

A hand is shown holding a glowing wireframe globe. The globe is composed of a network of white lines and dots, with a bright orange and yellow light source behind it, creating a lens flare effect. The background is dark blue with a network of white lines and dots, suggesting a global or digital theme.

# PORTLAND PRIVATE INCOME FUND

GLOBAL ASSETS DRIVING STEADY INCOME DISTRIBUTIONS



Portland Investment Counsel®

Buy. Hold. And Prosper.®

## OVERVIEW

The award winning Portland Private Income Fund (the Fund) seeks to preserve capital and provide income and above average long-term returns by investing primarily in a portfolio of private debt securities, either directly or indirectly through other funds, currently consisting of:

- Real Estate debt; primarily first mortgage floating-rate loans, asset backed on properties being developed and constructed for residential and commercial use across North America.
- Senior secured cash flow lending; to mid-market companies in North America and Europe, targeting loans characterized by robust legal structures, equity cushions and floating interest rates that provide quarterly income and improve returns in a rising interest rate environment.
- Maritime assets; primarily senior secured floating-rate loans to global shipping and other maritime businesses by engaging in asset-based financings secured by high-quality maritime assets.
- Infrastructure assets; by acquisition of a diversified portfolio of what we believe are high quality, core infrastructure, long duration assets with regulated/contracted revenues, a significant percentage of which are generated from cash distributions.

The Manager will invest some of the Fund's assets in investment products directly or indirectly managed by specialty investment managers which it believes have disciplined investment philosophies (a Specialty Investment Manager). The Manager decides whether the Partnership invests in a fund managed by a Specialty Investment Manager and the extent of the commitment to that fund but does not decide on the individual loans or investments which will comprise that Specialty Investment Manager's Fund. Aside from funds managed by Specialty Investment Managers, the Partnership does also co-invest or directly invest in opportunities presented by Specialty Investment Managers, at the Manager's discretion.

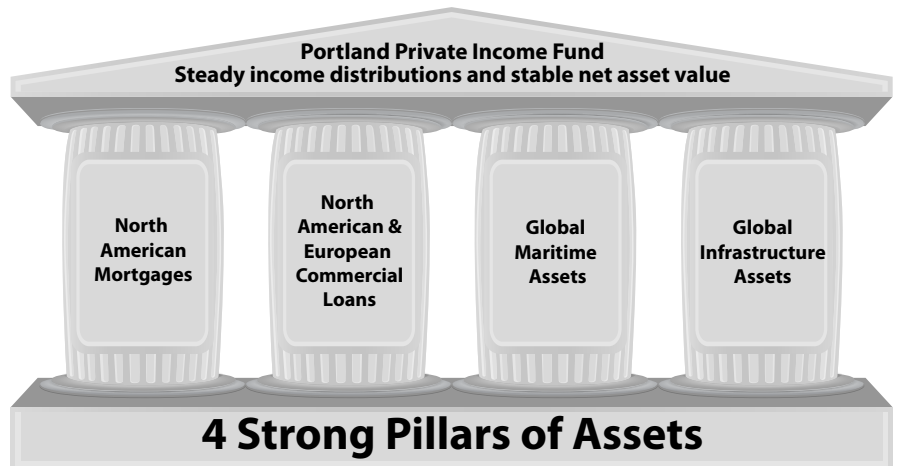
Current Specialty Investment Managers include the European Investment Fund (EIF) and its sister institution the European Investment Bank (EIB), EnTrust Global, Crown Capital Partners Inc. (Crown) Brookfield Asset Management Inc. (Brookfield), Bridge Investment Group Holdings Inc. (Bridge) and Northleaf Capital Partners (Northleaf). Christopher Wain-Lowe, the lead portfolio manager of the Fund, is a non-voting observer member of the investment committee of Crown Capital Partner Funding, LP (Crown Partner Funding) and is a member of the fund advisory board of Crown Capital Power Limited Partnership (Crown Power).

When creating this Fund, we wanted to build a portfolio that could straddle a variety of investment opportunities, be nimble and adapt to changing circumstances and align to the best opportunities within those circumstances, while delivering steady income distributions and a stable net asset value per unit.

The Fund provides two discrete offers to investors: the common units and preferred units; supported across four strong pillars of assets that are diversified by sector and geography: mortgages, commercial loans, maritime loans and infrastructure assets and operating leases.



Registered Plan Eligible



## AWARD WINNING



**Portland Private Income Fund**

WINNER OF THE 2021 CANADIAN HF AWARDS  
**Private Debt**

Best 1 Year Return **3rd Place**<sup>4</sup>    Best 3 Year Return **3rd Place**<sup>4</sup>

2021 CANADIAN HF AWARDS



**Portland Private Income Fund**

WINNER OF THE 2020 CANADIAN HF AWARDS  
**Private Debt**

Best 5 Year Return **3rd Place**<sup>4</sup>

2020 CANADIAN HF AWARDS



**Portland Private Income Fund**

WINNER OF THE 2018 CANADIAN HF AWARDS  
**Private Debt**

Best 5 Year Return **1st Place**<sup>4</sup>    Best 5 Year Sharpe Ratio **1st Place**<sup>4</sup>

2018 CANADIAN HF AWARDS



**PCMA AWARDS**  
PRIVATE CAPITAL  
DEALS OF THE YEAR

**PAST AWARD WINNER**  
Investment Fund Deal of the Year

## MORTGAGES



After the 2007-2008 global financial crisis, increased regulatory oversight of the banking sector resulted in more conservative lending standards and higher capital requirements. This tightened credit and reduced liquidity in the commercial real estate-backed debt market and created an attractive opportunity for non-traditional real estate lenders, as yields generally increased. This environment has persisted despite being more than a decade removed from the beginning of the 2007-2008 global financial crisis. In addition, beginning in early 2020, there was dislocation in credit markets across asset classes as a result of the worldwide COVID-19 pandemic. We believe that the ongoing conservatism of the bank market and market volatility has created and continues to create opportunities to identify and invest in attractive commercial real estate debt instruments. In July 2021 Bridge Investment Group (Bridge) was selected as one of the Fund's Specialty Investment Managers to complement the Fund's existing Canadian-centric



portfolio administered by licensed mortgage administrators, including currently MarshallZehr Group Inc. Bridge is a leading US vertically integrated real estate investment manager currently operating in 40 U.S. states supported by over 1,600 employees.

## COMMERCIAL LOANS AND ASSETS

We believe that middle-market companies (revenues between \$50 million and \$500 million) are vital to economies, yet often they have remarkably few alternatives to access growth capital to expand their operations, fund acquisitions, or recapitalize. For instance, Canada's financial landscape is dominated by chartered banks and private equity funds, whose financial terms and dilutive financing structures are often ill-suited to meet the demands of mid-market companies. There is, we believe, a clear funding gap between equity providers and bank debt. Market volatility and continued banking regulatory changes have exacerbated the funding gap, as banks further limit their willingness to extend adequate credit, so providing the increasing growth opportunity for focused specialty finance providers seeking attractive risk adjusted returns. Crown was selected as a Specialty investment Manager upon the inception of the Fund and Northleaf and was selected in 2021.



## MARITIME LOANS AND ASSETS



Global  
Maritime  
Assets

We believe the global financial crisis dislocated the shipping industry's previous propensity to over-extend by pre-ordering new vessels and simultaneously caused the banking industry to conserve capital by reducing exposure to the capital-intensive shipping industry. This upheaval wrought a more cautious approach among ship owners and less access to finance.

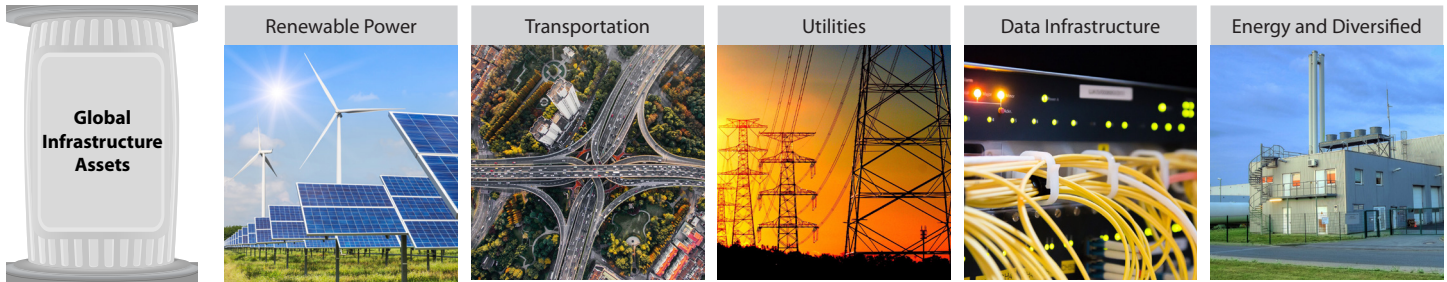
Christopher Wain-Lowe has previous direct experience of European banking, having been employed by Barclays PLC (Barclays) for nearly 20 years. During that time, Christopher spent over 3 years based in Athens, Greece, ultimately as CEO of Barclays business in Greece responsible for its large shipping portfolio. These earlier experiences assisted the decision in March 2018 to select EnTrust Global as one of the Fund's Specialty Investment Managers to complement the Fund's existing portfolio via its maritime team and lending fund, Blue Ocean Fund (Blue Ocean). EnTrust Global is a leading global alternative asset manager and is one of the world's largest hedge fund investors.

The investment strategy of Blue Ocean is to seek to generate attractive risk adjusted returns by targeting direct lending opportunities to vessel owners by engaging in asset-based financings secured by high-quality maritime assets. Blue Ocean is primarily engaged in lending to and investing in shipping companies, non-U.S. oil services companies and other maritime businesses and operations related directly thereto. Blue Ocean seeks to exploit the current twin dislocations in the shipping and European banking sectors by serving as an alternative source of liquidity to companies as traditional lenders reduce their activities.








We anticipate current financing opportunities to be diverse but to include the uneconomic selling by European banks of shipping assets at discounts based on their inability to afford funding such loans, as well as regulatory pressure to reduce exposure. Also, the disruption from COVID-19 has accelerated banks' wishes to divest maritime assets and so forsake relationships with strong counterparties which presents added opportunities. The large blue-chip ship owners, which historically have had no issues finding lower-cost financing from traditional shipping banks, are now seeking alternative forms of capital providers to finance acquisitions or debt maturities that are coming due.

## INFRASTRUCTURE ASSETS AND LEASES



We believe there has been systemic underinvestment in infrastructure which means that a significant amount of private capital is needed to address the global funding gap. This market's activity has been catalyzed further by strategic and infrastructure fund divestment programs. Furthermore, recent government initiatives are expected to create additional opportunities. Some examples of these assets are depicted above.

Infrastructure assets have certain characteristics that we see as displaying attractive attributes for the Fund. These characteristics include having a significant cash yield, lower volatility, diversification, inflation protection and long duration. Please see below.

 <p>Significant Cash Yield</p>	 <p>Lower Volatility</p>	 <p>Diversification</p>	 <p>Inflation Protection</p>	 <p>Long Duration</p>
<p>Significant percentage of returns can be generated from cash distributions</p>	<p>Regulated / contracted revenues from operating assets</p>	<p>Low correlation of infrastructure to other major asset classes</p>	<p>Inflation-linked cash flows provide natural hedge to rising liabilities</p>	<p>Long operational life of underlying assets</p>

In December 2018, we selected Brookfield as one of the Fund's Specialty Investment Managers, Brookfield is one of the largest global infrastructure investors and operators.

### International Infrastructure Assets

In order to be able to acquire high-quality core assets, Brookfield is focused on essential services with inelastic demand. It will identify strong barriers to entry, due to regulatory and/or contractual frameworks and attractive locations. Brookfield will seek sustainable, long-term, inflation-linked cash flows with high operating margins. In order to invest on a value basis, Brookfield will tap into proprietary deal flow utilizing its proactive outreach program and advantages of scale and operating expertise. It intends to capitalize on a broad global mandate to invest opportunistically where pockets of value exist and to leverage its ability to execute large, multifaceted transactions, where there is less competition. In order to enhance value with an operations-oriented approach, Brookfield will focus on acquiring control or co-control of investments. Brookfield will implement an active management approach through the use of business plans. It will originate accretive organic growth projects and add-on acquisitions as it seeks to execute opportunistic exits in order to maximize value.



### Renewable Energy Infrastructure Assets in Developing (Non-OECD) Countries

We believe that renewable energy and energy efficiency are at the core of sustainable investing, which in turn is central to the transition to a less carbon- intensive and more sustainable global energy system. The investment in renewable energy and energy efficiency has grown rapidly over the past few years, as costs decline sharply especially for solar photovoltaics and wind power.

The Fund has therefore invested in Portland Global Energy Efficiency and Renewable Energy Fund LP (Portland GEEREF LP), an investment fund also managed by the Manager via Christopher Wain-Lowe. The investment objective of Portland GEEREF LP is to provide income and above average long- term returns by investing primarily in the B units of GEEREF, advised by the EIF and sub-advised by the EIB, the largest multilateral borrower and lender in the European Union.

B units of GEEREF feature a preferred return mechanism and faster return of capital over the A shares currently held by the public sponsors. We believe the preferred return mechanism affords the B unitholders and so the Fund, a particularly attractive risk-adjusted return.

### Power Generation Infrastructure Assets

The electricity markets in numerous regions in North America have become challenged. Mismanagement by the public sector has stressed electricity prices in numerous regions in North America. In Ontario electricity prices had increased over 70% in less than 10 years. Due to underfunding of capital maintenance funds and an aging distribution system, we believe electricity prices are expected to continue to increase.



Many commercial enterprises are heavy users of electricity and the increased rates have affected their competitiveness. The private sector is responding and a private utility model is emerging. Crown Power is working with private operators to build onsite Integrated Energy Platforms (IEPs) that include a combined heat and power unit to provide electricity at a lower and more predictable cost. The operators enter into long-term contracts to provide electricity and generate strong risk adjusted returns on capital deployed. The IEPs are natural gas fired generators with a heat exchanger that supplements or replaces the electricity, end customer purchase from a public utility and provides heat as a by-product. End customers are typically mid to large scale users and essentially make the decision to lock-in electricity prices by increasing exposure to natural gas prices.

Combined heat and power units are proven technology with thousands of systems installed across North America and Europe and typically remain backed-up to the grid providing maximum reliability.

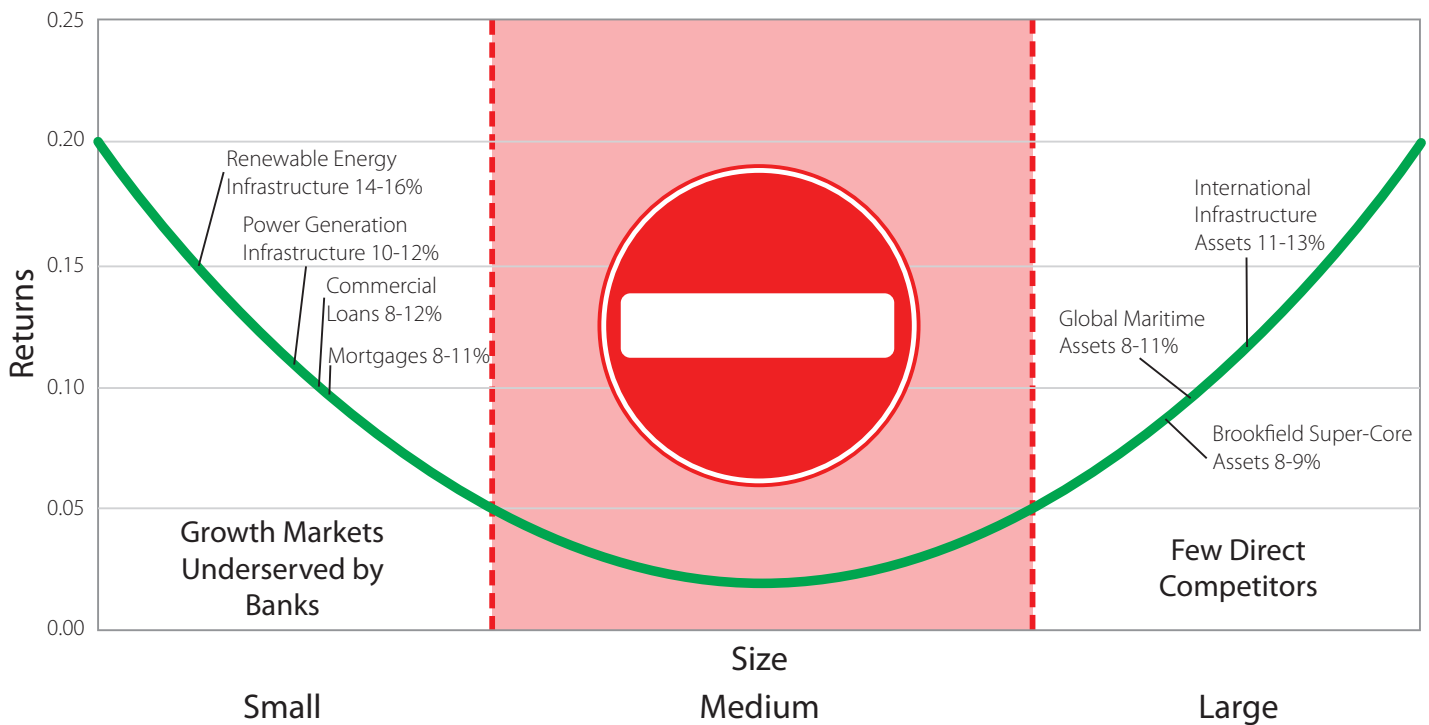
***In Ontario electricity prices had increased over 70% in less than 10 years.***

## TARGETED RETURNS IN A COMPETITIVE, RISK-ADJUSTED FRAMEWORK

A key consideration to our seeking exposure to all four pillars: mortgages, commercial loans, maritime assets and infrastructure, is our belief that such diversification lowers the correlation of risk to other major asset classes including publicly traded asset classes, thereby enhancing the attractiveness of the Fund's risk-adjusted returns.

The figure shows the expected returns of the different investments along the y-axis and the size of the underlying investment entity along the x-axis. This illustrates that we target to invest in growth markets that are under served by banks or invest in areas where there are few direct competitors. The scope of investments that range in between these two types of opportunities are likely an area where we would typically not invest since we would expect to receive lower returns due to competition.

The target returns illustrated are net of the fees that the Fund pays to the mortgage administrator and Specialty Investment Manager.



## PORTFOLIO MANAGER



**Chris Wain-Lowe, BA, MBA**  
**Chief Investment Officer, Executive Vice President and Portfolio Manager**

Christopher Wain-Lowe has over 35 years of business management and global financial services experience – living and working in four continents: Europe, Asia, Africa, North America as well as the Caribbean, which also embraced corporate experience in the energy, natural resources and utility industries.

He was the Chief Executive Officer of Barclays business in Greece in 1994 and 1995, the Chief Executive Officer of Barclays’ South African operations in Botswana from August 1997 to September 2000 and thereafter the Chief Executive Officer of National Commercial Bank Jamaica Limited before joining the portfolio management team of Portland Investment Counsel in October 2002.

### Potential Risks

While the Manager, MarshallZehr Group Inc. (Mortgage Administration #11955 and Mortgage Brokerage #12453), Crown Capital, EnTrust Global, Bridge Investment Group Holdings Inc., Brookfield, European Investment Fund and Northleaf Capital Partners exercise due diligence throughout the investment process, no guarantees can be given to offset a risk of loss and investors should consult with their Financial Advisor prior to investing in the Fund. The Manager believes that given the character of the private debt investments that are making up the majority of the Fund’s holdings, the Fund has less exposure to the market risk than a similar fund invested in publicly listed securities. The Manager believes the following risks are key to the Fund’s performance: General Market & Economic Conditions, Pandemic and Market Disruption, Financial Fraud, Investments in Small or Middle Market Companies, International Maritime Industry, Limitations of Due Diligence, Dependence on the Manager. Please read the “Risk Factors” section in the Offering Memorandum for a more detailed description of all the relevant risks.

	Series A	Series F <sup>2</sup>	Series 0 <sup>3</sup>	Series AP	Series FP <sup>4</sup>
Portland Private Income Fund Subscription Code	PTL140	PTL141	PTL142	-	-
Portland Private Income Fund	PTL700	PTL006	PTL056	PTL705	PTL026
Portland Private Income Fund Subscription Code USD\$	PTL150	PTL151	PTL152	-	-
Portland Private Income Fund USD\$	PTL701	PTL016	PTL066	PTL706	PTL027

## FUND FACTS

<b>Minimum Investment:</b>	\$2,500 for Accredited Investors; \$150,000 for non-individuals. Minimum additional investments are \$500 <sup>1</sup> .
<b>Targeted Distribution</b>	Targeted distribution is 8% for Series A and 9% for Series F, paid annually based on the initial net asset value per unit of \$50.00, anticipated to be fully funded, paid monthly, net of Mortgage Administration/Specialty Investment Manager fees, management fees, trailer fees and expenses. Distribution rate for Series AP and Series FP is reviewed on a quarterly basis. Prime rate is based on the Royal Bank of Canada Prime Rate. As of July 1, 2022, the distribution rate for Series AP is 3.70% and for Series FP it is 4.70%.

<sup>1</sup> Accredited Investors as defined under National Instrument 45-106.

<sup>2</sup> Generally available through dealers who have entered into a Portland Series F Dealer Agreement.

<sup>3</sup> Available to certain institutional and other investors who generally make a minimum purchase of \$500,000.

<sup>4</sup> The Canadian Hedge Fund awards are based solely on quantitative performance data of Canadian hedge funds with Fundata Canada managing the collection and tabulation of the data to determine the winners. There is no nomination process or subjective assessment in identifying the winning hedge funds. The 2018 awards were based on 207 Canadian hedge funds to June 30th, 2018; the 2019 awards were based on 197 Canadian hedge funds to June 30th, 2019; the 2020 awards were based on 221 Canadian hedge funds to June 30th, 2020 and the 2021 awards are based on 226 Canadian hedge funds to June 30, 2021. The Sharpe ratio is a measure for calculating risk-adjusted returns. The Sharpe ratio is the portfolio return in excess of the risk-free rate divided by the volatility of the portfolio.

The PORTLAND PRIVATE INCOME FUND (the “Fund”) is not publicly offered. It is only available under prospectus and other exemptions to investors who meet certain eligibility or minimum purchase requirements such as “accredited investors”. Information herein pertaining to the Fund is solely for the purpose of providing information and is not to be construed as a public offering in any jurisdiction of Canada. The offering of Units of the Fund is made pursuant to an Offering Memorandum and the information contained herein is a summary only and is qualified by the more detailed information in the Offering Memorandum.

Portland Investment Counsel Inc. has not independently verified all the information and opinions given in this material. Accordingly, no representative or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this material.

Information presented in this material should be considered for background information only and should not be construed as investment, tax or financial advice. Please consult a Financial Advisor. Every effort has been made to ensure the utmost accuracy of the information provided. Information provided is believed to be reliable when published. All information is subject to modification from time to time without notice. Consent is required for any reproduction, in whole or in part, of this piece and/or of its images and concepts. Portland Investment Counsel is a registered trademark of Portland Holdings Inc. The Unicorn Design is a trademark of Portland Holdings Inc. Used under license by Portland Investment Counsel Inc. Buy, Hold, And Prosper. is a registered trademark of AIC Global Holdings Inc. used under license by Portland Investment Counsel Inc.

Portland Investment Counsel Inc., 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7 Tel: 1-888-710-4242 • Fax: 1-866-722-4242 • www.portlandic.com • info@portlandic.com