The Fund's investments in ETFs as at September 30, 2015 are summarized below.

| September 30, 2015 | Fair Value of Fund's Investment (\$) | Net Asset Value of ETF (\$millions) | % of ETF's Net Assets |
|------------------------------------|---|--|-----------------------|
| Technology Select Sector SPDR Fund | 79,383 | 15,258 | - |

As at September 30, 2014 and October 1, 2014 the Fund does not have significant investments in ETFs.

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

Statement of Financial Position

As at
September 30, 2015

| | |
|--|-------------------|
| Assets | |
| Current Assets | |
| Cash and cash equivalents | \$ 16,753 |
| Subscriptions receivable | 25,000 |
| Dividends receivable | 359 |
| Investments (note 5) | <u>115,392</u> |
| | <u>157,504</u> |
| Liabilities | |
| Current Liabilities | |
| Management fee payable | 148 |
| Expenses payable | <u>63</u> |
| | <u>211</u> |
| Net Assets Attributable to Holders of Redeemable Units | <u>\$ 157,293</u> |
| Series A | 46,143 |
| Series F | <u>111,150</u> |
| Net Assets Attributable to Holders of Redeemable Units | <u>\$ 157,293</u> |
| Number of Redeemable Units Outstanding (note 6) | |
| Series A | 5,594 |
| Series F | 13,417 |
| Net Assets Attributable to Holders of Redeemable Units per Unit | |
| Series A | 8.25 |
| Series F | 8.28 |

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.

Statement of Comprehensive Income

| for the periods ended September 30 | 2015* |
|---|--------------------|
| Income | |
| Net gains (losses) on investments | |
| Dividends | \$ 2,149 |
| Net realized gain (loss) on investment | 59 |
| Change in unrealized appreciation (depreciation) of investment | (25,798) |
| Net gains (losses) on investments | (23,590) |
| Other Income | |
| Foreign currency gain (loss) on cash and other net assets | (1,349) |
| Total income (net) | (24,939) |
| Expenses | |
| Management fees (note 8) | 682 |
| Unitholder reporting costs | 25,341 |
| Audit fees | 13,614 |
| Custodial fees | 1,215 |
| Legal fees | 1,503 |
| Independent review committee fees | 1,727 |
| Interest expense | 31 |
| Income tax expense | - |
| Withholding tax expense | 73 |
| Transaction costs | 190 |
| Total operating expenses | 44,376 |
| Less: expenses absorbed by Manager | (43,108) |
| Net expenses | 1,268 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | \$ (26,207) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series | |
| Series A | (4,057) |
| Series F | (22,150) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit | |
| Series A | (1.61) |
| Series F | (1.73) |

*For the period from May 19, 2015 (commencement of operations) to September 30, 2015

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

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

| for the periods ended September 30 | 2015* |
|--|------------|
| Net Assets Attributable to Holders of Redeemable Units at Beginning of Period | |
| Series A | \$ - |
| Series F | - |
| | <hr/> |
| | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | |
| Series A | (4,057) |
| Series F | (22,150) |
| | <hr/> |
| | (26,207) |
| Distributions to Holders of Redeemable Units | |
| From net investment income: | |
| Series A | - |
| Series F | - |
| | <hr/> |
| | - |
| From capital gains: | |
| Series A | - |
| Series F | - |
| | <hr/> |
| | - |
| Redeemable Unit Transactions | |
| Proceeds from redeemable units issued | |
| Series A | 50,200 |
| Series F | 133,300 |
| | <hr/> |
| | 183,500 |
| Reinvestments of distributions to holders of redeemable units | |
| Series A | - |
| Series F | - |
| | <hr/> |
| | - |
| Redemptions of redeemable units | |
| Series A | - |
| Series F | - |
| | <hr/> |
| | - |
| Net Increase (Decrease) from Redeemable Unit Transactions | <hr/> |
| | 183,500 |
| Net Assets Attributable to Holders of Redeemable Units at End of Period | |
| Trust Units | |
| Series A | 46,143 |
| Series F | 111,150 |
| Net Assets Attributable to Holders of Redeemable Units at End of Period | <hr/> |
| | \$ 157,293 |

*For the period from May 19, 2015 (commencement of operations) to September 30, 2015

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

Statement of Cash Flows

| for the periods ended September 30 | 2015* |
|---|------------------|
| Cash Flows from Operating Activities | |
| Increase (decrease) in net assets attributable to holders of redeemable units | \$ (26,207) |
| Adjustments for: | |
| Net realized (gain) loss on investments | (59) |
| Change in unrealized (appreciation) depreciation of investments | 25,798 |
| Foreign currency (gain) loss on cash and other net assets | 1,349 |
| (Increase) decrease in dividends receivable | (359) |
| Increase (decrease) in management fees payable and accrued liabilities | 211 |
| Purchase of investments | (141,190) |
| Proceeds from sale of investments | 59 |
| Net Cash Generated (Used) by Operating Activities | <u>(140,398)</u> |
| Cash Flows from Financing Activities | |
| Proceeds from redeemable units issued | 158,500 |
| Net Cash Generated (Used) by Financing Activities | <u>158,500</u> |
| Net increase (decrease) in cash and cash equivalents | 18,102 |
| Foreign currency gain (loss) on cash and other net assets | (1,349) |
| Cash and Cash Equivalents Beginning of Period | - |
| Cash and Cash Equivalents End of Period | <u>\$ 16,753</u> |
| Cash and cash equivalents comprise: | |
| Cash at bank | 16,753 |
| Short-term investments | - |
| | <u>16,753</u> |
| From operating activities: | |
| Interest received, net of withholding tax | - |
| Dividends received, net of withholding tax | 1,137 |
| Interest paid | (31) |

*For the period from May 19, 2015 (commencement of operations) to September 30, 2015

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

Schedule of Investment Portfolio

as at September 30, 2015

| No. of Shares/Units (Contracts) | Security Name | Average Cost | Fair Value | % of Net Assets Attributable to Holders of Redeemable Units |
|---------------------------------------|---|--------------|------------|--|
| EQUITIES | | | | |
| Bermuda | | | | |
| 170 | Brookfield Infrastructure Partners Limited Partnership | \$ 9,293 | \$ 8,375 | |
| 360 | Brookfield Property Partners Limited Partnership | 10,123 | 10,351 | |
| | | 19,416 | 18,726 | 11.9% |
| Canada | | | | |
| 1,510 | Baytex Energy Corporation | 17,541 | 6,448 | |
| 210 | Brookfield Asset Management Inc. 'A' | 9,340 | 8,846 | |
| 673 | Crescent Point Energy Corporation | 16,438 | 10,277 | |
| 582 | Northland Power Inc. | 9,815 | 10,121 | |
| 190 | Restaurant Brands International Inc. | 9,446 | 9,144 | |
| 1,080 | Whitecap Resources Inc. | 15,040 | 11,383 | |
| | | 77,620 | 56,219 | 35.8% |
| Great Britain | | | | |
| 10,630 | Cable & Wireless Communications PLC | 13,768 | 11,924 | 7.6% |
| Guernsey | | | | |
| 220 | Pershing Square Holdings Limited | 7,190 | 6,340 | 4.0% |
| United States | | | | |
| 50 | Berkshire Hathaway Inc. 'B' | 8,940 | 8,735 | |
| 280 | Hertz Global Holdings Inc. | 6,912 | 6,276 | |
| 130 | Zoetis Inc. | 7,534 | 7,172 | |
| | | 23,386 | 22,183 | 14.1% |
| | Total investment portfolio | 141,380 | 115,392 | 73.4% |
| | Transaction costs | (190) | - | - |
| | | \$ 141,190 | 115,392 | 73.4% |
| | Other assets less liabilities | | 41,901 | 26.6% |
| | NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS | | \$ 157,293 | 100.0% |

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

(a) FINANCIAL INSTRUMENTS BY CATEGORY

The following tables present the carrying amounts of the Fund's financial instruments by category as at September 30, 2015:

| Assets | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial assets at amortized cost (\$) | Total (\$) |
|---------------------------|--------------------------|--|----------------|---|----------------|
| Cash and cash equivalents | - | - | - | 16,753 | 16,753 |
| Subscriptions receivable | - | - | - | 25,000 | 25,000 |
| Dividends receivable | - | - | - | 359 | 359 |
| Investments | - | 115,392 | 115,392 | - | 115,392 |
| Total | - | 115,392 | 115,392 | 42,112 | 157,504 |

| Liabilities | Held for Trading (\$) | Financial assets at FVTPL Designated at Inception (\$) | Total (\$) | Financial liabilities at amortized cost (\$) | Total (\$) |
|------------------------|--------------------------|--|---------------|--|---------------|
| Management fee payable | - | - | - | 148 | 148 |
| Expenses payable | - | - | - | 63 | 63 |
| Total | - | - | - | 211 | 211 |

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the period ended September 30, 2015.

| Category | Net gains (losses) (\$) 2015 |
|----------------------------|---------------------------------|
| Financial Assets at FVTPL: | |
| Held for trading | |
| Designated at inception | (23,590) |
| Total | (23,590) |

(b) 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, 2015 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 \$5,770. 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, 2015.

| By Geographic Region | September 30, 2015 |
|-----------------------|--------------------|
| Canada | 35.8% |
| Cash and Other Assets | 26.6% |
| United States | 14.1% |
| Bermuda | 11.9% |
| Great Britain | 7.6% |
| Guernsey | 4.0% |
| Total | 100.0% |

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

| By Industry Sector | September 30, 2015 |
|----------------------------|--------------------|
| Cash and Other Assets | 26.6% |
| Financials | 21.8% |
| Energy | 17.9% |
| Utilities | 11.7% |
| Telecommunication Services | 7.6% |
| Consumer Discretionary | 5.8% |
| Health Care | 4.6% |
| Industrials | 4.0% |
| Total | 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 tables below indicate the foreign currencies to which the Fund had significant exposure at September 30, 2015, in Canadian dollar terms. 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, 2015

| | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|--|---------------|-------------------|---------------|--|-------------------|--------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| United States Dollar | 282 | 65,240 | 65,522 | 14 | 3,262 | 3,276 |
| British Pound | - | 11,924 | 11,924 | - | 596 | 596 |
| Total | 282 | 77,164 | 77,446 | 14 | 3,858 | 3,872 |
| % of net assets attributable to holders of redeemable units | 0.2% | 49.1% | 49.2% | 0.0% | 2.5% | 2.5% |

Interest Rate Risk

As at September 30, 2015, the Fund did not have significant direct exposure to interest rate risk.

Credit Risk

As at September 30, 2015, the Fund did not have significant direct exposure to credit risk.

Liquidity Risk

The Fund is exposed to liquidity risk on its obligations, including its issued redeemable units, 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 at the time of purchase. The Fund may also borrow temporarily to fund redemptions or settle trades.

As at September 30, 2015, the Fund did not have any borrowings.

All other obligations including management fee payable, payable expenses, redemptions payable, payable for securities purchased and distributions payable were due within 3 months from the financial reporting date. Issued redeemable units are payable on demand.

(c) FAIR VALUE MEASUREMENTS

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at September 30, 2015

| | Assets at fair value as at September 30, 2015 | | | |
|-----------------|---|--------------|--------------|----------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Equities - Long | 115,392 | - | - | 115,392 |
| Total | 115,392 | - | - | 115,392 |

Fair values are classified as Level 1 when the related security 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. All liabilities of the Fund are carried at amortized cost and therefore are not presented in the tables above.

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

Notes to Financial Statements

1. GENERAL INFORMATION

a) Portland Advantage Fund, Portland Canadian Balanced Fund, Portland Canadian Focused Fund, Portland Global Banks Fund, Portland Global Income Fund, Portland Global Dividend Fund and Portland Value Fund (collectively referred to as the "Funds") are open-ended mutual funds created and governed by a master declaration of trust under the laws of Ontario in Canada. The Funds offer units to the public under a simplified prospectus dated April 30, 2015, as amended ("Prospectus"). The Funds were formed and related series commenced operations on the following dates:

| Name of Fund | Formation Date of Fund | Commencement of Operations | | |
|---------------------------------|------------------------|----------------------------|---------------------|------------------|
| | | Series A, Series F | Series A2 (note 1b) | Series G |
| Portland Advantage Fund | October 1, 2012 | October 31, 2012 | n/a | March 14, 2013 |
| Portland Canadian Balanced Fund | October 1, 2012 | October 31, 2012 | n/a | March 14, 2013 |
| Portland Canadian Focused Fund | October 1, 2012 | October 31, 2012 | n/a | January 24, 2013 |
| Portland Global Banks Fund | January 25, 2007 | December 17, 2013 | December 17, 2013 | n/a |
| Portland Global Income Fund | January 25, 2005 | December 17, 2013 | December 17, 2013 | n/a |
| Portland Global Dividend Fund | April 27, 2007 | May 29, 2014 | May 29, 2014 | n/a |
| Portland Value Fund | May 6, 2015 | May 19, 2015 | n/a | n/a |

Portland Investment Counsel Inc. (Manager) is the Investment Fund Manager, Portfolio Manager and Trustee of each Fund. The head office of the Fund is 1375 Kerns Road, Burlington, Ontario L7R 4V7. Effective October 19, 2015, the Funds changed custodians from Citibank Canada to CIBC Mellon Trust Company. These financial statements are presented in Canadian dollars and were authorized for issue by the board of directors of the Manager on December 7, 2015. The Funds are authorized to issue an unlimited number of units in an unlimited number of series.

The statements of financial position for the Funds, except Portland Value Fund and Portland Global Dividend Fund are as at September 30, 2015, September 30, 2014 and October 1, 2013. The statement of financial position for Portland Value Fund is as at September 30, 2015. The statements of financial position for Portland Global Dividend Fund are as at September 30, 2015 and September 30, 2014.

The statements of comprehensive income, changes in net assets attributable to holders of redeemable units, and cash flows for the Funds are for the years ended September 30, 2015 and September 30, 2014 unless the Fund commenced operations during either year, in which case the statements of comprehensive income, changes in net assets attributable to holders of redeemable units, and cash flows are for the period from commencement of operations in the above table to the applicable year end reporting date.

The following table presents the investment objective of each Fund.

| Name of Fund | Investment Objective |
|---------------------------------|--|
| Portland Advantage Fund | Provide positive long-term total returns, consisting of both income and capital gains, by investing primarily in a portfolio of Canadian equities. |
| Portland Canadian Balanced Fund | Provide positive long-term total returns, consisting of both income and capital gains by investing primarily in a portfolio of fixed income securities and Canadian equity securities. |
| Portland Canadian Focused Fund | Provide positive long-term total returns by investing primarily in a portfolio of Canadian equities. |
| Portland Global Banks Fund | Provide positive long-term total returns by investing primarily in a portfolio of global bank equities. |
| Portland Global Income Fund | Provide income and long-term total returns by investing primarily in a high-quality portfolio of fixed/floating rate income securities, preferred shares and dividend paying equities of issuers located anywhere in the world |
| Portland Global Dividend Fund | Provide income and long-term total returns by investing primarily in a portfolio of global dividend paying equities. |
| Portland Value Fund | Provide positive long-term total returns by investing primarily in a portfolio of global equities. |

b) Fund Merger and Fund Restructuring

Global Banks Premium Income Trust (the "Continuing Fund") was restructured on December 13, 2013 and became a multi-class, open end mutual fund. Prior to that date, the Continuing Fund was a closed-end investment fund which traded on the Toronto Stock Exchange ("TSX") under the symbol GBP.UN. On December 13, 2013 the Continuing Fund merged with Portland Global Income Fund (the "Terminating Fund") and subsequently changed its name to Portland Global Income Fund. Existing unitholders of the Continuing Fund were issued 0.347759 Series A2 Units for each existing trust unit. The net asset value of the Series A2 Units was \$10.00 per unit immediately following the conversion such that the net asset value of issued trust units did not change as a result of the restructuring. The Continuing Fund acquired all the assets and liabilities of the Terminating Fund in exchange for units of the Continuing Fund. Unitholders of the Terminating Fund exchanged their units for units of the Continuing Fund based on an exchange ratio. The purchase method was used to account for the merger and the Continuing Fund was identified as the acquirer. The financial statements of the Continuing Fund include the results of operations of the Terminating Fund from the date of the merger.

The exchange ratios (representing the number of units issued by the Continuing Fund in exchange for each unit of the Merging Fund), total number of units issued by the Continuing Fund and the Net Asset Value acquired are presented below:

| Terminating Fund | Continuing Fund | Exchange Ratio | Number of Units Issued by Continuing Fund | Net Asset Value Acquired |
|---------------------------------------|-----------------|----------------|---|--------------------------|
| Series A Units - Initial Sales Charge | Series A | 1.017604 | 1,276,249 | \$ 12,762 |
| Series A - Deferred Sales Charge | Series A2 | 1.017604 | 16,763,237 | \$ 167,632 |
| Series G | Series A2 | 0.951217 | 592,772 | \$ 5,927 |
| Series T | Series A2 | 1.019498 | 1,056,357 | \$ 10,564 |
| Series F | Series F | 1.015559 | 4,306,523 | \$ 43,065 |

Copernican British Banks Fund was restructured on December 13, 2013 and became a multi-class, open end mutual fund and changed its name to Portland Global Banks Fund. Prior to that date, Copernican British Banks Fund was a closed end investment fund traded on the TSX under the symbol CBB.UN. Existing unitholders were issued 0.214028 Series A2 Units for each existing trust unit. The net asset value of Series A2 Units was \$10.00 per unit immediately following the conversion, such that the net asset value of issued trust units did not change as a result of the 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

The financial statements of the Funds have been prepared in compliance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB).

Portland Advantage Fund, Portland Canadian Balanced Fund, Portland Canadian Focused Fund, Portland Global Banks Fund and Portland Global Income Fund (the "Transitioning Funds") have applied IFRS 1 First-time Adoption of International Financial Reporting Standards in these financial statements. The Transitioning Funds adopted this basis of accounting effective October 1, 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Transitioning Funds prepared their 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 Transitioning Funds have consistently applied the accounting policies used in the preparation of their opening IFRS statements of financial position 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 each Transitioning 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 Transitioning Fund's financial statements for the year ended September 30, 2014 prepared under Canadian GAAP.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(a) Classification

The Funds recognize financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. The Funds' 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 Funds' investments have been designated at FVTPL including its equity investments, fixed income investments and investments in other investment funds.

The Funds' obligation for net assets attributable to holders of redeemable units is presented at the redemption amount which approximates fair value due to its 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 Funds' accounting policies for measuring the fair value of its investments and derivatives are similar to those used in measuring their 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 NAV per unit used in processing unitholder transactions.

Financial assets and liabilities may be offset and the net amount reported in the statements 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 Funds may enter into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the statements 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

Purchases and sales of financial assets are recognized on their trade date - the date on which the Funds commit 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 Funds have 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) on investments' in the statements of comprehensive income.

When the Funds write an option, an amount equal to fair value which is based on the premium received by the Funds 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) on investments'. 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) on investments'. When a written put option is exercised, the amount of premiums received is deducted from the cost to acquire the related investment.

Option premiums paid when a Fund purchases an option are recorded as an asset. Exchange traded options are valued at their last traded market price where the last traded market price falls within the day's bid-ask spread. In cases where the last traded price is not within the day's bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances.

Realized gains and losses relating to purchased options may arise from:

- i. Expiration of purchased options - realized losses will arise equal to the premium paid;
- ii. Exercise of the purchased options - realized gains will arise up to the intrinsic value of the option net of premiums paid; or
- iii. Closing of the purchased options - realized gains or losses will arise equal to the proceeds from selling the options to close the position, net of any premium paid.

Realized gains and losses related to options are included in "Net realized gain (loss) on investments and options" in the statements of comprehensive income.

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) of investments' 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 Funds use 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 Funds' 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) of investments and derivatives'. 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.

The Funds' 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. The Manager of the Funds 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 Funds' advisors.

If necessary, the Manager will make adjustments to the NAV per unit of various Investee Funds to obtain the best estimate of fair value.

In accordance with the Funds' 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 Funds consider all of their investments in Investee Funds as well as their investments in Exchange Traded Funds (ETFs) to be investments in unconsolidated structured entities. The Funds invest 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 Funds 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 Funds hold non-redeemable units in Investee Funds. ETFs are bought and sold on the stock market on which they are traded and are valued at the last traded price as per above section on Fair Value Measurement.

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

Revenue recognition

'Interest for distribution purposes' shown on the statements of comprehensive income represents the interest earned by the Funds on debt securities accounted for on an accrual basis. The Funds do 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 Funds' 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) of investments and derivatives' 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 Funds consider 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 cost for each security excluding transaction costs and amortization of premiums and discounts on fixed income securities with the exception of zero coupon bonds. The cost of each investment is determined on an average basis by dividing the total cost of such investment by the number of shares purchased. 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.

Redeemable units

The Funds issue multiple classes of redeemable units, which are redeemable at the holder's option and do not have identical rights. Therefore, such units are classified as financial liabilities. Redeemable units can be put back to the Funds at any redemption date for cash equal to a proportionate share of the Funds' NAV attributable to the unit class. Units are redeemable daily.

Redeemable units are issued and redeemed at the holder's option at prices based on each Fund's NAV per unit at the time of issue or redemption. The Funds' NAVs per unit are calculated by dividing the NAV of each series of redeemable units by the total number of outstanding redeemable units of each respective series. In accordance with the provisions of the Prospectus, investment positions are valued based on the last traded market price for the purposes of determining the NAV per unit for subscriptions and redemptions.

Expenses

Expenses of the Funds 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 daily average units outstanding of that Series during the reporting period.

Distribution to the Unitholders

Distributions will be made to Unitholders only at such times and in such amounts as may be determined at the discretion of the Manager. The Funds are required to distribute enough net income and net realized capital gains so that they do not have to pay ordinary income tax. All distributions by the Funds on Series A Units, Series A2 Units, Series F Units and Series G 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. Each 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 Funds 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 Funds have made in preparing these financial statements.

Fair value measurement of investments not quoted in an active market

The Funds may hold 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 each 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 Funds 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 Funds' investments that are not considered held for trading. Such investments have been designated at FVTPL.

Functional and presentation currency

The Funds' investors are mainly from Canada, with subscriptions and redemptions of the redeemable units denominated in Canadian dollars. The performance of the Funds 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 Funds' functional and presentation currency.

5. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Funds' 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 Funds' risk management goals are to ensure that the outcome of activities involving risk is consistent with the Funds' investment objectives and risk tolerance per the Funds' offering documents. All investments result in a risk of loss of capital.

For a detailed discussion of risks associated with each 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 Funds 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 having fixed interest rates held by the Funds, such as bonds and 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 Funds 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 Funds may enter into currency forward contracts to limit their currency exposure.

Liquidity risk

Liquidity risk is the risk that the Funds will encounter difficulty in meeting their obligations associated with financial liabilities. The Funds are exposed to daily cash redemptions. As a result, the Funds 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 Funds. 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 Funds manage their exposure to credit risk by limiting 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 Funds limit exposure to any one counterparty to no more than 10% of the NAV of each 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 Funds.

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 Funds are 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 a Fund attributable to that series of units.

The Funds endeavor to invest capital in appropriate investments in conjunction with their investment objectives. The Funds maintain sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments, where necessary.

Units of the Funds 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. Units of each Fund are entitled to participate in its 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 G Units are available to investors who reside in non-HST provinces.

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 Funds do not incur distribution costs, or individual investors approved by the Manager.

The number of units issued and outstanding for the period ended September 30, 2015 was as follows:

| | Balance, Beginning of Period | Units Issued | Units Reinvested | Units Redeemed | Balance, End of Period | Weighted Average Number of Units |
|--|---------------------------------|--------------|------------------|----------------|---------------------------|--|
| Portland Advantage Fund | | | | | | |
| Series A Units | 216,622 | 91,563 | 72 | 63,910 | 244,347 | 237,766 |
| Series F Units | 161,307 | 92,214 | 1,582 | 27,704 | 227,399 | 226,519 |
| Series G Units | 600 | - | - | - | 600 | 600 |
| Portland Canadian Balanced Fund | | | | | | |
| Series A Units | 191,592 | 73,124 | 590 | 49,388 | 215,918 | 221,030 |
| Series F Units | 99,161 | 44,696 | 335 | 81,199 | 62,993 | 99,872 |
| Series G Units | 9,285 | - | 28 | - | 9,313 | 9,307 |
| Portland Canadian Focused Fund | | | | | | |
| Series A Units | 212,070 | 49,613 | 961 | 129,494 | 133,150 | 206,270 |
| Series F Units | 235,462 | 273,052 | 2,969 | 77,069 | 434,414 | 409,666 |
| Series G Units | 9,984 | - | 69 | - | 10,053 | 10,038 |
| Portland Global Banks Fund | | | | | | |
| Series A Units | 306 | 13,393 | 282 | - | 13,981 | 5,724 |
| Series A2 Units | 1,043,186 | 10,570 | 38,570 | 287,477 | 804,849 | 901,792 |
| Series F Units | 7,981 | 13,938 | 623 | 1,386 | 21,156 | 13,658 |
| Portland Global Income Fund | | | | | | |
| Series A Units | 48,149 | 40,876 | 2,931 | 7,663 | 84,293 | 68,784 |
| Series A2 Units | 556,822 | 9,038 | 22,250 | 144,844 | 443,266 | 486,440 |
| Series F Units | 128,390 | 42,026 | 6,751 | 52,144 | 125,023 | 140,969 |
| Portland Global Dividend Fund | | | | | | |
| Series A Units | 11,712 | 490 | 262 | - | 12,464 | 12,043 |
| Series A2 Units | 973,880 | 9,712 | 34,387 | 254,102 | 763,877 | 858,045 |
| Series F Units | 195,275 | 159,701 | 15,018 | 121,367 | 248,627 | 290,948 |
| Portland Value Fund | | | | | | |
| Series A Units | - | 5,594 | - | - | 5,594 | 2,526 |
| Series F Units | - | 13,417 | - | - | 13,417 | 12,794 |

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

| | Balance, Beginning of Period | Units Issued | Units Reinvested | Units Redeemed | Balance, End of Period | Weighted Average Number of Units |
|--|---------------------------------|--------------|------------------|----------------|---------------------------|--|
| Portland Advantage Fund | | | | | | |
| Series A Units | 83,890 | 167,292 | - | 34,560 | 216,622 | 140,827 |
| Series F Units | 13,288 | 154,651 | - | 6,632 | 161,307 | 55,673 |
| Series G Units | 600 | - | - | - | 600 | 600 |
| Portland Canadian Balanced Fund | | | | | | |
| Series A Units | 83,867 | 124,919 | 96 | 17,290 | 191,592 | 141,141 |
| Series F Units | 3,969 | 97,696 | 28 | 2,532 | 99,161 | 42,033 |
| Series G Units | 622 | 8,663 | - | - | 9,285 | 836 |
| Portland Canadian Focused Fund | | | | | | |
| Series A Units | 212,435 | 52,861 | - | 53,226 | 212,070 | 206,395 |
| Series F Units | 86,405 | 164,577 | - | 15,520 | 235,462 | 137,338 |
| Series G Units | 1,605 | 8,379 | - | - | 9,984 | 1,811 |

| | Balance, Beginning of Period | Units redeemed preconversion | Units converted December 13, 2013 (note 1(b)) | Units issued post conversion (note 1(b)) | Units Reinvested post conversion (note 1(b)) | Units Redeemed post conversion (note 1(b)) | Balance, End of Period | Weighted Average Number of Units |
|--------------------------------------|------------------------------------|------------------------------------|--|--|---|---|------------------------------|---|
| Portland Global Banks Fund | | | | | | | | |
| Trust Units (note 1b) | 12,195,709 | 2,887,890 | 9,307,819 | - | - | - | - | - |
| Series A Units | - | - | - | 298 | 8 | - | 306 | 172 |
| Series A2 Units | - | - | 1,992,134 | 100,888 | 58,256 | 1,108,092 | 1,043,186 | 1,286,180 |
| Series F Units | - | - | - | 9,742 | 297 | 2,058 | 7,981 | 6,873 |
| Portland Global Income Fund | | | | | | | | |
| Trust Units (note 1b) | 2,582,626 | 276,728 | 2,305,898 | - | - | - | - | - |
| Series A Units | - | - | 1,276 | 45,851 | 1,041 | 19 | 48,149 | 25,819 |
| Series A2 Units | - | - | 820,309 ¹ | 102,405 | 28,318 | 394,210 | 556,822 | 622,979 |
| Series F Units | - | - | 4,307 | 222,119 | 3,903 | 101,939 | 128,390 | 90,464 |
| Portland Global Dividend Fund | | | | | | | | |
| 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 |

¹Includes 18,412 units issued as a result of the merger outlined in note 1(a)

Prior to the restructuring of Portland Global Dividend Fund on May 23, 2014, 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.

Prior to the restructuring of Portland Global Banks Fund and Portland Global Income Fund on December 13, 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 March (Portland Global Income Fund) and January (Portland Global Banks Fund) 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 of Global Banks Fund 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 Funds except Portland Value Fund qualify as a mutual fund trusts within the meaning of the Income Tax Act (Canada). Portland Value Fund is a unit trust and has registered investment status. It will qualify as a mutual fund trust once it obtains 150 qualifying unitholders. The Funds are subject to tax on any income, including net realized capital gains, which is not paid or payable to their unitholders. Each 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 each Fund. As a result, the Funds do not record income taxes. Since the Funds do 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 Funds currently incur 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 Funds is December 15. Portland Value Fund launched in 2015 and will have its first tax year end on December 31, 2015. As such it does not have any loss carry forwards.

The following chart presents the amount of non-capital loss carry forwards available to the Funds by year of expiry.

| | 2029 (\$) | 2030 (\$) | 2032 (\$) | 2033 (\$) | Total (\$) |
|---------------------------------|--------------|--------------|--------------|--------------|---------------|
| Portland Advantage Fund | - | - | 63 | - | 63 |
| Portland Canadian Balanced Fund | - | - | 139 | - | 139 |
| Portland Canadian Focused Fund | - | - | 544 | - | 544 |
| Portland Global Banks Fund | - | 279,354 | 1,913 | 336,358 | 617,625 |
| Portland Global Income Fund | 200,218 | - | - | - | 200,218 |
| Portland Global Dividend Fund | - | - | - | 68,244 | 68,244 |

The following chart presents the amount of unused capital losses which can be carried forward indefinitely by the Funds.

| | Total (\$) |
|---------------------------------|---------------|
| Portland Advantage Fund | 99 |
| Portland Canadian Balanced Fund | 2 |
| Portland Canadian Focused Fund | 2 |
| Portland Global Banks Fund | 158,672,242 |
| Portland Global Income Fund | 23,339,597 |
| Portland Global Dividend Fund | 27,042,302 |

8. MANAGEMENT FEES AND EXPENSES

Pursuant to the Prospectus, the Funds agree to pay management fees to the Manager, calculated and accrued daily based on a percentage of the net asset value of each series of each Fund and paid monthly. The annual management fees rate of the respective series of units are as follows:

| | Series A Units | Series A2 Units | Series F Units | Series G Units |
|---------------------------------|----------------|-----------------|----------------|----------------|
| Portland Advantage Fund | 2.00% | n/a | 1.00% | 2.00% |
| Portland Canadian Balanced Fund | 2.00% | n/a | 1.00% | 2.00% |
| Portland Canadian Focused Fund | 2.00% | n/a | 1.00% | 2.00% |
| Portland Global Banks Fund | 2.00% | 1.75% | 1.00% | 2.00% |
| Portland Global Income Fund | 1.85% | 1.65% | 0.85% | 1.85% |
| Portland Global Dividend Fund | 2.00% | 1.85% | 1.00% | 2.00% |
| Portland Value Fund | 2.00% | n/a | 1.00% | 2.00% |

Prior to the restructuring on December 13, 2013 from a closed end to open end fund, the management fee rate applicable to the trust units (now Series A2 Units) of Portland Global Banks Fund and Portland Global Income Fund was 1.85% and 0.90%, respectively.

Prior to the restructuring on May 23, 2014 from a closed end to open end fund, the management fee rate applicable to the trust units of Portland Global Dividend Fund (now Series A2 units) was 1.95% per annum.

Prior to the restructuring of Portland Global Banks Fund, Portland Global Income Fund and Portland Global Dividend Fund the Manager received service fees from the Funds and facilitated the payment of such service fees to dealers whose advisors had clients who held units of the Funds. Service fees were calculated at a rate of 0.60%, 0.40% and 0.40%, respectively per annum, calculated daily and paid quarterly. After the restructurings such service fees were no longer applicable.

The Manager is reimbursed for any operating expenses it incurs on behalf of the Funds, 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 Funds on its expenses is not recoverable. The Manager also provides key management personnel to the Fund. The Manager may charge the Funds for actual time spent by its personnel (or those of its affiliates) in overseeing the day-to-day business affairs of the Funds. 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.

9. SOFT DOLLARS

A portion of the brokerage commissions (referred to as “soft dollars”) paid by the Funds 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 Funds 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 Funds during the periods ended September 30, 2015 and September 30, 2014. 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 Funds and the amount of additional absorbed operating expenses that the Manager chose not to charge to the Funds. All of the dollar amounts in the table below exclude applicable GST or HST.

| Year ended September 30, 2015 | Management Fees (\$) | Operating Expense Reimbursement (\$) | Absorbed Operating Expenses (\$) | Operating Expenses Reimbursed to Affiliates of the Manager (\$) |
|----------------------------------|-------------------------|--|--|---|
| Portland Advantage Fund | 83,169 | 28,447 | 103,160 | 4,118 |
| Portland Canadian Balanced Fund | 70,281 | 21,101 | 99,580 | 4,118 |
| Portland Canadian Focused Fund | 102,334 | 39,491 | 80,720 | 4,118 |
| Portland Global Banks Fund | 178,702 | 51,344 | 133,320 | 4,118 |
| Portland Global Income Fund | 104,684 | 36,035 | 121,980 | 4,118 |
| Portland Global Dividend Fund | 185,216 | 57,405 | 91,170 | 4,118 |
| Portland Value Fund | 603 | 259 | 38,130 | 831 |

| Year ended September 30, 2014 | Management Fees (\$) | Operating Expense Reimbursement (\$) | Service Fees (\$) | Absorbed Operating Expenses (\$) | Operating Expenses Reimbursed to Affiliates of the Manager (\$) |
|----------------------------------|-------------------------|--|-------------------|---|--|
| Portland Advantage Fund | 41,383 | 12,169 | - | 93,521 | 2,826 |
| Portland Canadian Balanced Fund | 40,011 | 11,456 | - | 88,658 | 2,826 |
| Portland Canadian Focused Fund | 66,667 | 20,870 | - | 88,449 | 2,826 |
| Portland Global Banks Fund | 257,209 | 113,543 | 28,653 | 75,352 | 2,826 |
| Portland Global Income Fund | 99,045 | 99,128 | 6,940 | 57,647 | 2,826 |
| Portland Global Dividend Fund | 140,857 | 109,785 | 32,493 | - | 2,303 |

The Funds owed the following amounts to the Manager as at September 30, 2015:

| | Management Fees (\$) | Operating Expense Reimbursement (\$) |
|---------------------------------|-------------------------|--|
| Portland Advantage Fund | 7,028 | 2,436 |
| Portland Canadian Balanced Fund | 5,847 | 1,670 |
| Portland Canadian Focused Fund | 8,032 | 3,418 |
| Portland Global Banks Fund | 14,639 | 4,215 |
| Portland Global Income Fund | 8,438 | 2,864 |
| Portland Global Dividend Fund | 14,099 | 4,305 |
| Portland Value Fund | 148 | 63 |

As at September 30, 2014 and October 1, 2013, the Funds did not owe any amounts to the Manager.

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

| | September 30, 2015 | September 30, 2014 | October 1, 2013 |
|--|--------------------|--------------------|-----------------|
| Portland Advantage Fund | | | |
| Series A Units | - | - | 12,500 |
| Series F Units | - | - | 2,500 |
| Portland Canadian Balanced Fund | | | |
| Series A Units | - | - | 12,500 |
| Series F Units | - | - | 2,500 |
| Portland Canadian Focused Fund | | | |
| Series A Units | - | - | 12,500 |
| Series F Units | - | - | 2,500 |
| Portland Global Banks Fund | | | |
| Series A Units | - | 306 | - |
| Series F Units | - | 209 | - |
| Portland Global Income Fund | | | |
| Series A Units | - | 105 | - |
| Series F Units | - | - | - |
| Portland Global Dividend Fund | | | |
| Series A Units | - | 308 | - |
| Series F Units | - | 102 | - |
| Portland Value Fund | | | |
| Series A Units | 12,500 | n/a | n/a |
| Series F Units | 2,500 | n/a | n/a |

The Manager, its officers and directors ("Related Parties") may invest in units of the Funds from time to time in the normal course of business. All such transactions are measured at net asset value per unit. The following table presents the percentage ownership of each of the Funds by Related Parties on each reporting date.

| | September 30, 2015 | September 30, 2014 | October 1, 2013 |
|---------------------------------|--------------------|--------------------|-----------------|
| Portland Advantage Fund | 3.4% | 4.0% | 29.0% |
| Portland Canadian Balanced Fund | 3.2% | 3.0% | 19.6% |
| Portland Canadian Focused Fund | 2.0% | 2.5% | 6.2% |
| Portland Global Banks Fund | 1.1% | 0.9% | n/a |
| Portland Global Income Fund | 2.2% | 1.9% | n/a |
| Portland Global Dividend Fund | 0.8% | 1.0% | n/a |
| Portland Value Fund | 2.1% | n/a | n/a |

Some Funds hold units of other investment funds that are also managed by the Manager. The tables below presents the number of units held of such Funds on each reporting date.

| As at September 30, 2015 | Portland Global Energy Efficiency and Renewable Energy Fund LP | As at September 30, 2014 | Portland Global Energy Efficiency and Renewable Energy Fund LP | Portland Private Income Fund |
|-------------------------------|--|-------------------------------|--|------------------------------|
| Portland Global Banks Fund | - | Portland Global Banks Fund | 2,478 | 1,242 |
| Portland Global Income Fund | 2,483 | Portland Global Income Fund | 2,483 | 866 |
| Portland Global Dividend Fund | 2,478 | Portland Global Dividend Fund | 2,478 | 1,242 |

As at October 1, 2013, none of the Funds held units of other investment funds managed by the Manager.

During the year ended September 30, 2015, commissions paid to Mandeville Private Client Inc., an affiliate of the manager on the brokered sale of Crown Capital Inc. common shares to some of the Funds were rebated to those Funds. Portland Global Banks Fund received \$8,379, Portland Global Income Fund received \$5,579 and Portland Global Dividend Fund received \$6,979. Such amounts have been included as 'Interest for distribution purposes' on the statements of comprehensive income.

11. BROKERAGE FACILITY

Each of Portland Global Banks Fund, Portland Global Income Fund and Portland Global Dividend 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.

These Funds have placed securities on account with RBCDS as collateral for their option writing strategy. In the event of default, 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 Funds in order to set off against amounts owing to them from the Funds. 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'.

Effective on their respective restructuring dates (note 1(b)), margin borrowing was no longer part of the investment strategy of these Funds. The minimum and maximum amounts borrowed under the RBCDS facility were:

| | Period ended September 30, 2014 | |
|-------------------------------|---------------------------------|------------------------------|
| | Minimum Amount Borrowed (\$) | Maximum Amount Borrowed (\$) |
| Portland Global Banks Fund | - | 2,583,963 |
| Portland Global Income Fund | - | 208,543 |
| Portland Global Dividend Fund | - | 1,442,928 |

Each of Portland Global Banks Fund, Portland Global Income Fund and Portland Global Dividend Fund has an Option Trading Agreement and Margin Agreement with Merrill Lynch Canada, Inc. (ML). The Funds have not borrowed any amounts from ML during the periods ended September 30, 2015 and September 30, 2014.

Each of Portland Global Banks Fund, Portland Global Income Fund and Portland Global Dividend 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, re-pledge, hypothecate or re-hypothecate 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 Transitioning Funds (note 2) adopted IFRS effective October 1, 2013. The effect of the Transitioning Funds' transition to IFRS is summarized as follows:

Transition elections

The only voluntary election adopted by the Transitioning Funds 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 | September 30, 2014 (\$) | October 1, 2013 (\$) |
|--|----------------------------|-------------------------|
| Portland Advantage Fund | | |
| Equity as reported under Canadian GAAP | 4,683,796 | 1,105,061 |
| Revaluation of investments at FVTPL | 4,238 | 898 |
| Net assets attributable to holders of redeemable units | 4,688,034 | 1,105,959 |
| Portland Canadian Balanced Fund | | |
| Equity as reported under Canadian GAAP | 3,800,460 | 1,038,984 |
| Revaluation of investments at FVTPL | 1,359 | 154 |
| Net assets attributable to holders of redeemable units | 3,801,819 | 1,039,138 |
| Portland Canadian Focused Fund | | |
| Equity as reported under Canadian GAAP | 5,722,974 | 3,440,765 |
| Revaluation of investments at FVTPL | 2,099 | (48) |
| Net assets attributable to holders of redeemable units | 5,725,073 | 3,440,717 |
| Portland Global Banks Fund | | |
| Equity as reported under Canadian GAAP | 11,028,332 | 25,892,692 |
| Revaluation of investments at FVTPL | 4,869 | 20,112 |
| Net assets attributable to holders of redeemable units | 11,033,201 | 25,912,804 |
| Portland Global Income Fund | | |
| Equity as reported under Canadian GAAP | 7,570,302 | 8,875,836 |
| Revaluation of investments at FVTPL | 12,749 | 6,538 |
| Net assets attributable to holders of redeemable units | 7,583,051 | 8,882,374 |

| Comprehensive Income | Year ended September 30, 2014 (\$) |
|---|--|
| Portland Advantage Fund | |
| Comprehensive income as reported under Canadian GAAP | 79,044 |
| Revaluation of investments at FVTPL | 3,340 |
| Increase (decrease) in net assets attributable to holders of redeemable units | 82,384 |
| Portland Canadian Balanced Fund | |
| Comprehensive income as reported under Canadian GAAP | 128,016 |
| Revaluation of investments at FVTPL | 1,205 |
| Increase (decrease) in net assets attributable to holders of redeemable units | 129,221 |
| Portland Canadian Focused Fund | |
| Comprehensive income as reported under Canadian GAAP | 330,838 |
| Revaluation of investments at FVTPL | 2,147 |
| Increase (decrease) in net assets attributable to holders of redeemable units | 332,985 |
| Portland Global Banks Fund | |
| Comprehensive income as reported under Canadian GAAP | 1,781,422 |
| Revaluation of investments at FVTPL | (15,243) |
| Increase (decrease) in net assets attributable to holders of redeemable units | 1,766,179 |
| Portland Global Income Fund | |
| Comprehensive income as reported under Canadian GAAP | 721,496 |
| Revaluation of investments at FVTPL | 6,211 |
| Increase (decrease) in net assets attributable to holders of redeemable units | 727,707 |

Revaluation of investments at FVTPL

Under Canadian GAAP, the Transitioning Funds measured the fair values of their 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 Transitioning Funds measure the fair values of their 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 Transitioning Funds' investments as at October 1, 2013 and September 30, 2014. The impact of these adjustments is presented below.

| | Impact on carrying amount of investments as at September 30, 2014 (\$) | Impact on carrying amount of investments as at October 1, 2013 (\$) | Impact on "Increase (decrease) in net assets attributable to holders of redeemable units" for the year ended September 30, 2014 (\$) |
|---------------------------------|--|---|--|
| Portland Advantage Fund | 4,238 | 898 | 3,340 |
| Portland Canadian Balanced Fund | 1,359 | 154 | 1,205 |
| Portland Canadian Focused Fund | 2,099 | (48) | 2,147 |
| Portland Global Banks Fund | 4,869 | 20,112 | (15,243) |
| Portland Global Income Fund | 12,749 | 6,538 | (6,211) |

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 Funds

Under Canadian GAAP, the Transitioning Funds accounted for 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 Transitioning Funds' 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.

13. COMPARISON OF NET ASSET VALUE

As at September 30, 2015, September 30, 2014 and October 1, 2013 there was no difference between the NAV per unit used for transactional purposes and the net assets attributable to holders of redeemable units per unit in these financial statements.

14. COMPARATIVE INFORMATION

Certain other comparative figures have been re-classified to conform with the financial statement presentation for the current year.

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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