



PORTLAND
INVESTMENT COUNSEL®

PORTLAND MUTUAL FUNDS
ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2016

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Chairman's Message



On September 30, 2016, we completed the 2016 fiscal year. What a year it was. Who would have predicted at the start of the year:

- Near zero interest rates continuing;
- The year would end with fears about a failure of a prominent German bank – Deutsche Bank AG – as opposed to that of a Greek bank;
- Juan Manuel Santos, President of Colombia would win the Nobel peace prize while a referendum in Colombia would vote NO to the peace accord;
- A referendum in Great Britain would result in “Brexit” – a decision for Great Britain to separate from the European Union; and
- The way the US election has unfolded.

As in previous years, these reflections serve to remind me that the world is too complex to predict the major shocks that will take place. There have always been shocks. There will always be shocks. Volatility is harsh but it cannot be allowed to distract our attention from our objective, which is wealth creation.

With wealth creation as the objective, I am struck by the paradox that appears to currently exist in the wealth management industry. Consider the following:

- It is virtually impossible to create wealth compounding at interest rates near zero. In other words, wealth creation requires doing something other than investing 100% in GIC's.
- There are people who are creating wealth. Regardless of one's views of the virtues of the top “1%”, when it comes to wealth creation it is incumbent upon us to pay attention to how they created their wealth. And, the recipe is not new. They tend to create their wealth through long-term ownership of a few quality businesses in growth industries and which make prudent use of leverage.
- The world appears to be stuck in low growth mode. Concurrently, wealth appears to be polarizing. That would suggest that filling one's basket with a little bit of everything is not likely to create wealth. On the contrary, it would suggest that “focus” is an increasingly important ingredient in the wealth creation recipe.

The above logic reaffirms what we have always believed, namely, that to create wealth, one must invest in a few quality businesses and hold them for the long term.

The challenge is that, while this may sound simple, it is not easy.

- Inherent in the practice of investing in a few quality businesses is the absence of the use of diversification as insurance against ignorance. The industry calls this “concentration risk”. In other words, focused investing requires an understanding of the few businesses in which one invests.
- Long-term investing inherently implies that one must have:
 - The financial capacity to hold on to an investment for an extended period of time (in industry jargon, the ability to withstand “illiquidity risk”; and
 - Control of emotions so as to tolerate volatility (otherwise known as “market risk”).

The good news is that:

- “risk” is typically associated with a “premium”;
- While the outlook for global economies and markets is outside the control of the investor, sound financial planning and professional advice can help an investor manage the risks associated with focused investing, illiquid assets and market price volatility and, thereby, earn the premium returns associated with assuming those risks.

And herein lies the paradox. At a time when investors most need financial advice, there is a movement in the industry away from this advice. Don't get me wrong. I am not critical of the technological innovations behind index funds, ETF's, discount brokerage and/or robo-advice. Nor am I a proponent of high fees being charged for low-value services (e.g. closet indexing, inadequate personal financial planning). On the contrary, I am excited by the potential of these technologies to reduce costs and push advisors to provide true quality advice. My concern is that, at a time when investors, more than ever, need quality advice, they may be encouraged to forego that advice and that this could have long-term impacts on their ability to realize their wealth creation objectives.

At Portland Investment Counsel Inc., we remain dedicated to helping clients achieve their wealth creation objectives. In a low-return world, this requires us to place an ever increasing focus on:

- Investing in high quality assets;
- Offering quality investment options that include both, public and private assets which have varying degrees of income and liquidity; and
- Working with professional advisors to help them do the client assessments and financial planning that are necessary to construct optimal and suitable portfolios.

“Michael Lee-Chin”

Executive Chairman, CEO, Portfolio Manager and Director
Portland Investment Counsel Inc.

Management's Responsibility for Financial Reporting

The accompanying financial statements of Portland Advantage Fund, Portland Canadian Balanced Fund, Portland Canadian Focused Fund, Portland Global Banks Fund, Portland Global Dividend Fund, Portland Global Income Fund and Portland Value Fund (Funds) have been prepared by Portland Investment Counsel Inc. in its capacity as manager (Manager) of the Funds. The Manager of the Funds is responsible for the information and representations contained in these financial statements. The Board of Directors of the Manager, in its capacity as trustee of the Funds, has approved these 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 5, 2016**

"Robert Almeida"

**Robert Almeida,
Director
December 5, 2016**

Independent Auditor's Report

December 5, 2016

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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

Statements of Financial Position

as at September 30,	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	\$ 178,864	\$ 16,134
Subscriptions receivable	1,830	37,118
Dividends receivable	15,774	14,885
Investments (note 5)	5,689,070	5,076,016
	<u>5,885,538</u>	<u>5,144,153</u>
Liabilities		
Current Liabilities		
Management fees payable	7,286	7,028
Expenses payable	2,767	2,436
Redemptions payable	559	7,017
	<u>10,612</u>	<u>16,481</u>
Net Assets Attributable to Holders of Redeemable Units	\$ 5,874,926	\$ 5,127,672
Net Assets Attributable to Holders of Redeemable Units Per Series		
Series A	2,770,840	2,617,354
Series F	3,102,977	2,504,363
Series G	1,109	5,955
	<u>\$ 5,874,926</u>	<u>\$ 5,127,672</u>
Number of Redeemable Units Outstanding (note 6)		
Series A	235,362	244,347
Series F	255,828	227,399
Series G	102	600
Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	11.77	10.71
Series F	12.13	11.01
Series G	10.90	9.92

Approved by the Board of Directors of 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,	2016	2015
Income		
Net gain (loss) on investments		
Dividends	\$ 215,283	\$ 301,236
Interest for distribution purposes	15,580	730
Net realized gain (loss) on investments	71,312	691
Change in unrealized appreciation (depreciation) on investments	540,078	(853,460)
	<u>842,253</u>	<u>(550,803)</u>
Other income		
Foreign exchange gain (loss) on cash and other net assets	(7,695)	5,476
Total income (net)	<u>834,558</u>	<u>(545,327)</u>
Expenses		
Management fees (note 8)	93,868	93,641
Securityholder reporting costs	108,042	116,911
Audit fees	12,614	16,245
Custodial fees	4,092	5,704
Legal fees	3,828	5,456
Independent review committee fees	3,914	4,400
Interest expense	-	1,124
Withholding tax expense	1,396	3,422
Transaction costs	2,456	4,924
Total operating expenses	<u>230,210</u>	<u>251,827</u>
Less: expenses absorbed by Manager	<u>(99,404)</u>	<u>(116,574)</u>
Net operating expenses	<u>130,806</u>	<u>135,253</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>\$ 703,752</u>	<u>\$ (680,580)</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	333,352	(390,848)
Series F	370,146	(288,879)
Series G	254	(853)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	1.36	(1.64)
Series F	1.46	(1.28)
Series G	0.87	(1.42)

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,	2016		2015	
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period				
Series A	\$	2,617,354	\$	2,658,899
Series F		2,504,363		2,022,327
Series G		5,955		6,808
		<u>5,127,672</u>		<u>4,688,034</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units				
Series A		333,352		(390,848)
Series F		370,146		(288,879)
Series G		254		(853)
		<u>703,752</u>		<u>(680,580)</u>
Distributions to Holders of Redeemable Units				
From net investment income				
Series A		(65,470)		-
Series F		(103,543)		(18,060)
Series G		(163)		-
		<u>(169,176)</u>		<u>(18,060)</u>
From return of capital				
Series A		-		(838)
Series F		-		(892)
Series G		-		(2)
		<u>-</u>		<u>(1,732)</u>
Net Decrease from Distributions to Holders of Redeemable Units		<u>(169,176)</u>		<u>(19,792)</u>
Redeemable Unit Transactions				
Proceeds from redeemable units issued				
Series A		280,089		1,105,738
Series F		440,846		1,120,237
Series G		2,000		-
		<u>722,935</u>		<u>2,225,975</u>
Reinvestments of distributions				
Series A		64,597		838
Series F		101,907		18,822
Series G		163		2
		<u>166,667</u>		<u>19,662</u>
Redemptions of redeemable units				
Series A		(459,082)		(756,435)
Series F		(210,742)		(349,192)
Series G		(7,100)		-
		<u>(676,924)</u>		<u>(1,105,627)</u>
Net Increase (Decrease) from Redeemable Unit Transactions		<u>212,678</u>		<u>1,140,010</u>
Net Assets Attributable to Holders of Redeemable Units at End of Period				
Series A		2,770,840		2,617,354
Series F		3,102,977		2,504,363
Series G		1,109		5,955
	\$	<u>5,874,926</u>	\$	<u>5,127,672</u>

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

Statements of Cash Flows

for the periods ended September 30,	2016		2015	
Cash Flows from Operating Activities				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$	703,752	\$	(680,580)
Adjustments for:				
Net realized (gain) loss on investments		(71,312)		(691)
Change in unrealized (appreciation) depreciation on investments		(540,078)		853,460
Unrealized foreign exchange (gain) loss on cash		47		(5,476)
(Increase) decrease in interest receivable		-		361
(Increase) decrease in dividends receivable		(889)		(4,122)
Increase (decrease) in management fees payable and expenses payable		589		9,464
Purchase of investments		(1,787,298)		(3,203,119)
Proceeds from sale of investments		1,785,634		1,216,822
Net Cash Generated (Used) by Operating Activities		90,445		(1,813,881)
Cash Flows from Financing Activities				
Distributions to holders of redeemable units, net of reinvested distributions		(2,509)		(130)
Proceeds from redeemable units issued		712,151		2,261,662
Amount paid on redemption of redeemable units		(637,310)		(1,098,610)
Net Cash Generated (Used) by Financing Activities		72,332		1,162,922
Net increase (decrease) in cash and cash equivalents		162,777		(650,959)
Unrealized foreign exchange gain (loss) on cash		(47)		5,476
Cash and cash equivalents - beginning of period		16,134		661,617
Cash and cash equivalents - end of period		178,864		16,134
Cash and cash equivalents comprise:				
Cash at bank		178,864		16,134
	\$	178,864	\$	16,134
From operating activities				
Interest received, net of withholding tax	\$	15,580	\$	1,091
Dividends received, net of withholding tax	\$	212,998	\$	233,334
From financing activities				
Interest paid	\$	-	\$	1,124

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

Schedule of Investment Portfolio

as at September 30, 2016

No. of Shares/ Par Value	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
BONDS				
Bermuda				
200,000	Digicel Group Limited Callable 8.25% September 30, 2020	\$ 239,606	\$ 227,951	3.9%
EQUITIES				
Bermuda				
259	Brookfield Business Partners L.P.	9,003	8,936	
7,320	Brookfield Infrastructure Partners L.P.	199,630	332,664	
7,325	Brookfield Property Partners L.P.	165,030	219,750	
8,685	Invesco Ltd.	312,774	356,299	
		686,437	917,649	15.6%
Canada				
62,500	Baytex Energy Corp.	514,543	348,125	
3,940	BCE Inc.	192,885	238,725	
12,990	Brookfield Asset Management Inc. Class A	465,873	599,229	
6,071	CI Financial Corp.	196,631	152,807	
29,257	Crescent Point Energy Corp.	727,409	506,146	
9,080	IGM Financial Inc.	423,392	321,614	
13,580	Northland Power Inc.	230,580	331,895	
6,114	The Bank of Nova Scotia	383,828	425,045	
4,435	The Toronto-Dominion Bank	219,406	258,294	
		3,354,547	3,181,880	54.2%
Luxembourg				
3,385	Millicom International Cellular SA	249,909	230,361	3.9%
Panama				
1,028	Copa Holdings SA, Class A	138,064	118,590	2.0%
United Kingdom				
6,230	Liberty Global PLC LiLAC Class A	253,578	225,505	
8,785	Liberty Global PLC LiLAC Class C	394,423	323,290	
		648,001	548,795	9.3%
United States				
1,075	Berkshire Hathaway Inc.	153,546	203,753	
3,262	Franklin Resources, Inc.	180,750	152,225	
533	Herc Holdings, Inc.	47,268	23,565	
1,600	Hertz Global Holdings, Inc.	183,550	84,301	
		565,114	463,844	7.9%
	Total equities	5,642,072	5,461,119	92.9%
	Total investment portfolio	5,881,678	5,689,070	96.8%
	Transaction costs	(4,031)	-	-
		\$ 5,877,647	5,689,070	96.8%
	Other assets less liabilities		185,856	3.2%
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		\$ 5,874,926	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, 2016:

Assets	Held for Trading (\$)	Financial assets at FVTPL Designated at Inception (\$)	Financial assets at amortized cost (\$)	Total (\$)
Cash and cash equivalents	-	-	178,864	178,864
Subscriptions receivable	-	-	1,830	1,830
Dividends receivable	-	-	15,774	15,774
Investments	-	5,689,070	-	5,689,070
Total	-	5,689,070	196,468	5,885,538

Liabilities	Held for Trading (\$)	Financial liabilities at FVTPL Designated at Inception (\$)	Financial liabilities at amortized cost (\$)	Total (\$)
Management fees payable	-	-	7,286	7,286
Expenses payable	-	-	2,767	2,767
Redemptions payable	-	-	559	559
Total	-	-	10,612	10,612

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 (\$)	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
Total	-	5,076,016	68,137	5,144,153

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

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the years ended September 30, 2016 and September 30, 2015.

Category	Net gains (losses) (\$)	
	2016	2015
Financial assets at FVTPL		
Held for Trading	-	-
Designated at Inception	842,253	(550,803)
Total financial assets at FVTPL	842,253	(550,803)

(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, 2016 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 \$273,056 (September 30, 2015: \$253,801). 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, 2016 and September 30, 2015.

By Geographic Region	September 30, 2016	September 30, 2015
Canada	54.2%	57.9%
Bermuda	19.5%	15.1%
United Kingdom	9.3%	12.2%
United States	7.9%	10.4%
Luxembourg	3.9%	-
Other Net Assets (Liabilities)	3.2%	1.0%
Panama	2.0%	1.1%
Cayman Islands	-	2.3%
Total	100.0%	100.0%

By Industry Sector	September 30, 2016	September 30, 2015
Asset Management and Custody Banks	27.0%	17.8%
Oil and Gas Exploration and Production	14.5%	12.5%
Diversified Banks	11.6%	12.4%
Cable & Satellite	9.3%	-
Wireless Telecommunication Service	7.8%	-
Electric Utilities	5.7%	5.5%
Independent Power Producers and Energy Traders	5.6%	-
Integrated Telecommunication Services	4.1%	12.2%
Real Estate Operating Companies	3.7%	4.1%
Multi-Sector Holdings	3.5%	-
Other Net Assets (Liabilities)	3.2%	1.0%
Airlines	2.0%	-
Trucking	1.4%	3.5%
Trading Companies & Distributors	0.4%	-
Construction and Engineering	0.2%	-
Diversified Real Estate Activity	-	10.6%
Regulated Power Generation	-	6.7%
Telecom Carriers	-	5.3%
Property and Casual Insurance	-	2.9%
Real Estate Development	-	2.3%
Integrated Oil and Gas	-	1.2%
Air Freight Transportation	-	1.1%
Exchange Traded Fund	-	0.9%
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 tables below indicate the foreign currencies to which the Fund had significant exposure at September 30, 2016 and 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, 2016

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
United States Dollar	15,280	2,048,143	2,063,423	764	102,407	103,171
Swedish Krona	-	230,361	230,361	-	11,518	11,518
Total	15,280	2,278,504	2,293,784	764	113,925	114,689
% of net assets attributable to holders of redeemable units	0.3%	38.8%	39.1%	-	1.9%	1.9%

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%	-	1.9%	1.9%

Interest Rate Risk

As at September 30, 2016 and September 30, 2015 the Fund did not have significant direct exposure to interest rate risk.

Credit Risk

As at September 30, 2016 and 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, 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, 2016 and 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, 2016 and September 30, 2015.

	Assets at fair value as at September 30, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities - Long	5,461,119	-	-	5,461,119
Bonds - Long	-	227,951	-	227,951
Total	5,461,119	227,951	-	5,689,070

	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

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.

(d) STRUCTURED ENTITIES

The Fund's investments in ETFs are susceptible to market price risk arising from uncertainties about future values. The investment manager makes investment decisions after extensive due diligence on the strategy and overall quality of the ETF's manager.

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	-

As at September 30, 2016 and September 30, 2015, the Fund did not have exposure to any Investee Funds.

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

Statements of Financial Position

as at September 30,	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	\$ 579,321	\$ 363,671
Subscriptions receivable	8,550	300
Receivable for investments sold	146,210	-
Interest receivable	-	48
Dividends receivable	13,478	9,863
Investments (note 5)	4,935,764	3,303,117
	<u>5,683,323</u>	<u>3,676,999</u>
Liabilities		
Current Liabilities		
Management fees payable	6,438	5,847
Expenses payable	2,678	1,670
Redemptions payable	8,952	401
	<u>18,068</u>	<u>7,918</u>
Net Assets Attributable to Holders of Redeemable Units	<u>\$ 5,665,255</u>	<u>\$ 3,669,081</u>
Net Assets Attributable to Holders of Redeemable Units Per Series		
Series A	2,525,072	2,738,271
Series F	3,139,072	822,922
Series G	1,111	107,888
	<u>\$ 5,665,255</u>	<u>\$ 3,669,081</u>
Number of Redeemable Units Outstanding (note 6)		
Series A	188,496	215,918
Series F	227,788	62,993
Series G	91	9,313
Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	13.40	12.68
Series F	13.78	13.06
Series G	12.22	11.58

Approved by the Board of Directors of 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,	2016	2015
Income		
Net gain (loss) on investments		
Dividends	\$ 145,390	\$ 140,015
Interest for distribution purposes	5,383	4,098
Net realized gain (loss) on investments	58,252	175,040
Change in unrealized appreciation (depreciation) on investments	380,584	(148,935)
	<u>589,609</u>	<u>170,218</u>
Other income		
Foreign exchange gain (loss) on cash and other net assets	(15,509)	(563)
Total income (net)	<u>574,100</u>	<u>169,655</u>
Expenses		
Management fees (note 8)	78,083	79,457
Securityholder reporting costs	92,624	107,437
Audit fees	12,606	16,245
Custodial fees	2,228	2,833
Legal fees	2,438	5,456
Independent review committee fees	3,912	4,400
Interest expense	-	132
Withholding tax expense	3,000	2,711
Transaction costs	2,557	2,223
Total operating expenses	<u>197,448</u>	<u>220,894</u>
Less: expenses absorbed by Manager	(88,410)	(112,568)
Net operating expenses	<u>109,038</u>	<u>108,326</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>\$ 465,062</u>	<u>\$ 61,329</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	251,372	22,471
Series F	216,706	37,872
Series G	(3,016)	986
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	1.19	0.10
Series F	1.61	0.38
Series G	(0.80)	0.11

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,	2016		2015	
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period				
Series A	\$	2,738,271	\$	2,419,511
Series F		822,922		1,275,406
Series G		107,888		106,902
		<u>3,669,081</u>		<u>3,801,819</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units				
Series A		251,372		22,471
Series F		216,706		37,872
Series G		(3,016)		986
		<u>465,062</u>		<u>61,329</u>
Distributions to Holders of Redeemable Units				
From net investment income				
Series A		-		-
Series F		(7,049)		-
Series G		-		-
		<u>(7,049)</u>		<u>-</u>
From net realized gains on investments				
Series A		(93,731)		(7,772)
Series F		(40,080)		(4,097)
Series G		(3,552)		(328)
		<u>(137,363)</u>		<u>(12,197)</u>
Net Decrease from Distributions to Holders of Redeemable Units		<u>(144,412)</u>		<u>(12,197)</u>
Redeemable Unit Transactions				
Proceeds from redeemable units issued				
Series A		284,690		927,433
Series F		2,638,188		582,776
Series G		1,000		-
		<u>2,923,878</u>		<u>1,510,209</u>
Reinvestments of distributions				
Series A		86,726		7,478
Series F		46,553		4,347
Series G		3,552		328
		<u>136,831</u>		<u>12,153</u>
Redemptions of redeemable units				
Series A		(742,256)		(630,850)
Series F		(538,168)		(1,073,382)
Series G		(104,761)		-
		<u>(1,385,185)</u>		<u>(1,704,232)</u>
Net Increase (Decrease) from Redeemable Unit Transactions		<u>1,675,524</u>		<u>(181,870)</u>
Net Assets Attributable to Holders of Redeemable Units at End of Period				
Series A		2,525,072		2,738,271
Series F		3,139,072		822,922
Series G		1,111		107,888
	\$	<u>5,665,255</u>	\$	<u>3,669,081</u>

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

Statements of Cash Flows

for the periods ended September 30,	2016		2015	
Cash Flows from Operating Activities				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$	465,062	\$	61,329
Adjustments for:				
Net realized (gain) loss on investments		(58,252)		(175,040)
Change in unrealized (appreciation) depreciation on investments		(380,584)		148,935
Unrealized foreign exchange (gain) loss on cash		334		563
(Increase) decrease in interest receivable		48		820
(Increase) decrease in dividends receivable		(3,615)		(7,256)
Increase (decrease) in management fees payable and expenses payable		1,599		7,517
Purchase of investments		(3,970,238)		(4,497,287)
Proceeds from sale of investments		2,630,217		3,087,869
Net Cash Generated (Used) by Operating Activities		(1,315,429)		(1,372,550)
Cash Flows from Financing Activities				
Distributions to holders of redeemable units, net of reinvested distributions		(7,581)		(44)
Proceeds from redeemable units issued		2,769,968		1,510,259
Amount paid on redemption of redeemable units		(1,230,974)		(1,703,831)
Net Cash Generated (Used) by Financing Activities		1,531,413		(193,616)
Net increase (decrease) in cash and cash equivalents		215,984		(1,566,166)
Unrealized foreign exchange gain (loss) on cash		(334)		(563)
Cash and cash equivalents - beginning of period		363,671		1,930,400
Cash and cash equivalents - end of period		579,321		363,671
Cash and cash equivalents comprise:				
Cash at bank		129,352		63,737
Short-term investments		449,969		299,934
	\$	579,321	\$	363,671
From operating activities				
Interest received, net of withholding tax	\$	5,431	\$	4,918
Dividends received, net of withholding tax	\$	138,775	\$	130,048
From financing activities				
Interest paid	\$	-	\$	132

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

Schedule of Investment Portfolio

as at September 30, 2016

No. of Shares	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES				
Canada				
3,000	Bank of Montreal	\$ 226,160	\$ 257,910	
23,500	BMO Laddered Preferred Share Index ETF	225,061	234,295	
3,700	Canadian Imperial Bank of Commerce	357,000	376,401	
11,000	Fortis Inc.	415,494	464,090	
28,000	Horizons Active Preferred Share ETF	224,696	233,240	
18,000	iShares S&P/TSX Canadian Preferred Share Index ETF	221,272	229,680	
13,100	Power Financial Corporation	415,323	398,240	
4,500	Royal Bank of Canada	353,561	365,670	
2,700	The Bank of Nova Scotia	172,202	187,704	
5,800	The Toronto-Dominion Bank	301,441	337,792	
		<u>2,912,210</u>	<u>3,085,022</u>	<u>54.4%</u>
United States				
4,100	Aflac Incorporated	312,259	386,588	
1,600	Berkshire Hathaway Inc.	277,320	303,260	
5,500	Citigroup Inc.	292,984	340,799	
4,400	JPMorgan Chase & Co.	329,841	384,396	
7,500	Wells Fargo & Company	451,963	435,699	
		<u>1,664,367</u>	<u>1,850,742</u>	<u>32.7%</u>
	Total investment portfolio	4,576,577	4,935,764	87.1%
	Transaction costs	(1,855)	-	-
		<u>\$ 4,574,722</u>	<u>4,935,764</u>	<u>87.1%</u>
	Other assets less liabilities		729,491	12.9%
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		<u>\$ 5,665,255</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, 2016:

Assets	Held for Trading (\$)	Financial assets at FVTPL Designated at Inception (\$)	Financial assets at amortized cost (\$)	Total (\$)
Cash and cash equivalents	-	-	579,321	579,321
Subscriptions receivable	-	-	8,550	8,550
Receivable for investments sold	-	-	146,210	146,210
Dividends receivable	-	-	13,478	13,478
Investments	-	4,935,764	-	4,935,764
Total	-	4,935,764	747,559	5,683,323

Liabilities	Held for Trading (\$)	Financial liabilities at FVTPL Designated at Inception (\$)	Financial liabilities at amortized cost (\$)	Total (\$)
Management fees payable	-	-	6,438	6,438
Expenses payable	-	-	2,678	2,678
Redemptions payable	-	-	8,952	8,952
Total	-	-	18,068	18,068

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 (\$)	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
Total	-	3,303,117	373,882	3,676,999

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

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the years ended September 30, 2016 and September 30, 2015.

Category	Net gains (losses) (\$)	
	2016	2015
Financial assets at FVTPL		
Held for Trading	-	-
Designated at Inception	589,609	170,218
Total	589,609	170,218

(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, 2016 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 \$246,788 (September 30, 2015: \$165,156). 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 industry sector as at September 30, 2016 and September 30, 2015.

By Industry Sector	September 30, 2016	September 30, 2015
Financials	66.6%	68.1%
Other Net Assets (Liabilities)	12.9%	10.0%
Exchange Traded Funds	12.3%	10.3%
Utilities	8.2%	11.6%
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 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, 2016 and 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, 2016

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
United States Dollar	146,210	1,850,741	1,996,951	7,311	92,537	99,848
Total	146,210	1,850,741	1,996,951	7,311	92,537	99,848
% of net assets attributable to holders of redeemable units	2.6%	32.7%	35.3%	0.1%	1.6%	1.7%

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	-	8.7%	8.7%	-	0.4%	0.4%

Interest Rate Risk

As at September 30, 2016 and September 30, 2015 the Fund did not have significant direct exposure to interest rate risk. As at September 30, 2015 the Fund had indirect exposure to interest rate risk through its investments in bond ETFs.

Credit Risk

As at September 30, 2016 and September 30, 2015, the Fund did not have significant direct exposure to credit risk. As at September 30, 2015 the Fund had 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 fees payable, expenses payable, and redemptions 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, 2016 and September 30, 2015 the Fund did not have any borrowings.

All other obligations including management fees payable, expenses payable and redemptions 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, 2016 and September 30, 2015.

	Assets at fair value as at September 30, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities - Long	4,935,764	-	-	4,935,764
Total	4,935,764	-	-	4,935,764

	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

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's investments in ETFs are susceptible to market price risk arising from uncertainties about future values. The investment manager makes investment decisions after extensive due diligence on the strategy and overall quality of the ETF's manager.

The Fund's investments in ETFs as at September 30, 2016 and September 30, 2015 are summarized below.

September 30, 2016	Fair Value of Fund's Investment (\$)	Net Asset Value of ETF (\$millions)	% of ETF's Net Assets
BMO Laddered Preferred Share Index ETF	234,295	1,229	-
Horizons Active Preferred Share ETF	233,240	810	-
iShares S&P/TSX Canadian Preferred Share Index ETF	229,680	1,201	-

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	-

As at September 30, 2016 and September 30, 2015 the Fund did not have any exposure to any Investee Funds.

Statements of Financial Position

as at September 30,	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	\$ 264,695	\$ 447,770
Subscriptions receivable	1,648	1,405
Receivable for investments sold	275,727	-
Interest receivable	-	48
Dividends receivable	25,281	22,839
Investments (note 5)	9,214,391	6,933,745
	<u>9,781,742</u>	<u>7,405,807</u>
Liabilities		
Current Liabilities		
Management fees payable	8,740	8,032
Expenses payable	4,638	3,418
Redemptions payable	-	61,882
	<u>13,378</u>	<u>73,332</u>
Net Assets Attributable to Holders of Redeemable Units	<u>\$ 9,768,364</u>	<u>\$ 7,332,475</u>
Net Assets Attributable to Holders of Redeemable Units Per Series		
Series A	1,777,168	1,652,985
Series F	7,976,763	5,559,835
Series G	14,433	119,655
	<u>\$ 9,768,364</u>	<u>\$ 7,332,475</u>
Number of Redeemable Units Outstanding (note 6)		
Series A	133,584	133,150
Series F	569,929	434,414
Series G	1,110	10,053
Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	13.30	12.41
Series F	14.00	12.80
Series G	13.01	11.90

Approved by the Board of Directors of 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,	2016	2015
Income		
Net gain (loss) on investments		
Dividends	\$ 285,899	\$ 259,016
Interest for distribution purposes	2,285	9,416
Net realized gain (loss) on investments	220,760	358,741
Change in unrealized appreciation (depreciation) on investments	781,179	(356,061)
	<u>1,290,123</u>	<u>271,112</u>
Other income		
Foreign exchange gain (loss) on cash and other net assets	(25,238)	389
Total income (net)	<u>1,264,885</u>	<u>271,501</u>
Expenses		
Management fees (note 8)	103,116	114,769
Securityholder reporting costs	100,560	106,985
Audit fees	12,604	16,245
Custodial fees	3,978	2,753
Legal fees	2,437	5,456
Independent review committee fees	3,911	4,400
Interest expense	-	15
Withholding tax expense	4,912	5,515
Transaction costs	2,162	3,224
Total operating expenses	<u>233,680</u>	<u>259,362</u>
Less: expenses absorbed by Manager	<u>(77,438)</u>	<u>(91,304)</u>
Net operating expenses	<u>156,242</u>	<u>168,058</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>\$ 1,108,643</u>	<u>\$ 103,443</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	205,101	21,995
Series F	904,195	80,433
Series G	(653)	1,015
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	1.55	0.11
Series F	1.83	0.20
Series G	(0.14)	0.10

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,	2016		2015	
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period				
Series A	\$	1,652,985	\$	2,626,736
Series F		5,559,835		2,979,696
Series G		119,655		118,641
		<u>7,332,475</u>		<u>5,725,073</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units				
Series A		205,101		21,995
Series F		904,195		80,433
Series G		(653)		1,015
		<u>1,108,643</u>		<u>103,443</u>
Distributions to Holders of Redeemable Units				
From net investment income				
Series A		-		-
Series F		(61,470)		(18,905)
Series G		-		(326)
		<u>(61,470)</u>		<u>(19,231)</u>
From net realized gains on investments				
Series A		(80,876)		(11,963)
Series F		(194,611)		(19,064)
Series G		(4,183)		(495)
		<u>(279,670)</u>		<u>(31,522)</u>
Net Decrease from Distributions to Holders of Redeemable Units		<u>(341,140)</u>		<u>(50,753)</u>
Redeemable Unit Transactions				
Proceeds from redeemable units issued				
Series A		333,935		613,931
Series F		2,656,166		3,476,585
Series G		1,000		-
		<u>2,991,101</u>		<u>4,090,516</u>
Reinvestments of distributions				
Series A		80,876		11,963
Series F		254,501		37,777
Series G		4,183		820
		<u>339,560</u>		<u>50,560</u>
Redemptions of redeemable units				
Series A		(414,854)		(1,609,677)
Series F		(1,141,852)		(976,687)
Series G		(105,569)		-
		<u>(1,662,275)</u>		<u>(2,586,364)</u>
Net Increase (Decrease) from Redeemable Unit Transactions		<u>1,668,386</u>		<u>1,554,712</u>
Net Assets Attributable to Holders of Redeemable Units at End of Period				
Series A		1,777,168		1,652,985
Series F		7,976,763		5,559,835
Series G		14,433		119,655
	\$	<u>9,768,364</u>	\$	<u>7,332,475</u>

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

Statements of Cash Flows

for the periods ended September 30,	2016		2015	
Cash Flows from Operating Activities				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$	1,108,643	\$	103,443
Adjustments for:				
Net realized (gain) loss on investments		(220,760)		(358,741)
Change in unrealized (appreciation) depreciation on investments		(781,179)		356,061
Unrealized foreign exchange (gain) loss on cash		641		(389)
(Increase) decrease in interest receivable		48		1,801
(Increase) decrease in dividends receivable		(2,442)		(16,293)
Increase (decrease) in management fees payable and expenses payable		1,928		11,450
Purchase of investments		(5,105,287)		(7,614,597)
Proceeds from sale of investments		3,550,853		4,140,783
Net Cash Generated (Used) by Operating Activities		(1,447,555)		(3,376,482)
Cash Flows from Financing Activities				
Distributions to holders of redeemable units, net of reinvested distributions		(1,580)		(193)
Proceeds from redeemable units issued		2,851,616		4,124,736
Amount paid on redemption of redeemable units		(1,584,915)		(2,524,482)
Net Cash Generated (Used) by Financing Activities		1,265,121		1,600,061
Net increase (decrease) in cash and cash equivalents		(182,434)		(1,776,421)
Unrealized foreign exchange gain (loss) on cash		(641)		389
Cash and cash equivalents - beginning of period		447,770		2,223,802
Cash and cash equivalents - end of period		264,695		447,770
Cash and cash equivalents comprise:				
Cash at bank		264,695		147,836
Short-term investments		-		299,934
	\$	264,695	\$	447,770
From operating activities				
Interest received, net of withholding tax	\$	2,333	\$	11,217
Dividends received, net of withholding tax	\$	278,545	\$	237,208
From financing activities				
Interest paid	\$	-	\$	15

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

Schedule of Investment Portfolio

as at September 30, 2016

No. of Shares	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES				
Canada				
9,110	Bank of Montreal	\$ 702,280	\$ 783,187	
9,000	Canadian Imperial Bank of Commerce	875,157	915,570	
20,700	Fortis Inc.	781,400	873,333	
24,600	Power Financial Corporation	779,781	747,840	
10,900	Royal Bank of Canada	851,303	885,734	
6,400	The Bank of Nova Scotia	408,008	444,928	
13,500	The Toronto-Dominion Bank	703,540	786,240	
		<u>5,101,469</u>	<u>5,436,832</u>	<u>55.6%</u>
United States				
8,700	Aflac Incorporated	662,598	820,322	
3,200	Berkshire Hathaway Inc.	554,639	606,520	
9,400	Citigroup Inc.	500,737	582,456	
10,000	JPMorgan Chase & Co.	749,639	873,627	
15,400	Wells Fargo & Company	928,029	894,634	
		<u>3,395,642</u>	<u>3,777,559</u>	<u>38.7%</u>
	Total investment portfolio	8,497,111	9,214,391	94.3%
	Transaction costs	(1,926)	-	-
		<u>\$ 8,495,185</u>	<u>9,214,391</u>	<u>94.3%</u>
	Other assets less liabilities		553,973	5.7%
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		<u>\$ 9,768,364</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, 2016:

Assets	Held for Trading (\$)	Financial assets at FVTPL Designated at Inception (\$)	Financial assets at amortized cost (\$)	Total (\$)
Cash and cash equivalents	-	-	264,695	264,695
Subscriptions receivable	-	-	1,648	1,648
Receivable for investments sold	-	-	275,727	275,727
Dividends receivable	-	-	25,281	25,281
Investments	-	9,214,391	-	9,214,391
Total	-	9,214,391	567,351	9,781,742

Liabilities	Held for Trading (\$)	Financial liabilities at FVTPL Designated at Inception (\$)	Financial liabilities at amortized cost (\$)	Total (\$)
Management fees payable	-	-	8,740	8,740
Expenses payable	-	-	4,638	4,638
Total	-	-	13,378	13,378

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 (\$)	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
Total	-	6,933,745	472,062	7,405,807

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

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the years ended September 30, 2016 and September 30, 2015.

Category	Net gains (losses) (\$)	
	2016	2015
Financial assets at FVTPL		
Held for Trading	-	-
Designated at Inception	1,290,123	271,112
Total	1,290,123	271,112

(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, 2016 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 \$460,720 (September 30, 2015: \$346,687). 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, 2016 and September 30, 2015.

By Geographic Region	September 30, 2016	September 30, 2015
Canada	55.6%	85.3%
United States	38.7%	9.3%
Other Net Assets (Liabilities)	5.7%	5.4%
Total	100.0%	100.0%

By Industry Sector	September 30, 2016	September 30, 2015
Financials	85.4%	81.4%
Utilities	8.9%	13.2%
Other Net Assets (Liabilities)	5.7%	5.4%
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 tables below indicate the foreign currencies to which the Fund had significant exposure at September 30, 2016 and 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, 2016

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
United States Dollar	275,727	3,777,559	4,053,286	13,786	188,878	202,664
Total	275,727	3,777,559	4,053,286	13,786	188,878	202,664
% of net assets attributable to holders of redeemable units	2.8%	38.7%	41.5%	0.2%	1.9%	2.1%

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	-	9.3%	9.3%	-	0.5%	0.5%

Interest Rate Risk

As at September 30, 2016 and September 30, 2015 the Fund did not have significant direct exposure to interest rate risk.

Credit Risk

As at September 30, 2016 and 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, management fees payable, expenses payable and redemptions 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, 2016 and September 30, 2015 the Fund did not have any borrowings.

All other obligations including management fees payable, expenses payable and redemptions 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, 2016 and September 30, 2015.

	Assets at fair value as at September 30, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Equities - Long	9,214,391	-	-	9,214,391
Total	9,214,391	-	-	9,214,391

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

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.

Statements of Financial Position

as at September 30,	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	\$ 73,814	\$ 18,469
Margin accounts (note 11)	3	4,052
Subscriptions receivable	1,500	35,000
Receivable for investments sold	65,212	64,532
Dividends receivable	2,904	3,632
Harmonized sales tax recoverable	-	1,325
Investments (note 5)	5,812,034	8,211,294
Investments - pledged as collateral (note 5 and 11)	306,117	823,481
Derivative assets	2,361	-
	<u>6,263,945</u>	<u>9,161,785</u>
Liabilities		
Current Liabilities		
Management fees payable	9,827	14,639
Expenses payable	2,826	4,215
Redemptions payable	6,094	12,504
Payable for investments purchased	53,357	-
Distributions payable	1,882	1,628
Derivative liabilities	17,251	33,454
	<u>91,237</u>	<u>66,440</u>
Net Assets Attributable to Holders of Redeemable Units	<u>\$ 6,172,708</u>	<u>\$ 9,095,345</u>
Net Assets Attributable to Holders of Redeemable Units Per Series		
Series A	316,018	150,723
Series A2	5,660,292	8,712,264
Series F	196,398	232,358
	<u>\$ 6,172,708</u>	<u>\$ 9,095,345</u>
Number of Redeemable Units Outstanding (note 6)		
Series A	35,744	13,981
Series A2	634,956	804,849
Series F	21,532	21,156
Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	8.84	10.78
Series A2	8.91	10.82
Series F	9.12	10.98

Approved by the Board of Directors of 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,	2016	2015
Income		
Net gain (loss) on investments and derivatives		
Dividends	\$ 151,537	\$ 190,556
Interest for distribution purposes	-	10,113
Net realized gain (loss) on investments and options	133,846	(301,981)
Net realized gain (loss) on currency forward contracts	23,508	(102,102)
Change in unrealized appreciation (depreciation) on investments and derivatives	(1,204,387)	1,317,131
	<u>(895,496)</u>	<u>1,113,717</u>
Other income		
Foreign exchange gain (loss) on cash and other net assets	(24,439)	477
Total income (net)	<u>(919,935)</u>	<u>1,114,194</u>
Expenses		
Management fees (note 8)	136,371	196,205
Securityholder reporting costs	185,695	166,021
Audit fees	12,337	15,388
Custodial fees	8,212	6,033
Legal fees	2,386	6,055
Independent review committee fees	3,828	4,168
Interest expense	13	1,194
Withholding tax expense	13,480	20,933
Transaction costs	8,057	8,422
Total operating expenses	<u>370,379</u>	<u>424,419</u>
Less: expenses absorbed by Manager	<u>(172,564)</u>	<u>(142,706)</u>
Net operating expenses	<u>197,815</u>	<u>281,713</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>\$ (1,117,750)</u>	<u>\$ 832,481</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	(49,657)	(5,073)
Series A2	(1,034,481)	827,979
Series F	(33,612)	9,575
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	(1.65)	(0.89)
Series A2	(1.46)	0.92
Series F	(1.36)	0.70

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,	2016		2015	
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period				
Series A	\$	150,723	\$	3,209
Series A2		8,712,264		10,945,714
Series F		232,358		84,278
		<u>9,095,345</u>		<u>11,033,201</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units				
Series A		(49,657)		(5,073)
Series A2		(1,034,481)		827,979
Series F		(33,612)		9,575
		<u>(1,117,750)</u>		<u>832,481</u>
Distributions to Holders of Redeemable Units				
From return of capital				
Series A		(16,244)		(3,223)
Series A2		(369,150)		(446,161)
Series F		(12,983)		(7,315)
Net Decrease from Distributions to Holders of Redeemable Units		<u>(398,377)</u>		<u>(456,699)</u>
Redeemable Unit Transactions				
Proceeds from redeemable units issued				
Series A		221,299		152,587
Series A2		62,550		120,320
Series F		54,534		153,544
		<u>338,383</u>		<u>426,451</u>
Reinvestments of distributions				
Series A		15,356		3,223
Series A2		350,503		429,202
Series F		13,118		7,092
		<u>378,977</u>		<u>439,517</u>
Redemptions of redeemable units				
Series A		(5,459)		-
Series A2		(2,061,394)		(3,164,790)
Series F		(57,017)		(14,816)
		<u>(2,123,870)</u>		<u>(3,179,606)</u>
Net Increase (Decrease) from Redeemable Unit Transactions		<u>(1,406,510)</u>		<u>(2,313,638)</u>
Net Assets Attributable to Holders of Redeemable Units at End of Period				
Series A		316,018		150,723
Series A2		5,660,292		8,712,264
Series F		196,398		232,358
	\$	<u>6,172,708</u>	\$	<u>9,095,345</u>

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

Statements of Cash Flows

for the periods ended September 30,	2016		2015	
Cash Flows from Operating Activities				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$	(1,117,750)	\$	832,481
Adjustments for:				
Net realized (gain) loss on investments and options		(133,846)		301,981
Change in unrealized (appreciation) depreciation on investments and derivatives		1,204,387		(1,317,131)
Unrealized foreign exchange (gain) loss on cash		10,383		(477)
(Increase) decrease in interest receivable		-		970
(Increase) decrease in dividends receivable		728		7,308
Increase (decrease) in management fees payable and expenses payable		(6,201)		18,854
(Increase) decrease in harmonized sales tax recoverable		1,325		(1,325)
Purchase of investments		(1,153,025)		(1,358,067)
Proceeds from sale of investments		3,033,221		4,338,086
Net Cash Generated (Used) by Operating Activities		1,839,222		2,822,680
Cash Flows from Financing Activities				
Change in margin cash		4,049		35,161
Distributions to holders of redeemable units, net of reinvested distributions		(19,146)		(16,622)
Proceeds from redeemable units issued		371,883		399,851
Amount paid on redemption of redeemable units		(2,130,280)		(3,223,508)
Net Cash Generated (Used) by Financing Activities		(1,773,494)		(2,805,118)
Net increase (decrease) in cash and cash equivalents		65,728		17,562
Unrealized foreign exchange gain (loss) on cash		(10,383)		477
Cash and cash equivalents - beginning of period		18,469		430
Cash and cash equivalents - end of period		73,814		18,469
Cash and cash equivalents comprise:				
Cash at bank		73,814		18,469
	\$	73,814	\$	18,469
From operating activities				
Interest received, net of withholding tax	\$	-	\$	11,083
Dividends received, net of withholding tax	\$	138,785	\$	176,931
From financing activities				
Interest paid	\$	13	\$	1,194

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

Schedule of Investment Portfolio

as at September 30, 2016

No. of Shares/ (Contracts)	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES				
France				
600	BNP Paribas S.A.	\$ 42,044	\$ 40,473	
1,500	BNP Paribas S.A. ADR	53,021	50,950	
		95,065	91,423	1.5%
Japan				
7,000	Sumitomo Mitsui Financial Group Inc. ADR	59,574	61,990	1.0%
Netherlands				
12,000	ING Groep N.V. ADR	175,654	194,273	3.2%
United Kingdom				
60,000	Barclays PLC	647,592	171,204	
50,000	Barclays PLC ADR	1,300,827	570,042	
1,000	HSBC Holdings PLC ADR	72,991	49,342	
46,500	Royal Bank of Scotland Group PLC ADR	543,245	284,287	
25,000	Standard Chartered PLC	287,671	267,102	
		2,852,326	1,341,977	21.7%
United States				
27,000	Bank of America Corporation	486,710	554,364	
22,000	Citigroup Inc.	1,139,890	1,363,195	
6,000	Citizens Financial Group Inc.	187,032	194,510	
3,500	Fifth Third Bancorp	89,650	93,949	
15,000	JPMorgan Chase & Co.	592,032	1,310,441	
2,800	Morgan Stanley	93,192	117,771	
2,500	State Street Corporation	185,302	228,378	
2,400	The Goldman Sachs Group Inc.	436,767	507,787	
1,000	Wells Fargo & Company	56,385	58,093	
		3,266,960	4,428,488	71.7%
	Total equities	\$ 6,449,579	\$ 6,118,151	99.1%
DERIVATIVES - WRITTEN OPTIONS¹				
Written Call				
United States				
USD (40)	Bank of America Corporation, Call 18, 18/11/2016	(263)	(158)	
USD (15)	Citigroup Inc., Call 55, 18/11/2016	(236)	(99)	
USD (5)	State Street Corporation, Call 77.5, 18/11/2016	(321)	(177)	
USD (10)	State Street Corporation, Call 80, 18/11/2016	(315)	(131)	
USD (15)	JPMorgan Chase & Co., Call 75, 16/12/2016	(312)	(128)	
USD (8)	Fifth Third Bancorp, Call 22, 20/01/2017	(320)	(493)	
	Total written call options	(1,767)	(1,186)	-
Written Put				
Japan				
USD (40)	Sumitomo Mitsui Financial Group Inc. ADR, Put 5, 21/10/2016	(999)	(656)	-
United Kingdom				
USD (90)	Royal Bank of Scotland Group PLC ADR, Put 4, 18/11/2016	(1,054)	(1,181)	(0.1%)
United States				
USD (30)	Bank of America Corporation, Put 13, 16/12/2016	(632)	(551)	
USD (20)	Bank of America Corporation, Put 13, 20/01/2017	(714)	(577)	
USD (10)	Morgan Stanley, Put 27, 20/01/2017	(836)	(879)	
		(2,182)	(2,007)	-
	Total written put options	(4,235)	(3,844)	(0.1%)
	Total written options	(6,002)	(5,030)	(0.1%)
FORWARD CURRENCY CONTRACTS (Schedule 1)				
	Total unrealized gain on forward currency contracts	-	2,361	-
	Total unrealized loss on forward currency contracts	-	(12,221)	(0.2%)
		-	(9,860)	(0.2%)
	Net Investments	6,443,577	6,103,261	98.8%
	Transaction costs	\$ (19,634)	-	-
		6,423,943	6,103,261	98.8%
	Other assets less liabilities		69,447	1.2%
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	\$	6,172,708	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 of Investment Portfolio (continued)

as at September 30, 2016

Schedule 1

Contract Price	Settlement Date	Purchased Currency			Sold Currency			
		Currency	Amount (\$)	Value as at September 30, 2016 (\$)	Currency	Amount (\$)	Value as at September 30, 2016 (\$)	Unrealized gain (loss) (\$)
0.58797	Oct-14-16	Canadian Dollar	340,154	340,154	British Pound	200,000	340,141	13
0.57998	Oct-14-16	Canadian Dollar	172,418	172,418	British Pound	100,000	170,070	2,348
							Unrealized gain	2,361
0.68166	Dec-13-16	Canadian Dollar	586,804	586,804	Euro	400,000	591,148	(4,344)
78.42000	Dec-13-16	Canadian Dollar	76,511	76,511	Japanese Yen	6,000,000	77,826	(1,315)
0.76714	Dec-13-16	Canadian Dollar	1,108,018	1,108,018	United States Dollar	850,000	1,114,580	(6,562)
							Unrealized loss	(12,221)

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 forward currency contracts. One counterparty is a Canadian chartered bank and one is a national U.S. bank. The Fund has master netting or similar arrangements in place with both counterparties. 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. When applicable 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 under master netting or similar arrangements as at September 30, 2016 and September 30, 2015.

	Counterparty 1 (\$)	Counterparty 2 (\$)
September 30, 2016		
Gross derivative assets	-	2,361
Gross derivative liabilities	(12,221)	-
Net exposure	(12,221)	2,361
September 30, 2015		
Gross derivative assets	-	n/a
Gross derivative liabilities	(15,896)	n/a
Net exposure	(15,896)	n/a

As at September 30, 2016, there were no offsetting of currency forwards because the unrealized gains were with a different counterparty than the unrealized losses.

(b) FINANCIAL INSTRUMENTS BY CATEGORY

The following tables present the carrying amounts of the Fund's financial instruments by category as at September 30, 2016:

Assets	Held for Trading (\$)	Financial assets at FVTPL Designated at Inception (\$)	Financial assets at amortized cost (\$)	Total (\$)
Cash and cash equivalents	-	-	73,814	73,814
Margin accounts	-	-	3	3
Subscriptions receivable	-	-	1,500	1,500
Receivable for investments sold	-	-	65,212	65,212
Dividends receivable	-	-	2,904	2,904
Investments	-	5,812,034	-	5,812,034
Investments - pledged as collateral	-	306,117	-	306,117
Derivative assets	2,361	-	-	2,361
Total	2,361	6,118,151	143,433	6,263,945

Liabilities	Held for Trading (\$)	Financial liabilities at FVTPL Designated at Inception (\$)	Financial liabilities at amortized cost (\$)	Total (\$)
Management fees payable	-	-	9,827	9,827
Expenses payable	-	-	2,826	2,826
Redemptions payable	-	-	6,094	6,094
Payable for investments purchased	-	-	53,357	53,357
Distributions payable	-	-	1,882	1,882
Derivative liabilities	17,251	-	-	17,251
Total	17,251	-	73,986	91,237

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 (\$)	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
Harmonized sales tax recoverable	-	-	1,325	1,325
Investments	-	8,211,294	-	8,211,294
Investments - pledged as collateral	-	823,481	-	823,481
Total	-	9,034,775	127,010	9,161,785

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

Liabilities	Held for Trading (\$)	Financial liabilities at FVTPL Designated at Inception (\$)	Financial liabilities at amortized cost (\$)	Total (\$)
Management fees 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
Total	33,454	-	32,986	66,440

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the years ended September 30, 2016 and September 30, 2015.

Category	Net gains (losses) (\$)	
	2016	2015
Financial assets at FVTPL		
Held for Trading	\$ 29,544	(73,745)
Designated at Inception	(956,732)	1,158,896
Total	(927,188)	1,085,151
Financial liabilities at FVTPL:		
Held for Trading	31,692	28,566
Total	\$ (895,496)	1,113,717

(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, 2016 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 \$305,656 (September 30, 2015: \$450,861). 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, 2016 and September 30, 2015.

By Geographic Region	September 30, 2016	September 30, 2015
United States	71.7%	54.3%
United Kingdom	21.6%	22.3%
Netherlands	3.2%	9.3%
France	1.5%	1.2%
Other Net Assets (Liabilities)	1.2%	1.0%
Japan	1.0%	2.0%
Forward Currency Contracts	(0.2%)	(0.2%)
Switzerland	-	2.5%
Canada	-	4.3%
Germany	-	3.3%
Total	100.0%	100.0%

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

By Industry Sector	September 30, 2016	September 30, 2015
Diversified Banks	80.5%	39.4%
Investment Banking & Brokerage	10.1%	1.2%
Regional Banks	4.7%	1.9%
Asset Management and Custody Banks	3.7%	4.3%
Other Net Assets (Liabilities)	1.2%	1.0%
Forward Currency Contracts	(0.2%)	(0.2%)
Diversified Capital Markets	-	2.5%
Short Positions – Derivatives	-	(0.2%)
Other Diversified Financial Services	-	41.0%
Institutional Brokerage	-	6.1%
Institutional Financial Services	-	3.0%
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, 2016 and September 30, 2015, in Canadian dollar terms, net of the notional amounts of forward currency 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, 2016

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
United States Dollar	(1,100,127)	5,634,343	4,534,216	(55,006)	281,717	226,711
British Pound	(510,211)	438,306	(71,905)	(25,511)	21,915	(3,596)
Japanese Yen	(77,826)	-	(77,826)	(3,891)	-	(3,891)
Euro	(590,836)	40,473	(550,363)	(29,542)	2,024	(27,518)
Total	(2,279,000)	6,113,122	3,834,122	(113,950)	305,656	191,706
% of net assets attributable to holders of redeemable units	(36.9%)	99.0%	62.1%	(1.8%)	5.0%	3.2%

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%	83.7%	(0.6%)	4.7%	4.1%

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

Interest Rate Risk

As at September 30, 2016 and September 30, 2015 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, 2016 the Fund held forward currency contracts with two counterparties, one of which had an unrealized gain of \$2,361 and had a Standard & Poor's credit rating of A-1. The forward currency contracts held with the other counterparty was in a net unrealized loss position as of September 30, 2016 and therefore had no credit risk. The counterparties all have credit ratings which exceed the minimum requirement outlined in securities legislation. As at September 30, 2015 currency forward contracts were in a net unrealized loss position; therefore, there was no credit risk associated with these contracts.

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

The Fund's cash and margin accounts are maintained at financial institutions with Standard & Poor's credit ratings of A-1 and/or A-1+ 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 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, 2016 and September 30, 2015, the Fund did not have any borrowings.

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 put options if they were exercised, is presented in the table below.

Value of securities or cash required to satisfy written put options	Less than 1 month (\$)	1 to 3 months (\$)	Greater than 3 months and less than one year (\$)	Total (\$)
September 30, 2016	26,239	98,396	69,534	194,169
September 30, 2015	290,737	125,941	-	416,678

All other obligations including management fees payable, expenses payable, redemptions payable, derivative liabilities associated with forward currency 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, 2016 and September 30, 2015.

	Assets at fair value as at September 30, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities - Long	6,118,151	-	-	6,118,151
Forward currency contracts	-	2,361	-	2,361
Total	6,118,151	2,361	-	6,120,512

	Liabilities at fair value as at September 30, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Options - Short	(5,030)	-	-	(5,030)
Forward currency contracts	-	(12,221)	-	(12,221)
Total	(5,030)	(12,221)	-	(17,251)

	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

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

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

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, 2016 the Fund did not hold any assets or liabilities which were classified as Level 3. During the period ended September 30, 2015, the Fund disposed of its Level 3 investment in units of Portland Global Energy Efficiency and Renewable Energy Fund LP for \$144,532, realizing a gain on disposal of \$20,606.

Reconciliation of Level 3 Fair Value Measurement of Financial Instruments

The following table reconciles the Fund's Level 3 fair value measurement of financial instruments for the period ended September 30, 2015:

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	-	-

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

Statements of Financial Position

as at September 30,	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	\$ 234,295	\$ 58,435
Margin accounts (note 11)	3,749	30,574
Receivable for investments sold	17,391	66,181
Interest receivable	2,367	2,850
Dividends receivable	8,376	16,831
Harmonized sales tax recoverable	-	116
Investments (note 5)	5,046,071	5,439,015
Investments - pledged as collateral (note 5 and 11)	103,697	544,709
Derivative assets	1,763	-
	<u>5,417,709</u>	<u>6,158,711</u>
Liabilities		
Current Liabilities		
Management fees payable	7,084	8,438
Expenses payable	2,445	2,864
Redemptions payable	9,996	15,318
Payable for investments purchased	29,643	58,508
Distributions payable	2,250	1,628
Derivative liabilities	22,058	15,589
	<u>73,476</u>	<u>102,345</u>
Net Assets Attributable to Holders of Redeemable Units	<u>\$ 5,344,233</u>	<u>\$ 6,056,366</u>
Net Assets Attributable to Holders of Redeemable Units Per Series		
Series A	753,528	776,845
Series A2	3,475,041	4,102,793
Series F	1,115,664	1,176,728
	<u>\$ 5,344,233</u>	<u>\$ 6,056,366</u>
Number of Redeemable Units Outstanding (note 6)		
Series A	79,618	84,293
Series A2	364,590	443,266
Series F	113,958	125,023
Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	9.46	9.22
Series A2	9.53	9.26
Series F	9.79	9.41

Approved by the Board of Directors of 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,	2016	2015
Income		
Net gain (loss) on investments and derivatives		
Dividends	\$ 237,913	\$ 283,366
Interest for distribution purposes	13,634	16,436
Net realized gain (loss) on investments and options	173,480	114,007
Net realized gain (loss) on currency forward contracts	(764)	(23,467)
Change in unrealized appreciation (depreciation) on investments and derivatives	160,816	(549,486)
	<u>585,079</u>	<u>(159,144)</u>
Other income		
Foreign exchange gain (loss) on cash and other net assets	529	1,697
Total income (net)	<u>585,608</u>	<u>(157,447)</u>
Expenses		
Management fees (note 8)	92,123	117,617
Securityholder reporting costs	140,880	138,787
Audit fees	12,563	16,038
Custodial fees	6,177	10,804
Legal fees	3,634	6,311
Independent review committee fees	3,899	4,344
Interest expense	-	448
Withholding tax expense (reclaims)	(3,060)	19,829
Transaction costs	3,784	6,313
Total operating expenses	<u>260,000</u>	<u>320,491</u>
Less: expenses absorbed by Manager	<u>(135,668)</u>	<u>(136,084)</u>
Net operating expenses	<u>124,332</u>	<u>184,407</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>\$ 461,276</u>	<u>\$ (341,854)</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	62,779	(66,541)
Series A2	297,316	(238,441)
Series F	101,181	(36,872)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	0.75	(0.97)
Series A2	0.74	(0.49)
Series F	0.85	(0.26)

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

for the periods ended September 30,	2016		2015	
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period				
Series A	\$	776,845	\$	496,434
Series A2		4,102,793		5,750,867
Series F		1,176,728		1,335,750
		<u>6,056,366</u>		<u>7,583,051</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units				
Series A		62,779		(66,541)
Series A2		297,316		(238,441)
Series F		101,181		(36,872)
		<u>461,276</u>		<u>(341,854)</u>
Distributions to Holders of Redeemable Units				
From net investment income				
Series A		(16,516)		-
Series A2		(78,539)		-
Series F		(29,953)		-
		<u>(125,008)</u>		<u>-</u>
From return of capital				
Series A		(25,560)		(34,857)
Series A2		(119,534)		(240,559)
Series F		(29,194)		(70,275)
		<u>(174,288)</u>		<u>(345,691)</u>
Net Decrease from Distributions to Holders of Redeemable Units		<u>(299,296)</u>		<u>(345,691)</u>
Redeemable Unit Transactions				
Proceeds from redeemable units issued				
Series A		5,554		431,842
Series A2		21,686		95,718
Series F		16,685		435,598
		<u>43,925</u>		<u>963,158</u>
Reinvestments of distributions				
Series A		33,850		29,956
Series A2		185,982		228,618
Series F		57,350		70,333
		<u>277,182</u>		<u>328,907</u>
Redemptions of redeemable units				
Series A		(83,423)		(79,989)
Series A2		(934,663)		(1,493,410)
Series F		(177,134)		(557,806)
		<u>(1,195,220)</u>		<u>(2,131,205)</u>
Net Increase (Decrease) from Redeemable Unit Transactions		<u>(874,113)</u>		<u>(839,140)</u>
Net Assets Attributable to Holders of Redeemable Units at End of Period				
Series A		753,528		776,845
Series A2		3,475,041		4,102,793
Series F		1,115,664		1,176,728
	\$	<u>5,344,233</u>	\$	<u>6,056,366</u>

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

Statements of Cash Flows

for the periods ended September 30,	2016		2015	
Cash Flows from Operating Activities				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$	461,276	\$	(341,854)
Adjustments for:				
Net realized (gain) loss on investments and options		(173,480)		(114,007)
Change in unrealized (appreciation) depreciation on investments and derivatives		(160,816)		549,486
Unrealized foreign exchange (gain) loss on cash		(629)		(1,697)
(Increase) decrease in interest receivable		483		(857)
(Increase) decrease in dividends receivable		8,455		2,885
Increase (decrease) in management fees payable and expenses payable		(1,773)		11,302
(Increase) decrease in harmonized sales tax recoverable		116		(116)
Purchase of investments		(984,161)		(2,925,630)
Proceeds from sale of investments		2,177,044		3,659,688
Net Cash Generated (Used) by Operating Activities		1,326,515		839,200
Cash Flows from Financing Activities				
Change in margin cash		26,825		(2,819)
Distributions to holders of redeemable units, net of reinvested distributions		(21,492)		(16,502)
Proceeds from redeemable units issued		43,925		963,473
Amount paid on redemption of redeemable units		(1,200,542)		(2,141,098)
Net Cash Generated (Used) by Financing Activities		(1,151,284)		(1,196,946)
Net increase (decrease) in cash and cash equivalents		175,231		(357,746)
Unrealized foreign exchange gain (loss) on cash		629		1,697
Cash and cash equivalents - beginning of period		58,435		414,484
Cash and cash equivalents - end of period		234,295		58,435
Cash and cash equivalents comprise:				
Cash at bank		59,364		58,435
Short-term investments		174,931		-
	\$	234,295	\$	58,435
From operating activities				
Interest received, net of withholding tax	\$	14,117	\$	15,579
Dividends received, net of withholding tax	\$	249,428	\$	243,403
From financing activities				
Interest paid	\$	-	\$	448

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

Schedule of Investment Portfolio

as at September 30, 2016

No. of Shares/Par Value/ (Contracts)	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
BONDS				
Canada				
100,000	Northland Power Inc. Convertible 5.00% June 30, 2019	\$ 100,000	\$ 116,730	
125,000	Pacific Exploration and Production Corporation 5.375% January 26, 2019	117,970	30,339	
100,000	Valeant Pharmaceuticals International Inc. 6.75% August 15, 2018	126,307	131,851	
		344,277	278,920	5.2%
EQUITIES				
Australia				
5,000	Amcor Limited	52,817	76,061	
40,000	AusNet Services	46,061	65,869	
9,000	GrainCorp Limited	72,157	70,940	
7,000	Super Retail Group Ltd.	58,695	71,552	
		229,730	284,422	5.3%
Bermuda				
3,000	Brookfield Infrastructure Partners L.P., Preferred, Series 5	75,000	76,650	
7,000	Brookfield Property Partners L.P.	163,804	210,000	
5,000	Cheung Kong Infrastructure Holdings Limited	35,125	56,409	
		273,929	343,059	6.4%
Canada				
3,500	Barrick Gold Corporation	73,928	81,367	
15,000	BCE Inc., Preferred, Series AE, Floating Rate	307,274	213,750	
3,000	Brookfield Asset Management Inc., Preferred, Series 8, Floating Rate	69,418	44,700	
13,500	Brookfield Office Properties Inc., Preferred, Series V, Floating Rate	178,825	127,238	
5,000	Brookfield Renewable Power Inc., Preferred, Series 2, Floating Rate	92,541	77,300	
1,000	Crescent Point Energy Corp.	24,220	17,300	
3,000	Enbridge Inc., Preferred, Series 11, Fixed-Reset	73,730	52,500	
9,000	First National Financial Corporation, Preferred, Series 1, Fixed-Reset	142,003	117,900	
6,300	iShares 1-5 Year Laddered Corporate Bond Index ETF	124,192	120,519	
500	iShares S&P/TSX Canadian Preferred Share Index ETF	8,042	6,380	
6,000	Northland Power Inc., Preferred, Series 1, Fixed-Reset	137,354	97,980	
5,000	Power Financial Corporation, Preferred, Series A, Floating Rate	81,760	60,100	
6,000	The Bank of Nova Scotia, Preferred, Series 19, Floating Rate	154,455	138,840	
12,500	Thomson Reuters Corporation, Preferred, Series B, Floating Rate	225,533	159,000	
7,000	Transalta Corporation, Preferred, Series E, Fixed-Reset	168,439	95,830	
2,000	TransAlta Renewables Inc.	19,580	29,460	
4,800	TransCanada Corporation, Preferred, Series 2, Floating Rate	86,332	66,912	
		1,967,626	1,507,076	28.2%
France				
1,515	Total SA ADR	94,797	94,809	1.8%
Sweden				
5,000	Nordea Bank AB	41,853	65,110	1.2%
Switzerland				
2,000	ABB Ltd	52,530	59,064	
800	Nestlé SA	61,705	82,701	
300	Roche Holding AG	85,694	97,636	
700	Syngenta AG	52,637	80,449	
		252,566	319,850	6.0%
United Kingdom				
7,000	Barclays PLC ADR	129,834	79,806	
3,500	BHP Billiton PLC	192,747	139,500	
800	BP PLC ADR	34,139	36,902	
1,200	Bunzl PLC	28,038	46,525	
3,000	Compass Group PLC	64,338	76,266	
1,000	Johnson Matthey PLC	59,118	56,014	
3,500	Pearson PLC	76,430	44,816	
2,800	Royal Dutch Shell PLC ADR	195,924	183,930	
		780,568	663,759	12.4%
United States				
6,000	Ares Capital Corporation	111,296	122,011	
4,000	BlackRock Capital Investment Corporation	39,301	43,452	

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

Schedule of Investment Portfolio (continued)

as at September 30, 2016

No. of Shares/Par Value/ (Contracts)	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
750	Chevron Corporation	99,577	101,269	
1,200	Energy Select Sector SPDR Fund	110,404	111,164	
14,000	Fifth Street Senior Floating Rate Corp.	183,922	157,224	
1,000	iShares iBoxx \$ Investment Grade Corporate Bond ETF	142,557	161,606	
1,500	iShares India 50 ETF	55,519	58,644	
6,000	iShares International Select Dividend ETF	234,964	235,994	
5,000	iShares MSCI Japan ETF	66,945	82,259	
1,000	JPMorgan Chase & Co.	45,665	87,363	
2,500	PowerShares Fundamental High Yield Corporate Bond Portfolio	51,990	61,891	
600	SPDR S&P 500 ETF Trust	156,069	170,265	
1,500	Technology Select Sector SPDR Fund ETF	69,638	94,028	
500	Wal-Mart Stores, Inc.	40,685	47,309	
900	Wells Fargo & Company	42,081	52,284	
100	WisdomTree Asia Local Debt Fund ETF	5,196	6,000	
	Total equities	1,455,809	1,592,763	29.8%
	Total investment portfolio	5,096,878	4,870,848	91.1%
		5,441,155	5,149,768	96.3%
DERIVATIVES - WRITTEN OPTIONS¹				
Written Call Options				
Canada				
CAD (20)	TransAlta Renewables Inc., Call 15, 21/10/2016	(180)	(300)	
Switzerland				
USD (10)	ABB Ltd ADR, Call 23, 16/12/2016	(381)	(656)	
United States				
USD (5)	Wal-Mart Stores, Inc., Call 77.5, 21/10/2016	(295)	(26)	
USD (5)	JPMorgan Chase & Co., Call 72.5, 18/11/2016	(283)	(59)	
USD (5)	Technology Select Sector SPDR Fund ETF, Call 50, 16/12/2016	(163)	(184)	
USD (5)	Technology Select Sector SPDR Fund ETF, Call 51, 20/01/2017	(157)	(147)	
	Total written call options	(898)	(416)	-
		(1,459)	(1,372)	-
Written Put Options				
Canada				
USD (20)	Barrick Gold Corporation, Put 15, 18/11/2016	(724)	(630)	
CAD (10)	Crescent Point Energy Corp., Put 12, 20/01/2017	(290)	(165)	
CAD (20)	Crescent Point Energy Corp., Put 13, 20/01/2017	(780)	(540)	
CAD (10)	Crescent Point Energy Corp., Put 13, 19/01/2018	(1,340)	(1,225)	
		(3,134)	(2,560)	-
United Kingdom				
USD (10)	BP PLC ADR, Put 30, 18/11/2016	(478)	(197)	
USD (10)	BP PLC ADR, Put 28, 20/01/2017	(648)	(328)	
		(1,126)	(525)	-
United States				
USD (20)	Ares Capital Corporation, Put 14, 16/12/2016	(426)	(262)	
	Total written put options	(4,686)	(3,347)	-
	Total written options	(6,145)	(4,719)	-
FORWARD CURRENCY CONTRACTS (Schedule 1)				
	Total unrealized gain on forward currency contracts	-	1,868	-
	Total unrealized loss on forward currency contracts	-	(17,444)	(0.3%)
		-	(15,576)	(0.3%)
	Net investments	5,435,010	5,129,473	96.0%
	Transaction costs	(8,653)	-	-
		\$ 5,426,357	5,129,473	96.0%
	Other assets less liabilities		214,760	4.0%
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		\$ 5,344,233	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 of Investment Portfolio (continued)

as at September 30, 2016

Schedule 1

Contract Price	Settlement Date	Purchased Currency			Sold Currency			
		Currency	Amount (\$)	Value as at September 30, 2016 (\$)	Currency	Amount (\$)	Value as at September 30, 2016 (\$)	Unrealized gain (loss) (\$)
6.49650	Dec-13-16	Canadian Dollar	30,786	30,786	Swedish Krona	200,000	30,681	105
0.57998	Oct-14-16	Canadian Dollar	129,314	129,314	British Pound	75,000	127,553	1,761
0.58797	Oct-14-16	Canadian Dollar	59,527	59,527	British Pound	35,000	59,525	2
							Unrealized gain	<u>1,868</u>
0.68166	Dec-13-16	Canadian Dollar	220,052	220,052	Euro	150,000	221,681	(1,629)
78.42001	Dec-13-16	Canadian Dollar	68,860	68,860	Japanese Yen	5,400,000	70,044	(1,184)
0.76714	Dec-13-16	Canadian Dollar	482,314	482,314	United States Dollar	370,000	485,170	(2,856)
1.03614	Oct-5-16	Canadian Dollar	241,280	241,280	Australian Dollar	250,000	251,018	(9,738)
0.75180	Oct-5-16	Canadian Dollar	133,014	133,014	Swiss Franc	100,000	135,051	(2,037)
							Unrealized loss	<u>(17,444)</u>

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

(a) OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Fund uses three counterparties for the execution of forward currency contracts. Two counterparties are Canadian chartered banks and one is a national U.S. bank. The Fund has master netting or similar arrangements in place with all counterparties. 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, 2016 and September 30, 2015.

	Counterparty 1 (\$)	Counterparty 2 (\$)	Counterparty 3 (\$)
September 30, 2016			
Gross derivative assets	105	-	1,763
Gross derivative liabilities	(5,669)	(11,775)	-
Net exposure	(5,564)	(11,775)	1,763
September 30, 2015			
Gross derivative assets	-	236	n/a
Gross derivative liabilities	(1,380)	(1,763)	n/a
Net exposure	(1,380)	(1,527)	n/a

(b) FINANCIAL INSTRUMENTS BY CATEGORY

The following tables present the carrying amounts of the Fund's financial instruments by category as at September 30, 2016:

Assets	Held for Trading (\$)	Financial assets at FVTPL Designated at Inception (\$)	Financial assets at amortized cost (\$)	Total (\$)
Cash and cash equivalents	-	-	234,295	234,295
Margin accounts	-	-	3,749	3,749
Receivable for investments sold	-	-	17,391	17,391
Interest receivable	-	-	2,367	2,367
Dividends receivable	-	-	8,376	8,376
Investments	-	5,046,071	-	5,046,071
Investments - pledged as collateral	-	103,697	-	103,697
Derivative assets	1,763	-	-	1,763
Total	1,763	5,149,768	266,178	5,417,709

Liabilities	Held for Trading (\$)	Financial liabilities at FVTPL Designated at Inception (\$)	Financial liabilities at amortized cost (\$)	Total (\$)
Management fees payable	-	-	7,084	7,084
Expenses payable	-	-	2,445	2,445
Redemptions payable	-	-	9,996	9,996
Payable for investments purchased	-	-	29,643	29,643
Distributions payable	-	-	2,250	2,250
Derivative liabilities	22,058	-	-	22,058
Total	22,058	-	51,418	73,476

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 (\$)	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
Harmonized sales tax recoverable	-	-	116	116
Investments	-	5,439,015	-	5,439,015
Investments - pledged as collateral	-	544,709	-	544,709
Total	-	5,983,724	174,987	6,158,711

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

Liabilities	Held for Trading (\$)	Financial liabilities at FVTPL Designated at Inception (\$)	Financial liabilities at amortized cost (\$)	Total (\$)
Management fees 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
Total	15,589	-	86,756	102,345

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the years ended September 30, 2016 and September 30, 2015.

Category	Net gains (losses) (\$)	
	2016	2015
Financial assets at FVTPL		
Held for Trading	(13,433)	(18,552)
Designated at Inception	569,174	(179,905)
Total	555,741	(198,457)
Financial liabilities at FVTPL:		
Held for Trading	29,338	39,313
Total	585,079	(159,144)

(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, 2016 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 \$243,306 (September 30, 2015: \$298,552). 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 industry sector, as at September 30, 2016 and September 30, 2015.

By Geographic Region	September 30, 2016	September 30, 2015
Canada	33.4%	34.0%
United States	29.8%	25.5%
United Kingdom	12.4%	17.2%
Bermuda	6.4%	5.5%
Switzerland	6.0%	8.5%
Australia	5.3%	5.1%
Other Net Assets (Liabilities)	4.0%	1.5%
France	1.8%	1.6%
Sweden	1.2%	1.2%
Forward Currency Contracts	(0.3%)	(0.1%)
Total	100.0%	100.0%

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

By Industry Sector	September 30, 2016	September 30, 2015
Financials	24.3%	34.1%
Exchange Traded Funds	21.0%	14.1%
Energy	10.4%	10.5%
Utilities	9.3%	8.0%
Materials	8.0%	7.9%
Consumer Discretionary	6.5%	4.9%
Corporate Bonds	5.3%	-
Telecommunication Services	4.0%	4.3%
Other Net Assets (Liabilities)	4.0%	1.5%
Consumer Staples	3.7%	5.6%
Industrials	2.0%	7.6%
Health Care	1.8%	1.8%
Forward Currency Contracts	(0.3%)	(0.1%)
Short Positions - Derivatives	-	(0.2%)
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 direct exposure at September 30, 2016 and September 30, 2015, in Canadian dollar terms, net of the notional amounts of forward currency 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, 2016

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
United States Dollar	(466,370)	2,508,290	2,041,920	(23,319)	125,415	102,096
Australian Dollar	(247,747)	284,422	36,675	(12,387)	14,221	1,834
British Pound	(186,918)	223,621	36,703	(9,346)	11,181	1,835
Euro	(221,681)	-	(221,681)	(11,084)	-	(11,084)
Hong Kong Dollar	-	56,410	56,410	-	2,821	2,821
Japanese Yen	(70,044)	-	(70,044)	(3,502)	-	(3,502)
Swedish Krona	(30,681)	65,110	34,429	(1,534)	3,256	1,722
Swiss Franc	(135,051)	180,337	45,286	(6,753)	9,017	2,264
Total	(1,358,492)	3,318,190	1,959,698	(67,925)	165,911	97,986
% of net assets attributable to holders of redeemable units	(25.4%)	62.1%	36.7%	(1.3%)	3.1%	1.8%

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

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	72,767	(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	3,429,864	(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%

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

Interest Rate Risk

As at September 30, 2016 and September 30, 2015 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, 2016, the Fund held forward currency contracts with three counterparties, one of which was in a net unrealized gain position of \$1,763 and had a Standard & Poor's credit rating of A-1+. The forward currency contracts held with the other two counterparties were in a net unrealized loss position as of September 30, 2016 and therefore had no credit risk. The counterparties all have credit ratings which exceed the minimum requirement outlined in securities legislation. As at September 30, 2015, the forward currency contracts with each counterparty were in a net unrealized loss position and therefore had no credit risk.

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.

As at September 30, 2016 the Fund had indirect exposure to credit risk through its investments in bond ETFs. There was no such risk as at September 30, 2015.

The Fund's cash and margin accounts are maintained at financial institutions with Standard & Poor's credit ratings of A-1 and/or A-1+ 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, 2016 and September 30, 2015, the Fund did not have any borrowings.

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 put options if they were exercised, is presented in the table below.

Value of securities or cash required to satisfy written put options	Less than 1 month (\$)	1 to 3 months (\$)	Greater than 3 months and less than one year (\$)	Total (\$)
September 30, 2016	-	115,451	87,735	203,186
September 30, 2015	49,116	99,815	26,000	174,931

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

All other obligations including accrued fees and expenses, redemptions payable, payable for investments purchased, derivative liabilities associated with forward currency contracts and distributions payable were due within 4 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, 2016 and September 30, 2015.

	Assets at fair value as at September 30, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities - Long	4,743,610	127,238	-	4,870,848
Bonds - Long	-	278,920	-	278,920
Forward currency contracts	-	1,868	-	1,868
Total	4,743,610	408,026	-	5,151,636

	Liabilities at fair value as at September 30, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Options - Short	(4,719)	-	-	(4,719)
Forward currency contracts	-	(17,444)	-	(17,444)
Total	(4,719)	(17,444)	-	(22,163)

	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 currency contracts	-	(2,907)	-	(2,907)
Total	(12,682)	(2,907)	-	(15,589)

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, 2016 the Fund did not hold any investments which were classified as Level 3. During the year ended September 30, 2016, the Fund disposed of its only Level 3 position - units of Portland Global Energy Efficiency and Renewable Energy Fund LP, a closed-ended investment fund, which had the same Manager and administrator as the Fund. Units were redeemed at NAV per unit for a gain of \$27,565.

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, 2016 and September 30, 2015:

September 30, 2016	Investment Funds (\$)	Total (\$)
Balance, Beginning of Period	146,208	146,208
Investment purchases during the period	-	-
Proceeds from disposals during the period	(151,765)	(151,765)
Net transfers in (out) during the period	-	-
Net realized gain (loss) on disposals of investments	27,565	27,565
Change in unrealized appreciation (depreciation) in value of investments	(22,008)	(22,008)
Balance at End of Period	-	-
Change in unrealized appreciation (depreciation) in value of investments held at end of period	-	-

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

(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 ranged in frequency from monthly to on termination.

The Fund's investments in ETFs as at September 30, 2016 and September 30, 2015 are summarized below:

September 30, 2016	Fair Value of Fund's Investment (\$)	Net Asset Value of ETF (\$millions)	% of ETF's Net Assets
Energy Select Sector SPDR Fund	111,164	14,742	-
iShares 1-5 Year Laddered Corporate Bond Index ETF	120,519	2,053	-
iShares iBoxx \$ Investment Grade Corporate Bond ETF	161,606	33,222	-
iShares India 50 ETF	58,644	760	-
iShares International Select Dividend ETF	235,994	3,182	-
iShares MSCI Japan ETF	82,259	14,130	-
iShares S&P/TSX Canadian Preferred Share Index ETF	6,380	1,201	-
PowerShares Fundamental High Yield Corporate Bond Portfolio	61,891	1,079	-
SPDR S&P 500 ETF Trust	170,265	197,121	-
Technology Select Sector SPDR Fund	94,028	13,047	-
WisdomTree Asia Local Debt Fund	6,000	27	-

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

As at September 30, 2016 the Fund did not have exposure to any Investee Funds.

The exposure to investments in Investee Funds at fair value by type of fund as at September 30, 2015 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.

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%

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

Statements of Financial Position

as at September 30,	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	\$ 58,045	\$ 130,824
Margin accounts (note 11)	2,551	46,344
Subscriptions receivable	500	430
Receivable for investments sold	-	192,450
Interest receivable	-	1,600
Dividends receivable	8,846	13,359
Harmonized sales tax recoverable	-	932
Investments (note 5)	6,965,536	8,354,014
Investments - pledged as collateral (note 5 and 11)	141,560	819,424
Derivative assets	21,979	11,891
	<u>7,199,017</u>	<u>9,571,268</u>
Liabilities		
Current Liabilities		
Management fees payable	10,023	14,099
Expenses payable	3,273	4,305
Redemptions payable	19,699	34,304
Payable for investments purchased	-	212,102
Distributions payable	4,860	6,293
Derivative liabilities	40,872	29,765
	<u>78,727</u>	<u>300,868</u>
Net Assets Attributable to Holders of Redeemable Units	<u>\$ 7,120,290</u>	<u>\$ 9,270,400</u>
Net Assets Attributable to Holders of Redeemable Units Per Series		
Series A	120,767	111,996
Series A2	5,357,629	6,886,194
Series F	1,641,894	2,272,210
	<u>\$ 7,120,290</u>	<u>\$ 9,270,400</u>
Number of Redeemable Units Outstanding (note 6)		
Series A	13,402	12,464
Series A2	593,551	763,877
Series F	179,954	248,627
Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	9.01	8.99
Series A2	9.03	9.01
Series F	9.12	9.14

Approved by the Board of Directors of 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,	2016	2015
Income		
Net gain (loss) on investments and derivatives		
Dividends	\$ 302,530	\$ 380,931
Interest for distribution purposes	-	13,265
Net realized gain (loss) on investments and options	40,489	287,946
Net realized gain (loss) on currency forward contracts	24,016	(75,163)
Change in unrealized appreciation (depreciation) on investments and derivatives	346,986	(278,259)
	<u>714,021</u>	<u>328,720</u>
Other income		
Foreign exchange gain (loss) on cash and other net assets	954	4,796
Total income (net)	<u>714,975</u>	<u>333,516</u>
Expenses		
Management fees (note 8)	141,634	201,654
Securityholder reporting costs	145,603	119,044
Audit fees	12,394	16,912
Custodial fees	7,711	14,024
Legal fees	3,564	6,103
Independent review committee fees	3,824	4,201
Interest expense	-	1,082
Withholding tax expense	32,578	25,055
Transaction costs	10,287	16,014
Total operating expenses	<u>357,595</u>	<u>404,089</u>
Less: expenses absorbed by Manager	(128,098)	(98,353)
Net operating expenses	<u>229,497</u>	<u>305,736</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>\$ 485,478</u>	<u>\$ 27,780</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	6,966	(3,210)
Series A2	349,941	(62,452)
Series F	128,571	93,442
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	0.53	(0.27)
Series A2	0.52	(0.07)
Series F	0.55	0.32

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,	2016		2015	
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period				
Series A	\$	111,996	\$	113,676
Series A2		6,886,194		9,454,714
Series F		2,272,210		1,903,812
		<u>9,270,400</u>		<u>11,472,202</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units				
Series A		6,966		(3,210)
Series A2		349,941		(62,452)
Series F		128,571		93,442
		<u>485,478</u>		<u>27,780</u>
Distributions to Holders of Redeemable Units				
From net investment income				
Series A		(2,895)		-
Series A2		(189,109)		-
Series F		(106,369)		-
		<u>(298,373)</u>		<u>-</u>
From return of capital				
Series A		(4,122)		(6,041)
Series A2		(197,139)		(424,606)
Series F		(58,477)		(150,002)
		<u>(259,738)</u>		<u>(580,649)</u>
Net Decrease from Distributions to Holders of Redeemable Units		<u>(558,111)</u>		<u>(580,649)</u>
Redeemable Unit Transactions				
Proceeds from redeemable units issued				
Series A		10,000		5,000
Series A2		5,074		92,001
Series F		83,432		1,536,335
		<u>98,506</u>		<u>1,633,336</u>
Reinvestments of distributions				
Series A		3,329		2,571
Series A2		313,105		338,371
Series F		163,825		149,579
		<u>480,259</u>		<u>490,521</u>
Redemptions of redeemable units				
Series A		(4,507)		-
Series A2		(1,810,436)		(2,511,834)
Series F		(841,299)		(1,260,956)
		<u>(2,656,242)</u>		<u>(3,772,790)</u>
Net Increase (Decrease) from Redeemable Unit Transactions		<u>(2,077,477)</u>		<u>(1,648,933)</u>
Net Assets Attributable to Holders of Redeemable Units at End of Period				
Series A		120,767		111,996
Series A2		5,357,629		6,886,194
Series F		1,641,894		2,272,210
	\$	<u>7,120,290</u>	\$	<u>9,270,400</u>

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

Statements of Cash Flows

for the periods ended September 30,	2016	2015
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$ 485,478	\$ 27,780
Adjustments for:		
Net realized (gain) loss on investments and options	(40,489)	(287,946)
Change in unrealized (appreciation) depreciation on investments and derivatives	(346,986)	278,259
Unrealized foreign exchange (gain) loss on cash	(3,229)	(4,796)
(Increase) decrease in interest receivable	1,600	(800)
(Increase) decrease in dividends receivable	4,513	9,011
Increase (decrease) in management fees payable and expenses payable	(5,108)	18,404
(Increase) decrease in harmonized sales tax recoverable	932	(932)
Purchase of investments	(1,711,378)	(4,940,681)
Proceeds from sale of investments	4,146,562	6,720,815
Net Cash Generated (Used) by Operating Activities	2,531,895	1,819,114
Cash Flows from Financing Activities		
Change in margin cash	43,793	(39,337)
Distributions to holders of redeemable units, net of reinvested distributions	(79,285)	(85,751)
Proceeds from redeemable units issued	49,004	1,687,936
Amount paid on redemption of redeemable units	(2,621,415)	(3,812,656)
Net Cash Generated (Used) by Financing Activities	(2,607,903)	(2,249,808)
Net increase (decrease) in cash and cash equivalents	(76,008)	(430,694)
Unrealized foreign exchange gain (loss) on cash	3,229	4,796
Cash and cash equivalents - beginning of period	130,824	556,722
Cash and cash equivalents - end of period	58,045	130,824
Cash and cash equivalents comprise:		
Cash at bank	58,045	130,824
	\$ 58,045	\$ 130,824
From operating activities		
Interest received, net of withholding tax	\$ 1,600	\$ 12,521
Dividends received, net of withholding tax	\$ 274,465	\$ 307,317
From financing activities		
Interest paid	\$ -	\$ 1,082

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

Schedule of Investment Portfolio

as at September 30, 2016

No. of Shares/Par Value/ (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 Callable 5.375% January 26, 2019	\$ 117,970	\$ 30,339	0.4%
EQUITIES				
Australia				
14,000	Amcor Limited	153,136	212,970	
140,000	AusNet Services	132,900	230,542	
14,200	South32 Limited ADR	125,982	173,815	
		412,018	617,327	8.7%
Canada				
14,500	Canfor Corporation	333,035	211,265	
1,000	Crescent Point Energy Corp.	24,220	17,300	
		357,255	228,565	3.2%
Cayman Islands				
4,000	CK Hutchison Holdings Limited	49,535	66,711	0.9%
France				
800	LVMH Moët Hennessy Louis Vuitton SE	174,479	178,977	
4,000	Total SA ADR	235,349	250,320	
		409,828	429,297	6.0%
Germany				
5,500	GEA Group AG	146,605	400,509	5.6%
Japan				
500	Toyota Motor Corporation ADR	43,629	76,132	1.1%
Netherlands				
3,000	NN Group NV	115,416	120,924	1.7%
Switzerland				
7,000	ABB Ltd	129,154	206,724	
3,000	Aryzta AG	148,008	174,652	
20	Barry Callebaut AG	29,169	34,869	
2,500	Dufry AG	417,078	410,533	
2,000	Nestlé SA	118,443	206,752	
2,000	Novartis AG ADR	175,704	207,183	
600	Roche Holding AG	111,938	195,273	
3,700	Syngenta AG	219,723	425,229	
		1,349,217	1,861,215	26.1%
United Kingdom				
18,000	Barclays PLC ADR	434,419	205,215	
8,500	BHP Billiton PLC	469,259	338,785	
4,000	BP PLC ADR	175,488	184,513	
9,000	Compass Group PLC	191,803	228,799	
1,500	Diageo PLC ADR	200,447	228,358	
3,800	Johnson Matthey PLC	150,592	212,852	
14,000	Pearson PLC	286,772	179,264	
12,000	Prudential PLC	149,457	278,844	
55,000	Rentokil Initial PLC	125,554	207,908	
5,500	Royal Dutch Shell PLC ADR	385,307	361,291	
		2,569,098	2,425,829	34.1%
United States				
8,000	Ares Capital Corporation	148,492	162,682	
9,000	Fifth Street Senior Floating Rate Corp.	117,070	101,073	
3,000	JPMorgan Chase & Co.	186,484	262,088	
4,000	Mondelez International Inc.	171,168	230,378	
1,500	Technology Select Sector SPDR Fund ETF	69,638	94,027	
		692,852	850,248	12.0%
	Total equities	6,145,453	7,076,757	99.4%
	Total investment portfolio	6,263,423	7,107,096	99.8%

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

Schedule of Investment Portfolio (continued)

as at September 30, 2016

No. of Shares/Par Value/ (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, Call 8, 20/01/2017	10,607	14,924	0.2%
DERIVATIVES - WRITTEN OPTIONS¹				
Written Call Options				
Japan				
USD (5)	Toyota Motor Corporation ADR, Call 130, 21/10/2016	(223)	(66)	-
Switzerland				
USD (15)	ABB Ltd ADR, Call 23, 16/12/2016	(573)	(984)	-
United Kingdom				
USD (2)	Diageo PLC ADR, Call 125, 20/01/2017	(365)	(341)	-
United States				
USD (5)	JPMorgan Chase & Co., Call 72.5, 18/11/2016	(283)	(59)	
USD (10)	JPMorgan Chase & Co., Call 75, 16/12/2016	(208)	(85)	
USD (10)	Mondelez International Inc., Call 50, 16/12/2016	(472)	(407)	
USD (15)	Mondelez International Inc., Call 55, 16/12/2016	(259)	(197)	
USD (5)	Technology Select Sector SPDR Fund ETF, Call 50, 16/12/2016	(163)	(184)	
		(1,385)	(932)	-
	Total written call options	(2,546)	(2,323)	-
Written Put Options				
Canada				
USD (20)	Barrick Gold Corporation, Put 15, 18/11/2016	(724)	(630)	
CAD (10)	Crescent Point Energy Corp., Put 12, 20/01/2017	(290)	(165)	
CAD (30)	Crescent Point Energy Corp., Put 13, 20/01/2017	(1,170)	(810)	
CAD (10)	Crescent Point Energy Corp., Put 13, 19/01/2018	(1,340)	(1,225)	
		(3,524)	(2,830)	(0.1%)
United Kingdom				
USD (10)	BP PLC ADR, Put 30, 18/11/2016	(478)	(197)	
USD (10)	BP PLC ADR, Put 28, 20/01/2017	(647)	(328)	
		(1,125)	(525)	-
United States				
USD (20)	Ares Capital Corporation, Put 14, 16/12/2016	(426)	(262)	
	Total written put options	(5,075)	(3,617)	(0.1%)
	Total written options	(7,621)	(5,940)	(0.1%)
FORWARD CURRENCY CONTRACTS (Schedule 1)				
	Total unrealized gain on forward currency contracts	-	7,055	0.1%
	Total unrealized loss on forward currency contracts	-	(34,932)	(0.5%)
		-	(27,877)	(0.4%)
	Net Investments	6,266,409	7,088,203	99.5%
	Transaction costs	(14,740)	-	-
		\$ 6,251,669	7,088,203	99.5%
	Other assets less liabilities		32,087	0.5%
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		\$ 7,120,290	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 of Investment Portfolio (continued)

as at September 30, 2016

Schedule 1

Contract Price	Settlement Date	Purchased Currency			Sold Currency			
		Currency	Amount (\$)	Value as at September 30, 2016 (\$)	Currency	Amount (\$)	Value as at September 30, 2016 (\$)	Unrealized gain (loss) (\$)
0.57998	Oct-14-16	Canadian Dollar	517,255	517,255	British Pound	300,000	510,211	7,044
0.58797	Oct-14-16	Canadian Dollar	297,635	297,635	British Pound	175,000	297,624	11
							Unrealized gain	7,055
0.68166	Dec-13-16	Canadian Dollar	513,454	513,454	Euro	350,000	517,255	(3,801)
78.42000	Dec-13-16	Canadian Dollar	79,061	79,061	Japanese Yen	6,200,000	80,420	(1,359)
0.76714	Dec-13-16	Canadian Dollar	716,953	716,953	United States Dollar	550,000	721,199	(4,246)
1.03614	Oct-5-16	Canadian Dollar	405,350	405,350	Australian Dollar	420,000	421,709	(16,359)
0.75180	Oct-5-16	Canadian Dollar	598,563	598,563	Swiss Franc	450,000	607,730	(9,167)
							Unrealized gain	(34,932)

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

(a) OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Fund uses three counterparties for the execution of currency forward contracts. Two counterparties are Canadian chartered banks and the other is a national U.S. bank. The Fund has master netting or similar arrangements in place with all counterparties. 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. When applicable 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 under master netting or similar arrangements as at September 30, 2016 and September 30, 2015.

	Counterparty 1 (\$)	Counterparty 2 (\$)	Counterparty 3 (\$)
September 30, 2016			
Gross derivative assets	-	-	7,055
Gross derivative liabilities	(9,406)	(25,526)	-
Net exposure	(9,406)	(25,526)	7,055
September 30, 2015			
Gross derivative assets	-	518	n/a
Gross derivative liabilities	(5,290)	(7,210)	n/a
Net exposure	(5,290)	(6,692)	n/a

As at September 30, 2016, there were no offsetting of currency forwards because the unrealized gains were with a different counterparty than the unrealized losses.

(b) FINANCIAL INSTRUMENTS BY CATEGORY

The following tables present the carrying amounts of the Fund's financial instruments by category as at September 30, 2016:

Assets	Held for Trading (\$)	Financial assets at FVTPL Designated at Inception (\$)	Financial assets at amortized cost (\$)	Total (\$)
Cash and cash equivalents	-	-	58,045	58,045
Margin accounts	-	-	2,551	2,551
Subscriptions receivable	-	-	500	500
Dividends receivable	-	-	8,846	8,846
Harmonized sales tax recoverable	-	-	-	-
Investments	-	6,965,536	-	6,965,536
Investments - pledged as collateral	-	141,560	-	141,560
Derivative assets	21,979	-	-	21,979
Total	21,979	7,107,096	69,942	7,199,017

Liabilities	Held for Trading (\$)	Financial liabilities at FVTPL Designated at Inception (\$)	Financial liabilities at amortized cost (\$)	Total (\$)
Management fees payable	-	-	10,023	10,023
Expenses payable	-	-	3,273	3,273
Redemptions payable	-	-	19,699	19,699
Distributions payable	-	-	4,860	4,860
Derivative liabilities	40,872	-	-	40,872
Total	40,872	-	37,855	78,727

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 (\$)	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
Harmonized sales tax recoverable	-	-	932	932
Investments	-	8,354,014	-	8,354,014

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

Investments - pledged as collateral	-	819,424	-	819,424
Derivative assets	11,891	-	-	11,891
Total	11,891	9,173,438	385,939	9,571,268

Liabilities	Held for Trading (\$)	Financial liabilities at FVTPL Designated at Inception (\$)	Financial liabilities at amortized cost (\$)	Total (\$)
Management fees 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
Total	29,765	-	271,103	300,868

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the years ended September 30, 2016 and September 30, 2015.

Category	Net gains (losses) (\$)	
	2016	2015
Financial assets at FVTPL		
Held for Trading	8,121	(66,681)
Designated at Inception	658,812	327,870
Total	666,933	261,189
Financial liabilities at FVTPL:		
Held for Trading	47,088	67,531
Total	714,021	328,720

(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, 2016 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 \$354,287 (September 30, 2015: \$458,377). 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, 2016 and September 30, 2015.

By Geographic Region	September 30, 2016	September 30, 2015
United Kingdom	34.1%	36.8%
Switzerland	26.1%	18.4%
United States	12.2%	14.6%
Australia	8.7%	6.5%
France	6.0%	3.3%
Germany	5.6%	3.8%
Canada	3.5%	9.3%
Netherlands	1.7%	-
Japan	1.1%	1.7%
Cayman Islands	0.9%	3.1%
Other Net Assets (Liabilities)	0.5%	1.2%
Forward Currency Contracts	(0.4%)	(0.1%)

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

Bermuda	-	1.4%
Total	100.0%	100.0%

By Industry Sector	September 30, 2016	September 30, 2015
Materials	22.1%	16.3%
Financials	15.9%	21.9%
Consumer Discretionary	15.1%	15.0%
Consumer Staples	12.3%	7.5%
Industrials	12.3%	14.2%
Energy	11.4%	10.4%
Health Care	5.6%	3.3%
Utilities	3.2%	7.1%
Exchange Traded Funds	1.3%	0.9%
Other Net Assets (Liabilities)	0.6%	1.2%
Corporate Bonds	0.4%	-
Long Positions - Derivatives	0.2%	0.1%
Forward Currency Contracts	(0.4%)	(0.1%)
Telecommunication Services	-	2.4%
Short Positions - Derivatives	-	(0.2%)
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, 2016 and September 30, 2015, in Canadian dollar terms, net of the notional amounts of forward currency 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, 2016

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
United States Dollar	(670,141)	3,549,338	2,879,197	(33,507)	177,467	143,960
Australian Dollar	(417,686)	443,512	25,826	(20,884)	22,176	1,292
British Pound	(805,197)	1,107,667	302,470	(40,260)	55,383	15,123
Euro	(516,866)	700,410	183,544	(25,843)	35,021	9,178
Hong Kong Dollar	-	66,710	66,710	-	3,336	3,336
Japanese Yen	(80,421)	-	(80,421)	(4,021)	-	(4,021)

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

Swiss Franc	(607,730)	1,022,079	414,349	(30,387)	51,104	20,717
Total	(3,098,041)	6,889,716	3,791,675	(154,902)	344,487	189,585
% of net assets attributable to holders of redeemable units	(43.5%)	96.8%	53.3%	(2.2%)	4.8%	2.6%

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%

Interest Rate Risk

As at September 30, 2016 and September 30, 2015, 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, 2016 the Fund held forward currency contracts with three counterparties, one of which had an unrealized gain of \$7,055 and had a Standard & Poor's credit rating of A-1. The forward currency contracts held with the other two counterparties were in a net unrealized loss position as of September 30, 2016 and therefore had no credit risk. The counterparties all have credit ratings which exceed the minimum requirement outlined in securities legislation. 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.

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 accounts are maintained at financial institutions with a Standard & Poor's credit rating of A-1 and/or A-1+, 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, 2016 and September 30, 2015, the Fund did not have any borrowings.

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 put options if they were exercised, is presented in the table below.

Value of securities or cash required to satisfy written put options	Less than 1 month (\$)	1 to 3 months (\$)	Greater than 3 months and less than one year (\$)	Total (\$)
September 30, 2016	-	115,451	100,735	216,186
September 30, 2015	207,550	271,752	-	479,302

All other obligations including management fees payable, expenses payable, redemptions payable, payable for investments purchased, derivative liabilities 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, 2016 and September 30, 2015.

	Assets at fair value as at September 30, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities - Long	7,076,757	-	-	7,076,757
Bonds - Long	-	30,339	-	30,339
Options - Long	14,924	-	-	14,924
Forward currency contracts	-	7,055	-	7,055
Total	7,091,681	37,394	-	7,129,075

	Liabilities at fair value as at September 30, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Options - Short	(5,940)	-	-	(5,940)
Forward currency contracts	-	(34,932)	-	(34,932)
Total	(5,940)	(34,932)	-	(40,872)

	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 currency contracts	-	(11,982)	-	(11,982)
Total	(17,783)	(11,982)	-	(29,765)

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, 2016 the Fund did not hold any investments which were classified as Level 3. During the period ended September 30, 2016, the Fund disposed of its only Level 3 position – units of Portland Global Energy Efficiency and Renewable Energy Fund LP, a closed-ended investment fund that has the same Manager and administrator as the Fund. Units were redeemed at NAV per unit for a gain of \$27,529.

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, 2016 and September 30, 2015:

September 30, 2016	Investment Funds (\$)	Total (\$)
Balance at Beginning of Period	145,905	145,905
Investment purchases during the period	-	-
Proceeds from disposals during the period	(151,449)	(151,449)
Net transfers in (out) during the period	-	-
Net realized gain (loss) on disposal of investments	27,529	27,529
Change in unrealized appreciation (depreciation) in value of investments	(21,985)	(21,985)
Balance at End of Period	-	-
Change in unrealized appreciation (depreciation) in value of investments held at end of period	-	-

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

(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 ranged in frequency from monthly to on termination.

The Fund's investments in ETFs as at September 30, 2016 and September 30, 2015 are summarized below.

September 30, 2016	Fair Value of Fund's Investment (\$)	Net Asset Value of ETF (\$millions)	% of ETF's Net Assets
Technology Select Sector SPDR Fund ETF	94,027	13,047	-

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 ETF	79,383	15,258	-

As at September 30, 2016 the Fund did not have exposure to any Investee Funds.

The exposure to investments in Investee Funds at fair value by type of fund as at September 30, 2015 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, 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%

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

Statements of Financial Position

as at September 30,	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	\$ 116,270	\$ 16,753
Subscriptions receivable	-	25,000
Dividends receivable	311	359
Investments (note 5)	534,525	115,392
	<u>651,106</u>	<u>157,504</u>
Liabilities		
Current Liabilities		
Management fees payable	1,015	148
Expenses payable	299	63
Payable for investments purchased	8,009	-
	<u>9,323</u>	<u>211</u>
Net Assets Attributable to Holders of Redeemable Units	<u>\$ 641,783</u>	<u>\$ 157,293</u>
Net Assets Attributable to Holders of Redeemable Units Per Series		
Series A	470,433	46,143
Series F	171,350	111,150
	<u>\$ 641,783</u>	<u>\$ 157,293</u>
Number of Redeemable Units Outstanding (note 6)		
Series A	53,522	5,594
Series F	19,316	13,417
Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	8.79	8.25
Series F	8.87	8.28

Approved by the Board of Directors of 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 period ended September 30,	2016	2015*
Income		
Net gain (loss) on investments		
Dividends	\$ 6,513	\$ 2,149
Interest for distribution purposes	12	-
Net realized gain (loss) on investments	18,162	59
Change in unrealized appreciation (depreciation) on investments	259	(25,798)
	<u>24,946</u>	<u>(23,590)</u>
Other income		
Foreign exchange gain (loss) on cash and other net assets	(1,635)	(1,349)
Total income (net)	<u>23,311</u>	<u>(24,939)</u>
Expenses		
Management fees (note 8)	7,136	682
Securityholder reporting costs	76,675	25,341
Audit fees	12,250	13,614
Custodial fees	2,089	1,215
Legal fees	4,894	1,503
Independent review committee fees	3,916	1,727
Interest expense	-	31
Withholding tax expense	38	73
Transaction costs	611	190
Total operating expenses	<u>107,609</u>	<u>44,376</u>
Less: expenses absorbed by Manager	<u>(97,618)</u>	<u>(43,108)</u>
Net operating expenses	<u>9,991</u>	<u>1,268</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>\$ 13,320</u>	<u>\$ (26,207)</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	620	(4,057)
Series F	12,700	(22,150)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	0.02	(1.61)
Series F	0.76	(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.

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

for the period ended September 30,	2016	2015*
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period		
Series A	\$ 46,143	\$ -
Series F	111,150	-
	<u>157,293</u>	<u>-</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Series A	620	(4,057)
Series F	12,700	(22,150)
	<u>13,320</u>	<u>(26,207)</u>
Distributions to Holders of Redeemable Units		
From net investment income		
Series A	(131)	-
Series F	(890)	-
Net Decrease from Distributions to Holders of Redeemable Units	<u>(1,021)</u>	<u>-</u>
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	424,482	50,200
Series F	47,500	133,300
	<u>471,982</u>	<u>183,500</u>
Reinvestments of distributions		
Series A	131	-
Series F	890	-
	<u>1,021</u>	<u>-</u>
Redemptions of redeemable units		
Series A	(812)	-
Series F	-	-
	<u>(812)</u>	<u>-</u>
Net Increase (Decrease) from Redeemable Unit Transactions	<u>472,191</u>	<u>183,500</u>
Net Assets Attributable to Holders of Redeemable Units at End of Period		
Series A	470,433	46,143
Series F	171,350	111,150
	<u>\$ 641,783</u>	<u>\$ 157,293</u>

* 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.

Statements of Cash Flows

for the period ended September 30,	2016		2015*	
Cash Flows from Operating Activities				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$	13,320	\$	(26,207)
Adjustments for:				
Net realized (gain) loss on investments		(18,162)		(59)
Change in unrealized (appreciation) depreciation on investments		(259)		25,798
Unrealized foreign exchange (gain) loss on cash		2		1,349
(Increase) decrease in dividends receivable		48		(359)
Increase (decrease) in management fees payable and expenses payable		1,103		211
Purchase of investments		(521,765)		(141,190)
Proceeds from sale of investments		129,062		59
Net Cash Generated (Used) by Operating Activities		(396,651)		(140,398)
Cash Flows from Financing Activities				
Proceeds from redeemable units issued		496,982		158,500
Amount paid on redemption of redeemable units		(812)		-
Net Cash Generated (Used) by Financing Activities		496,170		158,500
Net increase (decrease) in cash and cash equivalents		99,519		18,102
Unrealized foreign exchange gain (loss) on cash		(2)		(1,349)
Cash and cash equivalents - beginning of period		16,753		-
Cash and cash equivalents - end of period		116,270		16,753
Cash and cash equivalents comprise:				
Cash at bank		116,270		16,753
	\$	116,270	\$	16,753
From operating activities				
Interest received, net of withholding tax	\$	12	\$	-
Dividends received, net of withholding tax	\$	6,523	\$	1,137
From financing activities				
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, 2016

No. of Shares	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES				
Bermuda				
1,449	Brookfield Business Partners L.P.	\$ 39,140	\$ 50,244	7.8%
British Virgin Islands				
2,500	Nomad Foods Limited	34,378	38,768	6.0%
Canada				
9,910	Baytex Energy Corp.	64,424	55,199	
915	Brookfield Asset Management Inc. Class A	40,061	42,231	
3,073	Crescent Point Energy Corp.	63,788	53,163	
700	Restaurant Brands International Inc.	36,997	40,941	
5,780	Whitecap Resources, Inc.	58,626	63,349	
		263,896	254,883	39.7%
Guernsey				
2,470	Pershing Square Holdings Ltd.	54,411	45,367	7.1%
United Kingdom				
1,800	Liberty Global PLC LiLAC Class A	83,993	65,154	10.2%
United States				
210	Berkshire Hathaway Inc.	38,382	39,803	
765	Hertz Global Holdings, Inc.	46,411	40,306	
		84,793	80,109	12.5%
	Total investment portfolio	560,611	534,525	83.3%
	Transaction costs	(547)	-	-
		\$ 560,064	534,525	83.3%
	Other assets less liabilities		107,258	16.7%
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		\$ 641,783	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, 2016 and September 30, 2015:

Assets	Held for Trading (\$)	Financial assets at FVTPL Designated at Inception (\$)	Financial assets at amortized cost (\$)	Total (\$)
Cash and cash equivalents	-	-	116,270	116,270
Dividends receivable	-	-	311	311
Investments	-	534,525	-	534,525
Total	-	534,525	116,581	651,106

Liabilities	Held for Trading (\$)	Financial liabilities at FVTPL Designated at Inception (\$)	Financial liabilities at amortized cost (\$)	Total (\$)
Management fees payable	-	-	1,015	1,015
Expenses payable	-	-	299	299
Payable for investments purchased	-	-	8,009	8,009
Total	-	-	9,323	9,323

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 (\$)	Financial assets at amortized cost (\$)	Total (\$)
Cash and cash equivalents	-	-	16,753	16,753
Subscription receivable	-	-	25,000	25,000
Dividends receivable	-	-	359	359
Investments	-	115,392	-	115,392
Total	-	115,392	42,112	157,504

Liabilities	Held for Trading (\$)	Financial liabilities at FVTPL Designated at Inception (\$)	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 year ended September 30, 2016 and the period ended September 30, 2015.

Category	Net gains (losses) (\$)	
	2016	2015
Financial assets at FVTPL		
Held for Trading	-	-
Designated at Inception	24,946	(23,590)
Total	24,946	(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, 2016 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 \$26,726 (September 30, 2015: \$5,770). 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, 2016 and September 30, 2015.

By Geographic Region	September 30, 2016	September 30, 2015
Canada	39.7%	35.8%
Other Net Assets (Liabilities)	16.7%	26.6%
United States	12.5%	14.1%
United Kingdom	10.2%	7.6%
Bermuda	7.8%	11.9%
Guernsey	7.1%	4.0%
British Virgin Islands	6.0%	-
Total	100.0%	100.0%

By Industry Sector	September 30, 2016	September 30, 2015
Energy	26.7%	17.9%
Financials	19.9%	21.8%
Other Net Assets (Liabilities)	16.7%	26.6%
Consumer Discretionary	16.6%	5.8%
Industrials	14.1%	4.0%
Consumer Staples	6.0%	-
Utilities	-	11.7%
Telecommunication Services	-	7.6%
Health Care	-	4.6%
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 tables below indicate the foreign currencies to which the Fund had significant exposure at September 30, 2016 and 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, 2016

	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
United States Dollar	(7,607)	362,814	355,207	(380)	18,141	17,761
Total	(7,607)	362,814	355,207	(380)	18,141	17,761
% of net assets attributable to holders of redeemable units	(1.2%)	56.5%	55.3%	-	2.8%	2.8%

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%	49.3%	-	2.5%	2.5%

Interest Rate Risk

As at September 30, 2016 and September 30, 2015, the Fund did not have significant direct exposure to interest rate risk.

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

Credit Risk

As at September 30, 2016 and 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 and payable for investments purchased.

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, 2016 and September 30, 2015, the Fund did not have any borrowings.

All other obligations including management fees payable, expenses payable and payable for investments purchased 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, 2016 and September 30, 2015.

	Assets at fair value as at September 30, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities - Long	534,525	-	-	534,525
Total	534,525	-	-	534,525

	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, 2016 (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 Funds is 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 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 5, 2016. The Funds are authorized to issue an unlimited number of units in an unlimited number of series.

The statements of financial position of the Funds are as at September 30, 2016 and September 30, 2015. The statements of comprehensive income, changes in net assets attributable to holders of redeemable units, and cash flows of the Funds are for the years ended September 30, 2016 and September 30, 2015 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 Restructuring

Portland Global Banks Fund and Portland Global Income Fund were subject to a restructuring in December 2013 and Portland Global Dividend Fund was subject to a restructuring in May 2014, at which time they became open ended funds with multiple series. Prior to the restructuring Series A2 Units of these Funds were referred to as Trust Units. Due to the restructuring, the date of commencement for the Trust Units was reset.

2. BASIS OF PRESENTATION

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).

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 and options' 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 and options'. 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 and options'. 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 and derivatives' 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 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 and derivatives'.

Revenue recognition

'Interest for distribution purposes' shown on the statements of comprehensive income represents the coupon 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 exchange 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 cash 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 series 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 series. 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 for financial assets and liabilities at FVTPL, including brokerage commissions, have been expensed on the statements of comprehensive income.

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 accounts 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.

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.

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, 2016 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	244,347	24,347	5,602	38,934	235,362	244,637
Series F Units	227,399	37,355	8,647	17,573	255,828	253,915
Series G Units	600	206	15	719	102	292
Portland Canadian Balanced Fund						
Series A Units	215,918	22,615	7,032	57,069	188,496	211,005
Series F Units	62,993	201,800	3,691	40,696	227,788	134,330
Series G Units	9,313	91	314	9,627	91	3,791
Portland Canadian Focused Fund						
Series A Units	133,150	26,929	6,842	33,337	133,584	132,067
Series F Units	434,414	203,479	20,599	88,563	569,929	493,165
Series G Units	10,053	88	362	9,393	1,110	4,706
Portland Global Banks Fund						
Series A Units	13,981	20,655	1,700	592	35,744	30,095
Series A2 Units	804,849	6,555	37,792	214,240	634,956	706,437
Series F Units	21,156	5,186	1,399	6,209	21,532	24,720
Portland Global Income Fund						
Series A Units	84,293	584	3,679	8,938	79,618	84,065
Series A2 Units	443,266	2,309	20,086	101,071	364,590	400,159
Series F Units	125,023	1,770	6,061	18,896	113,958	118,731

	Balance, Beginning of Period	Units Issued	Units Reinvested	Units Redeemed	Balance, End of Period	Weighted Average Number of Units
Portland Global Dividend Fund						
Series A Units	12,464	1,063	378	503	13,402	13,176
Series A2 Units	763,877	559	35,392	206,277	593,551	676,611
Series F Units	248,627	9,593	18,297	96,563	179,954	232,372
Portland Value Fund						
Series A Units	5,594	48,004	15	91	53,522	28,126
Series F Units	13,417	5,797	102	-	19,316	16,817

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

7. TAXATION

The Funds except Portland Value Fund qualify as 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 has 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, except Portland Value Fund which has a tax year end of December 31. The following chart presents the amount of non-capital loss carry forwards available to the Funds by year of expiry.

	2029 (\$)	2030 (\$)	2032 (\$)	2033 (\$)	2035 (\$)	Total (\$)
Portland Global Banks Fund	-	279,354	1,913	336,358	56,124	673,749
Portland Global Income Fund	10,413	-	-	-	-	10,413

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

	Total (\$)
Portland Advantage Fund	147,531
Portland Canadian Balanced Fund	-
Portland Canadian Focused Fund	-
Portland Global Banks Fund	159,072,011
Portland Global Income Fund	23,339,597
Portland Global Dividend Fund	26,866,722
Portland Value Fund	1,571

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%

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.

The Manager may reduce the effective management fee payable by some unitholders by reducing the management fee it charges to the particular fund and directing the fund to make management fee distributions to these unitholders in amounts equal to the amounts of the management fee reduction.

Management fee distributions are accounted for as distributions for financial reporting purposes.

9. SOFT DOLLARS

Allocation of business to brokers of the Funds is made on the basis of coverage, trading ability and fundamental research expertise. 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 (termed proprietary research). The dealers do not provide the Manager with an estimate of the cost of the research, statistical and other similar services (referred to as soft dollars).

In addition to the foregoing, effective January 1, 2016, the Manager may use third party research, which is generally also available on a subscription basis, the value of which will be used to approximate the value of research and other similar services received from third parties through commission sharing arrangements with executing brokers. The ascertainable value of the third party soft dollar arrangements in connection with portfolio transactions for the period of January 1, 2016 to September 30, 2016 are presented in the table below:

For the period ended	September 30, 2016 (\$)
Portland Advantage Fund	381
Portland Canadian Balanced Fund	-
Portland Canadian Focused Fund	-
Portland Global Banks Fund	335
Portland Global Income Fund	114
Portland Global Dividend Fund	193
Portland Value Fund	118

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, 2016 and September 30, 2015. 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 tables below exclude applicable GST or HST.

Period ended September 30, 2016	Management Fees (\$)	Operating Expense Reimbursement (\$)	Absorbed Operating Expenses (\$)	Operating Expenses Reimbursed to Affiliates of the Manager (\$)
Portland Advantage Fund	83,099	29,290	88,000	2,581
Portland Canadian Balanced Fund	69,172	22,499	78,320	2,581
Portland Canadian Focused Fund	91,361	40,802	68,610	2,581
Portland Global Banks Fund	124,587	36,111	156,200	2,581
Portland Global Income Fund	81,989	27,986	120,590	2,581
Portland Global Dividend Fund	129,577	40,773	116,070	2,581
Portland Value Fund	6,315	1,953	86,385	2,581

Period 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

The Funds owed the following amounts to the Manager as at September 30, 2016 and September 30, 2015 excluding applicable GST or HST:

Period ended September 30, 2016	Management Fees (\$)	Operating Expense Reimbursement (\$)
Portland Advantage Fund	6,489	2,412
Portland Canadian Balanced Fund	5,745	2,325
Portland Canadian Focused Fund	7,846	3,999
Portland Global Banks Fund	8,967	2,579
Portland Global Income Fund	6,306	2,174
Portland Global Dividend Fund	9,225	2,953
Portland Value Fund	899	264

Period ended 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

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. Where applicable, certain comparative figures have been restated to include units held by all related parties including the Manager and its affiliates.

	September 30, 2016	September 30, 2015
Portland Advantage Fund	9.5%	3.4%
Portland Canadian Balanced Fund	1.9%	3.2%
Portland Canadian Focused Fund	1.5%	2.0%
Portland Global Banks Fund	1.3%	1.1%
Portland Global Income Fund	2.4%	2.2%
Portland Global Dividend Fund	0.7%	0.5%
Portland Value Fund	20.8%	78.9%

The Funds may 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 as at September 30, 2015. As at September 30, 2016, none of the Funds held units of other investment funds that are also managed by the Manager.

As at September 30, 2015	Portland Global Energy Efficiency and Renewable Energy Fund LP
Portland Global Income Fund	2,483
Portland Global Dividend Fund	2,478

11. BROKERAGE FACILITY

As of September 30, 2016 and September 30, 2015 each of Portland Global Banks Fund, Portland Global Income Fund and Portland Global Dividend Fund had a Settlement Services Agreement with the RBC Dominion Securities Inc. (RBCDS), and had placed securities and cash 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 had 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. Non-cash collateral has been classified separately within the statements of financial position from other assets and was identified as 'Investments - pledged as collateral'. Cash collateral has been classified separately on the statements of financial position as 'margin accounts'.

As of September 30, 2015 each of Portland Global Banks Fund, Portland Global Income Fund and Portland Global Dividend Fund had an Option Trading Agreement and Margin Agreement with Merrill Lynch Canada, Inc. (ML) and had 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 was 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 had authority 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 was classified separately on the statements of financial position as 'Margin accounts'.

12. COMPARISON OF NET ASSET VALUE

As at September 30, 2016 and September 30, 2015, 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.

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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