



PORTLAND
INVESTMENT COUNSEL®

PORTLAND ALTERNATIVE MUTUAL FUNDS
ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2020

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Table of Contents

• Chairman's Message.....	3
• Management's Responsibility for Financial Reporting.....	4
• Independent Auditor's Report	5
• Portland 15 of 15 Alternative Fund	7
• Portland Energy Opportunities Alternative Fund.....	15
• Portland Global Alternative Fund	22
• Portland North American Alternative Fund.....	31
• Notes to Financial Statements.....	38

Chairman's Message



I started last year's letter by pointing out the role uncertainty plays in our lives and the unprecedented extent of some of the externalities affecting the investment environment: *"We have no predictive abilities or control over global trends, natural disaster, political upheavals, currency fluctuations and devaluation, social unrest, bad weather or manic-depressive stock markets. We do, however, have complete control over our own behaviour."*

Little did I know that 2020 would bring the most impactful global pandemic in generations. For a while it appeared that the outbreak of the novel coronavirus COVID-19 may be contained in China; it instead ended up testing the resilience and resolve of just about every individual and organization on the planet. Not surprisingly, governments and central banks around the world put forward some of the largest stimulus and liquidity support measures ever experienced. This helped support and inflate the asset price levels, including a relatively swift rebound in public equities, but, sadly, it seems insufficient support has been provided to the main street, thus far.

The pace of structural changes stirred up by technological changes in the past few decades accelerated during the crisis. Some of us have grown to question the necessity of business travel and have become intimately familiar with the finer features of video-conferencing, while the lines between the office and home became even more blurred. In the shuffle, the crisis unveiled a number of big-time winners (the Big Tech, for instance) and a much larger number of losers. Beyond technological fit, this environment seems to be rewarding those who are entrepreneurial, nimble and adaptable, quick to embrace the benefits of the structural changes and not stuck in rigid routines and agency conflicts (the exact opposite of nimble).

Perhaps not coincidentally, the global pandemic also shone a bright light on and contributed to the deepening of some of the social and racial disparities affecting our society, with visible minorities more affected by the crisis as they suffered greater job losses or found themselves locked in lower paying essential service industries. We incorporated inclusion and diversity into our behaviour long before it was cool. Enfranchising, empowering people and giving them purpose is not only the right thing to do, it is also good business practice. It helped turn National Commercial Bank Jamaica Limited into the safest bank in Jamaica, as announced by Global Finance magazine on October 19, 2020. A recent study by Dana Peterson, a former Citigroup Inc. economist, revealed that \$16 trillion might have been lost by the U.S. economy by not closing the racial gap over the past 20 years. However, if the gaps were closed today, as much as \$5 trillion could be added to the U.S. economy over the next five years. Shouldn't we all be doing something about this?

Not surprisingly, as always, when faced with uncertainty, the solution is to default to a sound intellectual framework, control our emotions and leverage our access. As the crisis started to unfold, adherence to our value discipline allowed us to reduce some of our exposure to publicly traded equities prior to one of the most sudden and steep market selloffs. We also focused our efforts on identifying opportunities that generate their returns through exposure to idiosyncratic risk (i.e. less exposed to the vagaries of the public markets). To our investors and partners, our philosophy makes us transparent. They know what to expect of our behaviour in this time of trial. And our behaviour today will be our history tomorrow.

Thank you.

"Michael Lee-Chin"

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

Management's Responsibility for Financial Reporting

The accompanying financial statements of Portland 15 of 15 Alternative Fund, Portland Energy Opportunities Alternative Fund, Portland Global Alternative Fund and Portland North American Alternative Fund (collectively the Funds) have been prepared by Portland Investment Counsel Inc. (the Manager) in its capacity as 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, have 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 4, 2020**

"Robert Almeida"

**Robert Almeida,
Director
December 4, 2020**

Independent Auditor's Report

To the Unitholders and Trustee of:

Portland 15 of 15 Alternative Fund (formerly, Portland Global Dividend Fund)
Portland Energy Opportunities Alternative Fund
Portland Global Alternative Fund (formerly, Portland Global Banks Fund)
Portland North American Alternative Fund
(individually, a Fund)

Our Opinion

In our opinion, the accompanying September 30, 2020 financial statements of each Fund present fairly, in all material respects, the financial position of each Fund, its financial performance and its cash flows as at and for the periods indicated in Note 1 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The financial statements of each Fund comprise:

- the statements of financial position as at the period-end dates indicated in Note 1;
- the statements of comprehensive income for the periods indicated in Note 1;
- the statements of changes in net assets attributable to holders of redeemable units for the periods indicated in Note 1;
- the statements of cash flows for the periods indicated in Note 1; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of each Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information of each Fund. The other information comprises the Annual Management Report of Fund Performance of each Fund and the information, other than the financial statements and our auditor's report thereon, included in the Annual Financial Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of each Fund, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of each Fund or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each Fund in accordance with IFRS, 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.

In preparing the financial statements, management is responsible for assessing the ability of each Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each Fund.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole for each Fund are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each Fund.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control of each Fund.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
December 4, 2020

Statements of Financial Position

As at September 30,	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,180,584	\$ 185,259
Margin accounts (note 11)	-	5,548
Subscriptions receivable	41,715	-
Interest receivable	-	750
Dividends receivable	3,879	7,669
Investments (note 5)	5,530,882	2,387,071
Investments - pledged as collateral (note 5 and 11)	-	29,316
Derivative assets	-	14,372
	<u>7,757,060</u>	<u>2,629,985</u>
Liabilities		
Current Liabilities		
Management fees payable	10,500	4,314
Performance fees payable	5,223	-
Expenses payable	3,498	1,219
Redemptions payable	6,203	1,000
Distributions payable	-	1,213
Derivative liabilities	-	891
	<u>25,424</u>	<u>8,637</u>
Net Assets Attributable to Holders of Redeemable Units	<u>\$ 7,731,636</u>	<u>\$ 2,621,348</u>
Net Assets Attributable to Holders of Redeemable Units Per Series		
Series A	5,965,937	93,131
Series A2 (note 1(b))	-	2,278,234
Series F	1,765,699	249,983
	<u>\$ 7,731,636</u>	<u>\$ 2,621,348</u>
Number of Redeemable Units Outstanding (note 6)		
Series A	851,881	11,979
Series A2 (note 1(b))	-	289,783
Series F	236,257	30,526
Net Assets Attributable to Holders of Redeemable Units Per Unit		
Series A	\$ 7.00	\$ 7.77
Series A2 (note 1(b))	\$ -	\$ 7.86
Series F	\$ 7.47	\$ 8.19

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 years ended September 30,	2020	2019
Income		
Net gain (loss) on investments and derivatives		
Dividends	\$ 44,675	\$ 137,373
Interest for distribution purposes	6,752	4,191
Net realized gain (loss) on investments and options	(337,277)	(12,863)
Net realized gain (loss) on forward currency contracts	(21,340)	(8,953)
Change in unrealized appreciation (depreciation) on investments and derivatives	695,839	(447,703)
	<u>388,649</u>	<u>(327,955)</u>
Other income		
Foreign exchange gain (loss) on cash and other net assets	5,795	(2,508)
Total income (net)	<u>394,444</u>	<u>(330,463)</u>
Expenses		
Unitholder reporting costs	89,602	121,391
Management fees (note 8)	75,784	62,103
Performance fees (note 8)	63,438	-
Audit fees	17,487	13,164
Transaction costs	5,225	5,193
Custodial fees	4,092	6,571
Independent review committee fees	2,958	2,656
Interest expense and bank charges (note 11)	414	163
Legal fees	223	2,352
Withholding tax expense (reclaims)	(5,764)	1,493
Total operating expenses	<u>253,459</u>	<u>215,086</u>
Less: expenses absorbed by Manager	<u>(90,545)</u>	<u>(127,748)</u>
Net operating expenses	<u>162,914</u>	<u>87,338</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>\$ 231,530</u>	<u>\$ (417,801)</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	\$ 367,113	\$ (11,294)
Series A2 (note 1(b))	\$ (234,431)	\$ (272,257)
Series F	\$ 98,848	\$ (134,250)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	\$ 1.05	\$ (0.80)
Series A2 (note 1(b))	\$ (0.87)	\$ (0.87)
Series F	\$ 0.91	\$ (1.91)

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 years ended September 30,	2020	2019
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period		
Series A	\$ 93,131	\$ 141,509
Series A2 (note 1(b))	2,278,234	3,416,588
Series F	249,983	1,522,520
	<u>2,621,348</u>	<u>5,080,617</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Series A	367,113	(11,294)
Series A2 (note 1(b))	(234,431)	(272,257)
Series F	98,848	(134,250)
	<u>231,530</u>	<u>(417,801)</u>
Distributions to Holders of Redeemable Units		
From net investment income		
Series A	(865)	(1,028)
Series A2 (note 1(b))	(30,655)	(32,000)
Series F	(4,167)	(12,184)
	<u>(35,687)</u>	<u>(45,212)</u>
From return of capital		
Series A	(1,326)	(5,986)
Series A2 (note 1(b))	(41,661)	(123,039)
Series F	(2,214)	(21,217)
	<u>(45,201)</u>	<u>(150,242)</u>
Net Decrease from Distributions to Holders of Redeemable Units	<u>(80,888)</u>	<u>(195,454)</u>
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	5,788,650	-
Series A2 (note 1(b))	121	-
Series F	1,562,372	106,771
	<u>7,351,143</u>	<u>106,771</u>
Reinvestments of distributions		
Series A	1,960	6,664
Series A2 (note 1(b))	66,897	142,527
Series F	4,407	29,856
	<u>73,264</u>	<u>179,047</u>
Redemptions of redeemable units		
Series A	(282,726)	(36,734)
Series A2 (note 1(b))	(2,038,505)	(853,585)
Series F	(143,530)	(1,241,513)
	<u>(2,464,761)</u>	<u>(2,131,832)</u>
Net Increase (Decrease) from Redeemable Unit Transactions	<u>4,959,646</u>	<u>(1,846,014)</u>
Net Assets Attributable to Holders of Redeemable Units at End of Period		
Series A	5,965,937	93,131
Series A2 (note 1(b))	-	2,278,234
Series F	1,765,699	249,983
	<u>\$ 7,731,636</u>	<u>\$ 2,621,348</u>

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

Statements of Cash Flows

For the years ended September 30,	2020	2019
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$ 231,530	\$ (417,801)
Adjustments for:		
Net realized (gain) loss on investments and options	337,277	12,863
Change in unrealized (appreciation) depreciation on investments and derivatives	(695,839)	447,703
Unrealized foreign exchange (gain) loss on cash	(50)	(139)
(Increase) decrease in interest receivable	750	(742)
(Increase) decrease in dividends receivable	3,790	4,322
Increase (decrease) in management fees, performance fees, and expenses payable	13,688	(3,757)
Purchase of investments	(5,421,174)	(720,744)
Proceeds from sale of investments	4,035,106	2,555,996
Net Cash Generated (Used) by Operating Activities	(1,494,922)	1,877,701
Cash Flows from Financing Activities		
Change in margin cash	5,548	4,395
Distributions to holders of redeemable units, net of reinvested distributions	(8,837)	(15,194)
Proceeds from redeemable units issued (note 3)	4,353,989	5,212
Amount paid on redemption of redeemable units (note 3)	(860,503)	(2,029,188)
Net Cash Generated (Used) by Financing Activities	3,490,197	(2,034,775)
Net increase (decrease) in cash and cash equivalents	1,995,275	(157,074)
Unrealized foreign exchange gain (loss) on cash	50	139
Cash and cash equivalents - beginning of period	185,259	342,194
Cash and cash equivalents - end of period	2,180,584	185,259
Cash and cash equivalents comprise:		
Cash at bank	\$ 680,737	\$ 85,338
Short-term investments	1,499,847	99,921
	\$ 2,180,584	\$ 185,259
From operating activities:		
Interest received, net of withholding tax	\$ 7,502	\$ 3,449
Dividends received, net of withholding tax	\$ 54,229	\$ 140,202
From financing activities:		
Interest paid	\$ (414)	\$ (163)

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

Schedule of Investment Portfolio

As at September 30, 2020

No. of Shares/ (Contracts)	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES				
Australia				
300,470	Telix Pharmaceuticals Limited	\$ 327,300	\$ 475,698	6.1%
British Virgin Islands				
4,930	Nomad Foods Ltd.	140,209	167,264	2.1%
Canada				
5,077	Brookfield Asset Management Inc. Class A	240,663	223,495	
14,922	Horizons Cash Maximizer ETF	1,500,133	1,501,004	
		1,740,796	1,724,499	22.3%
Guernsey				
4,185	Pershing Square Holdings Ltd.	115,639	152,409	2.0%
India				
1,780	Reliance Industries Ltd.	82,456	144,106	1.9%
Japan				
6,600	SoftBank Group Corp.	208,600	270,326	3.5%
Spain				
4,780	Industria de Diseno Textil, S.A.	178,482	177,607	2.3%
United States				
4,470	Altice USA, Inc.	164,982	154,753	
2,530	Ares Management Corporation	115,955	136,168	
3,844	Berkshire Hathaway Inc. Class B	1,068,032	1,089,929	
1,150	D.R. Horton, Inc.	62,789	115,811	
1,152	Danaher Corporation	249,011	330,304	
470	Facebook, Inc. Class A	118,084	163,904	
3,012	Oracle Corporation	228,575	239,435	
680	Stryker Corporation	175,680	188,669	
		2,183,108	2,418,973	31.3%
	Total investment portfolio	4,976,590	5,530,882	71.5%
	Transaction costs	(1,858)	-	-
		\$ 4,974,732	5,530,882	71.5%
	Other assets less liabilities		2,200,754	28.5%
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		\$ 7,731,636	100.0%

(a) OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Fund has a master netting or similar arrangements in place with each counterparty listed below for the execution of forward currency contracts. This means that in the event of default or bankruptcy, 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 that settle on the same date have been offset and presented as a net figure in the statements of financial position of the Fund and the table below, where there is a legally enforceable right and an intention to settle the contracts on a net basis. 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, 2019. There is no master netting or similar agreements as at September 30, 2020.

September 30, 2019	National Bank of Canada (\$)	Bank of New York Mellon (\$)
Gross derivative assets	1,568	10,829
Gross derivative liabilities	-	-
Net exposure	1,568	10,829

The Fund may borrow on margin for the purposes of making investments. Collateral in the form of securities is required to secure the borrowing. Securities pledged as collateral have not been offset against the borrowing but are presented separately on the statements of financial position as investments that are pledged as collateral. The broker holding the collateral has the right to sell or re-pledge such securities in order to pay back the loan. However, the Fund does not have the right of offset. As at September 30, 2020, there was no borrowing in the Fund.

(b) RISK MANAGEMENT

Please see note 5 for a description of the various financial risks detailed below.

Price Risk

The Manager moderates price risk through diversification of securities and other financial instruments within the limits of the Fund's investment objectives and strategy.

If the price of investments held by the Fund on September 30, 2020 had been higher or lower by 10%, the net assets attributable to holders of redeemable units of the Fund would have been higher or lower by \$553,088 (September 30, 2019: \$241,616). 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, 2020 and September 30, 2019:

By Geographic Region	September 30, 2020	September 30, 2019
United States	31.3%	5.7%
Cash & Other Net Assets (Liabilities)	28.5%	7.3%
Canada	22.3%	4.1%
Australia	6.1%	10.3%
Japan	3.5%	-
Spain	2.3%	-
British Virgin Islands	2.1%	-
Guernsey	2.0%	-
India	1.9%	-
United Kingdom	-	33.6%
Bermuda	-	9.2%
Switzerland	-	11.0%
Germany	-	8.9%
Forward Currency Contracts	-	0.5%
France	-	5.3%
Netherlands	-	4.1%
Total	100.0%	100.0%

By Industry Sector	September 30, 2020	September 30, 2019
Cash & Other Net Assets (Liabilities)	28.5%	7.3%
Financials	20.7%	15.1%
Exchange Traded Funds	19.4%	0.2%
Health Care	12.8%	-
Communication Services	7.6%	-
Consumer Discretionary	3.8%	17.3%
Information Technology	3.1%	
Consumer Staples	2.2%	3.4%
Industrials	1.9%	11.3%
Utilities	-	3.1%
Real Estate	-	9.2%
Materials	-	11.1%
Forward Currency Contracts	-	0.5%
Energy	-	17.4%
Government Bonds	-	4.1%
Total	100.0%	100.0%

Currency Risk

The tables below indicate the foreign currencies to which the Fund had significant exposure at September 30, 2020 and September 30, 2019, 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 10% in relation to each of the other currencies, with all other variables held constant.

September 30, 2020	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
Australian Dollar	-	475,698	475,698	-	47,570	47,570
British Pound	1	-	1	-	-	-
Euro	184	177,607	177,791	18	17,761	17,779
Swiss Franc	1	-	1	-	-	-
United States Dollar	6,305	3,376,573	3,382,878	631	337,657	338,288
Total	6,491	4,029,878	4,036,369	649	402,988	403,637
% of net assets attributable to holders of redeemable units	0.1%	52.1%	52.2%	-	5.2%	5.2%

September 30, 2019	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
Australian Dollar	(53,696)	163,975	110,279	(5,370)	16,398	11,028
British Pound	(323,664)	385,502	61,838	(32,366)	38,550	6,184
Euro	(144,117)	340,569	196,452	(14,412)	34,057	19,645
Swiss Franc	(133,150)	288,118	154,968	(13,315)	28,812	15,497
United States Dollar	(706,312)	888,034	181,722	(70,631)	88,803	18,172
Total	(1,360,939)	2,066,198	705,259	(136,094)	206,620	70,526
% of net assets attributable to holders of redeemable units	(51.9%)	78.8%	26.9%	(5.2%)	7.9%	2.6%

Interest Rate Risk

As at September 30, 2020 and September 30, 2019, 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 Fund may limit 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) even in the event of default or bankruptcy. 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 outlined in the table below including the effect of master netting or similar arrangements in place with all counterparties, as applicable. As at September 30, 2020, the Fund did not have significant direct exposure to credit risk.

	September 30, 2019	
	Net Unrealized Gain (\$)	Credit Rating
CIBC World Markets Inc.	1,975	Standard & Poor's A-1
National Bank of Canada	1,568	Standard & Poor's A-1
Bank of New York Mellon	10,829	Standard & Poor's A-1

The counterparties have credit ratings which exceed the minimum requirement outlined in securities legislation. The Fund's cash and margin accounts are maintained at financial institutions with a Standard & Poor's credit rating of AA- and A+; and therefore credit risk is deemed minimal.

Liquidity Risk

The Fund is exposed to liquidity risk on its obligations associated with financial liabilities.

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.

All other obligations were due within 3 months from the financial reporting date. Issued redeemable units are payable on demand.

Leverage Risk

As at September 30, 2020, the Fund did not have significant direct exposure to leverage risk as borrowing was nil.

(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, 2020 and September 30, 2019:

As at September 30, 2020	Assets (Liabilities)			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Equities - Long	5,530,882	-	-	5,530,882
Total	5,530,882	-	-	5,530,882

As at September 30, 2019	Assets (Liabilities)			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Bonds - Long	-	107,950	-	107,950
Derivative Assets	-	14,372	-	14,372
Derivative Liabilities	(228)	(663)	-	(891)
Equities - Long	2,308,437	-	-	2,308,437
Total	2,308,209	121,659	-	2,429,868

(d) STRUCTURED ENTITIES

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

The Fund's investments in ETFs as at September 30, 2020 and September 30, 2019 is summarized below:

September 30, 2020	Fair Value of Fund's Investment (\$)	Net Asset Value of ETF (\$)	% of ETF's Net Assets
Horizons Cash Maximizer ETF	1,501,004	623,720,000	0.2%

September 30, 2019	Fair Value of Fund's Investment (\$)	Net Asset Value of ETF (\$)	% of ETF's Net Assets
Technology Select Sector SPDR Fund ETF	5,335	29,708,568,885	-

Statement of Financial Position

As at September 30,	2020
Assets	
Current Assets	
Cash and cash equivalents	\$ 68,029
Dividends receivable	195
Investments (note 5)	76,960
	<u>145,184</u>
Liabilities	
Current Liabilities	
Management fees payable	127
Expenses payable	70
	<u>197</u>
Net Assets Attributable to Holders of Redeemable Units	\$ 144,987
Net Assets Attributable to Holders of Redeemable Units Per Series	
Series A	23,760
Series F	121,227
	<u>\$ 144,987</u>
Number of Redeemable Units Outstanding (note 6)	
Series A	2,500
Series F	12,693
Net Assets Attributable to Holders of Redeemable Units Per Unit	
Series A	\$ 9.50
Series F	\$ 9.55

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.

Statement of Comprehensive Income

For the period ended September 30,	2020*
Income	
Net gain (loss) on investments	
Dividends	\$ 1,676
Change in unrealized appreciation (depreciation) on investments	(5,637)
	<u>(3,961)</u>
Other income	
Foreign exchange gain (loss) on cash and other net assets	(27)
Total income (net)	<u>(3,988)</u>
Expenses	
Unitholder reporting costs	34,587
Audit fees	16,727
Performance fees (note 8)	1,713
Independent review committee fees	1,403
Legal fees	98
Management fees (note 8)	749
Custodial fees	326
Withholding tax expense	135
Transaction costs	88
Total operating expenses	<u>55,826</u>
Less: expenses absorbed by Manager	(52,731)
Net operating expenses	<u>3,095</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>\$ (7,083)</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series	
Series A	\$ (1,240)
Series F	\$ (5,843)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit	
Series A	\$ (0.50)
Series F	\$ (0.46)

* From April 17, 2020 (commencement of operations) to September 30, 2020

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

For the period ended September 30,	2020*
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period	
Series A	\$ -
Series F	-
	<u>-</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	
Series A	(1,240)
Series F	(5,843)
	<u>(7,083)</u>
Redeemable Unit Transactions	
Proceeds from redeemable units issued	
Series A	25,000
Series F	127,070
Net Increase (Decrease) from Redeemable Unit Transactions	<u>152,070</u>
Net Assets Attributable to Holders of Redeemable Units at End of Period	
Series A	23,760
Series F	121,227
	<u>\$ 144,987</u>

* From April 17, 2020 (commencement of operations) to September 30, 2020

Statement of Cash Flows

For the period ended September 30,	2020*
Cash Flows from Operating Activities	
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$ (7,083)
Adjustments for:	
Change in unrealized (appreciation) depreciation on investments	5,637
Unrealized foreign exchange (gain) loss on cash	(4)
(Increase) decrease in dividends receivable	(195)
Increase (decrease) in management fees and expenses payable	197
Purchase of investments	(82,600)
Proceeds from sale of investments	3
Net Cash Generated (Used) by Operating Activities	<u>(84,045)</u>
Cash Flows from Financing Activities	
Proceeds from redeemable units issued (note 3)	152,070
Net Cash Generated (Used) by Financing Activities	<u>152,070</u>
Net increase (decrease) in cash and cash equivalents	68,025
Unrealized foreign exchange gain (loss) on cash	4
Cash and cash equivalents - end of period	<u>68,029</u>
Cash and cash equivalents comprise:	
Cash at bank	\$ 68,029
From operating activities:	
Dividends received, net of withholding tax	\$ 1,346

* From April 17, 2020 (commencement of operations) to September 30, 2020

Schedule of Investment Portfolio

As at September 30, 2020

No. of Shares	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES				
Canada				
250	Canadian Natural Resources Ltd.	\$ 5,859	\$ 5,335	
2,000	CES Energy Solutions Corp.	1,960	1,560	
35	Enbridge Inc.	1,497	1,361	
50	Northland Power Inc.	1,489	2,014	
70	Parkland Corporation	2,324	2,465	
45	Pembina Pipeline Corporation	1,442	1,272	
200	TransAlta Renewables Inc.	2,954	3,346	
		<u>17,525</u>	<u>17,353</u>	12.0%
United States				
250	Diamondback Energy Inc.	11,630	10,027	
135	Enterprise Products Partners, L.P.	3,273	2,838	
200	EOG Resources, Inc.	11,792	9,571	
500	Occidental Petroleum Corporation	8,996	6,665	
62	Occidental Petroleum Corporation Warrant August 3, 2027	417	248	
1,000	Parsley Energy, Inc.	9,628	12,463	
100	Pioneer Natural Resources Company	10,540	11,450	
110	Valero Energy Corporation	8,884	6,345	
		<u>65,160</u>	<u>59,607</u>	41.1%
	Total investment portfolio	82,685	76,960	53.1%
	Transaction costs	(88)	-	-
		<u>\$ 82,597</u>	<u>76,960</u>	53.1%
	Other assets less liabilities		68,027	46.9%
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		<u>\$ 144,987</u>	100.0%

(a) OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Fund may borrow on margin for the purposes of making investments. Collateral in the form of securities is required to secure the borrowing. Securities pledged as collateral have not been offset against the borrowing but are presented separately on the statements of financial position as investments that are pledged as collateral. The broker holding the collateral has the right to sell or re-pledge such securities in order to pay back the loan. However, the Fund does not have the right of offset. As at September 30, 2020, there was no borrowing in the Fund.

(b) RISK MANAGEMENT

Please see note 5 for a description of the various financial risks detailed below.

Price Risk

The Manager moderates price risk through diversification of securities and other financial instruments within the limits of the Fund's investment objectives and strategy.

If the price of investments held by the Fund on September 30, 2020 had been higher or lower by 10%, the net assets attributable to holders of redeemable units of the Fund would have been higher or lower by \$7,696. 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, 2020:

By Geographic Region	September 30, 2020
Cash & Other Net Assets (Liabilities)	46.9%
United States	41.1%
Canada	12.0%
Total	100.0%

By Industry Sector	September 30, 2020
Energy	49.4%
Cash & Other Net Assets (Liabilities)	46.9%
Utilities	3.7%
Total	100.0%

Currency Risk

The table below indicates the foreign currencies to which the Fund had significant exposure at September 30, 2020, 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 10% in relation to each of the other currencies, with all other variables held constant.

September 30, 2020	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
United States Dollar	405	59,607	60,012	41	5,961	6,002
Total	405	59,607	60,012	41	5,961	6,002
% of net assets attributable to holders of redeemable units	0.3%	41.1%	41.4%	-	4.1%	4.1%

Interest Rate Risk

As at September 30, 2020, the Fund did not have significant direct exposure to interest rate risk.

Credit Risk

As at September 30, 2020, the Fund did not have significant direct exposure to credit risk.

Liquidity Risk

The Fund is exposed to liquidity risk on its obligations associated with financial liabilities.

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.

All other obligations were due within 3 months from the financial reporting date. Issued redeemable units are payable on demand.

Leverage Risk

As at September 30, 2020, the Fund did not have significant direct exposure to leverage risk as borrowing was nil.

(c) FAIR VALUE MEASUREMENTS

The following table illustrates the classification of the Fund's financial instruments within the fair value hierarchy as at September 30, 2020.

As at September 30, 2020	Assets (Liabilities)			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Equities - Long	76,960	-	-	76,960
Total	76,960	-	-	76,960

(d) STRUCTURED ENTITIES

As at September 30, 2020, the Fund did not have any investments in structured entities.

Statements of Financial Position

As at September 30,	2020		2019	
Assets				
Current Assets				
Cash and cash equivalents	\$	907,296	\$	455,600
Margin accounts (note 11)		-		5,307
Interest receivable		-		4
Dividends receivable		4,518		8,912
Investments (note 5)		1,511,209		3,100,694
Investments - pledged as collateral (note 5 and 11)		59,675		253,213
Derivative assets		213		9,604
		<u>2,482,911</u>		<u>3,833,334</u>
Liabilities				
Current Liabilities				
Management fees payable		3,728		6,078
Performance fees payable		1,594		-
Expenses payable		1,096		1,770
Redemptions payable		-		93
Distributions payable		-		1,097
Derivative liabilities		19,875		6,588
		<u>26,293</u>		<u>15,626</u>
Net Assets Attributable to Holders of Redeemable Units	\$	2,456,618	\$	3,817,708
Net Assets Attributable to Holders of Redeemable Units Per Series				
Series A		2,335,368		252,589
Series A2 (note 1(c))		-		3,369,570
Series F		121,250		195,549
	\$	2,456,618	\$	3,817,708
Number of Redeemable Units Outstanding (note 6)				
Series A		301,470		26,623
Series A2 (note 1(c))		-		347,473
Series F		14,363		19,155
Net Assets Attributable to Holders of Redeemable Units Per Unit				
Series A	\$	7.75	\$	9.49
Series A2 (note 1(c))	\$	-	\$	9.70
Series F	\$	8.44	\$	10.21

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 years ended September 30,	2020	2019
Income		
Net gain (loss) on investments and derivatives		
Dividends	\$ 37,338	\$ 171,466
Interest for distribution purposes	8,469	419
Net realized gain (loss) on investments and options	(320,944)	(453,828)
Net realized gain (loss) on forward currency contracts	(92,448)	(50,376)
Change in unrealized appreciation (depreciation) on investments and derivatives	(27,435)	107,093
	<u>(395,020)</u>	<u>(225,226)</u>
Other income		
Foreign exchange gain (loss) on cash and other net assets	(4,263)	1,830
Total income (net)	<u>(399,283)</u>	<u>(223,396)</u>
Expenses		
Unitholder reporting costs	144,699	140,434
Management fees (note 8)	58,744	82,405
Audit fees	17,256	13,212
Withholding tax expense	4,376	14,112
Performance fees (note 8)	3,905	-
Custodial fees	3,770	5,101
Transaction costs	3,203	3,885
Independent review committee fees	2,919	2,666
Legal fees	220	2,360
Interest expense and bank charges (note 11)	506	29
Total operating expenses	<u>239,598</u>	<u>264,204</u>
Less: expenses absorbed by Manager	(151,750)	(139,894)
Net operating expenses	<u>87,848</u>	<u>124,310</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>\$ (487,131)</u>	<u>\$ (347,706)</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	\$ (9,400)	\$ (29,120)
Series A2 (note 1(c))	\$ (454,150)	\$ (306,051)
Series F	\$ (23,581)	\$ (12,535)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	\$ (0.06)	\$ (0.90)
Series A2 (note 1(c))	\$ (1.41)	\$ (0.79)
Series F	\$ (1.43)	\$ (0.60)

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

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

For the years ended September 30,	2020	2019
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period		
Series A	\$ 252,589	\$ 428,314
Series A2 (note 1(c))	3,369,570	4,796,771
Series F	195,549	244,470
	<u>3,817,708</u>	<u>5,469,555</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Series A	(9,400)	(29,120)
Series A2 (note 1(c))	(454,150)	(306,051)
Series F	(23,581)	(12,535)
	<u>(487,131)</u>	<u>(347,706)</u>
Distributions to Holders of Redeemable Units		
From return of capital		
Series A	(7,568)	(18,095)
Series A2 (note 1(c))	(94,216)	(212,837)
Series F	(5,256)	(11,579)
Net Decrease from Distributions to Holders of Redeemable Units	<u>(107,040)</u>	<u>(242,511)</u>
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	2,369,929	10,000
Series A2 (note 1(c))	1,652	1,938
Series F	7,415	5,517
	<u>2,378,996</u>	<u>17,455</u>
Reinvestments of distributions		
Series A	6,410	15,354
Series A2 (note 1(c))	90,070	203,838
Series F	3,850	8,946
	<u>100,330</u>	<u>228,138</u>
Redemptions of redeemable units		
Series A	(276,592)	(153,864)
Series A2 (note 1(c))	(2,912,926)	(1,114,089)
Series F	(56,727)	(39,270)
	<u>(3,246,245)</u>	<u>(1,307,223)</u>
Net Increase (Decrease) from Redeemable Unit Transactions	<u>(766,919)</u>	<u>(1,061,630)</u>
Net Assets Attributable to Holders of Redeemable Units at End of Period		
Series A	2,335,368	252,589
Series A2 (note 1(c))	-	3,369,570
Series F	121,250	195,549
	<u>\$ 2,456,618</u>	<u>\$ 3,817,708</u>

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

Statements of Cash Flows

For the years ended September 30,	2020		2019	
Cash Flows from Operating Activities				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$	(487,131)	\$	(347,706)
Adjustments for:				
Net realized (gain) loss on investments and options		320,944		453,828
Change in unrealized (appreciation) depreciation on investments and derivatives		27,435		(107,093)
Unrealized foreign exchange (gain) loss on cash		9,743		(77)
(Increase) decrease in interest receivable		4		6
(Increase) decrease in dividends receivable		4,394		182
Increase (decrease) in management fees, performance fees, and expenses payable		(1,430)		(3,434)
Purchase of investments		(1,422,372)		(159,297)
Proceeds from sale of investments		2,879,694		1,784,359
Net Cash Generated (Used) by Operating Activities		1,331,281		1,620,768
Cash Flows from Financing Activities				
Change in margin cash		5,307		5,569
Distributions to holders of redeemable units, net of reinvested distributions		(7,807)		(13,276)
Proceeds from redeemable units issued (note 3)		2,352		17,455
Amount paid on redemption of redeemable units (note 3)		(869,694)		(1,322,625)
Net Cash Generated (Used) by Financing Activities		(869,842)		(1,312,877)
Net increase (decrease) in cash and cash equivalents		461,439		307,891
Unrealized foreign exchange gain (loss) on cash		(9,743)		77
Cash and cash equivalents - beginning of period		455,600		147,632
Cash and cash equivalents - end of period		907,296		455,600
Cash and cash equivalents comprise:				
Cash at bank	\$	907,296	\$	105,861
Short-term investments		-		349,739
	\$	907,296	\$	455,600
From operating activities:				
Interest received, net of withholding tax	\$	8,473	\$	425
Dividends received, net of withholding tax	\$	37,356	\$	157,536
From financing activities:				
Interest paid	\$	(506)	\$	(29)

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

Schedule of Investment Portfolio

As at September 30, 2020

No. of Shares/ (Contracts)	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES				
Bermuda				
3,600	CK Infrastructure Holdings Limited	\$ 30,684	\$ 22,360	0.9%
Canada				
460	Canadian National Railway Company	52,965	65,232	
740	Fortis, Inc.	39,812	40,286	
510	Metro Inc.	30,312	32,584	
610	Royal Bank of Canada	52,307	57,029	
		175,396	195,131	7.9%
France				
250	Sanofi	33,901	33,304	1.4%
Spain				
1,300	Red Electrica Corporacion S.A.	29,770	32,503	1.3%
Switzerland				
200	Nestle S.A.	29,910	31,614	
280	Novartis AG	35,230	32,347	
70	Roche Holding AG	31,668	31,893	
		96,808	95,854	3.9%
United Kingdom				
1,050	Bunzl PLC	29,736	45,228	
1,400	Compass Group PLC	29,809	28,120	
1,050	Diageo PLC	47,486	47,808	
1,650	Prudential PLC	29,890	31,440	
		136,921	152,596	6.2%
United States				
16	Alphabet Inc. Class A	26,350	31,224	
17	Alphabet Inc. Class C	30,457	33,266	
21	Amazon.com, Inc.	66,507	88,047	
90	American Tower Corporation	31,789	28,969	
510	Berkshire Hathaway Inc. Class B	133,650	144,606	
820	Cincinnati Financial Corporation	72,073	85,133	
300	Colgate-Palmolive Company	30,743	30,819	
620	Consolidated Edison, Inc.	69,848	64,229	
70	Costco Wholesale Corporation	31,191	33,089	
300	Federal Realty Investment Trust	30,904	29,336	
430	Hormel Foods Corporation	30,621	27,993	
140	Johnson & Johnson	29,783	27,754	
400	JPMorgan Chase & Co.	15,741	51,275	
150	Kimberly-Clark Corporation	29,699	29,492	
120	McDonald's Corporation	31,340	35,071	
360	Microsoft Corporation	85,907	100,823	
190	Target Corporation	29,891	39,826	
110	The Clorox Company	30,528	30,784	
450	The Coca-Cola Company	30,291	29,582	
180	The Procter & Gamble Company	31,138	33,313	
210	The Walt Disney Company	30,563	34,696	
160	Walmart Inc.	29,840	29,809	
		928,854	1,039,136	42.3%
	Total equities	1,432,334	1,570,884	63.9%
DERIVATIVES - OPTIONS¹				
Call Options				
Purchased Call				
United States				
USD 5	SPDR S&P 500 ETF Trust, Call 390, 11/20/20	388	213	-
Written Call				
United States				
USD (4)	Cincinnati Financial Corporation, Call 95, 12/18/20	(1,347)	(373)	
USD (2)	JPMorgan Chase & Co., Call 120, 10/16/20	(306)	(8)	
USD (1)	Microsoft Corporation, Call 240, 10/16/20	(199)	(23)	
USD (1)	Microsoft Corporation, Call 270, 11/20/20	(554)	(74)	

Schedule of Investment Portfolio (continued)

As at September 30, 2020

No. of Shares/ (Contracts)	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
USD (5)	SPDR S&P 500 ETF Trust, Call 320, 11/20/20	(12,566)	(15,493)	
USD (1)	The Walt Disney Company, Call 160, 11/20/20	(221)	(35)	
USD (1)	Walmart Inc., Call 170, 11/20/20	(384)	(68)	
	Total call options	(15,577)	(16,074)	(0.7%)
		(15,189)	(15,861)	(0.7%)
Put Options				
United Kingdom				
USD (20)	National Grid PLC, Put 50, 10/16/20	(1,415)	(333)	-
United States				
USD (10)	Aflac, Inc., Put 32.5, 11/20/20	(1,310)	(1,032)	
USD (20)	AT&T Inc., Put 26, 11/20/20	(969)	(1,198)	
USD (20)	Consolidated Edison Inc., Put 65, 10/16/20	(2,594)	(133)	
USD (3)	Federal Realty Investment Trust, Put 65, 11/20/20	(589)	(679)	
USD (5)	The Coca-Cola Company, Put 45, 11/20/20	(429)	(426)	
	Total put options	(5,891)	(3,468)	(0.1%)
	Total purchased and written options	(7,306)	(3,801)	(0.1%)
	Total purchased and written options	(22,495)	(19,662)	(0.8%)
	Net Investments	1,409,839	1,551,222	63.1%
	Transaction costs	(1,627)	-	-
		\$ 1,408,212	1,551,222	63.1%
	Other assets less liabilities		905,396	36.9%
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		\$ 2,456,618	100.0%

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

(a) OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Fund has a master netting or similar arrangements in place with each counterparty listed below for the execution of forward currency contracts. This means that in the event of default or bankruptcy, 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 that settle on the same date have been offset and presented as a net figure in the statements of financial position of the Fund and the table below, where there is a legally enforceable right and an intention to settle the contracts on a net basis. 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, 2019. There is no master netting or similar agreements as at September 30, 2020.

September 30, 2019	Bank of New York Mellon (\$)
Gross derivative assets	8,122
Gross derivative liabilities	-
Net exposure	8,122

The Fund may borrow on margin for the purposes of making investments. Collateral in the form of securities is required to secure the borrowing. Securities pledged as collateral have not been offset against the borrowing but are presented separately on the statements of financial position as investments that are pledged as collateral. The broker holding the collateral has the right to sell or re-pledge such securities in order to pay back the loan. However, the Fund does not have the right of offset. As at September 30, 2020, there was no borrowing in the Fund.

(b) RISK MANAGEMENT

Please see note 5 for a description of the various financial risks detailed below.

Price Risk

The Manager moderates price risk through diversification of securities and other financial instruments within the limits of the Fund's investment objectives and strategy.

If the price of investments held by the Fund on September 30, 2020 had been higher or lower by 10%, the net assets attributable to holders of redeemable units of the Fund would have been higher or lower by \$155,122 (September 30, 2019: \$334,924). 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, 2020 and September 30, 2019:

By Geographic Region	September 30, 2020	September 30, 2019
United States	41.5%	48.6%
Cash & Other Net Assets (Liabilities)	36.9%	12.1%
Canada	7.9%	-
United Kingdom	6.2%	25.4%
Switzerland	3.9%	-
France	1.4%	4.4%
Spain	1.3%	-
Bermuda	0.9%	-
Netherlands	-	5.1%
Norway	-	4.3%
Forward Currency Contracts	-	0.1%
Total	100.0%	100.0%

By Industry Sector	September 30, 2020	September 30, 2019
Cash & Other Net Assets (Liabilities)	36.9%	12.1%
Financials	15.0%	-
Consumer Staples	14.6%	-
Consumer Discretionary	7.7%	-
Utilities	6.4%	-
Health Care	5.1%	-
Industrials	4.5%	-

Communication Services	4.1%	-
Information Technology	4.1%	-
Real Estate	2.4%	-
Short positions- Derivatives	(0.8%)	(0.1%)
Diversified Banks	-	69.9%
Investment Banking & Brokerage	-	11.6%
Asset Management & Custody Banks	-	4.5%
Multi-Sector Holdings	-	-
Regional Banks	-	1.9%
Forward Currency Contracts	-	0.1%
Total	100.0%	100.0%

Currency Risk

The tables below indicate the foreign currencies to which the Fund had significant exposure at September 30, 2020 and September 30, 2019, 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 10% in relation to each of the other currencies, with all other variables held constant.

September 30, 2020	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
British Pound	887	152,596	153,483	89	15,260	15,349
Euro	180,256	65,807	246,063	18,026	6,581	24,607
Hong Kong Dollar	1,518	22,360	23,878	152	2,236	2,388
Japanese Yen	197,210	-	197,210	19,721	-	19,721
Norwegian Krone	1,178	-	1,178	118	-	118
Swiss Franc	663	95,854	96,517	66	9,585	9,651
United States Dollar	522,365	1,019,474	1,541,839	52,237	101,947	154,184
Total	904,077	1,356,091	2,260,168	90,409	135,609	226,018
% of net assets attributable to holders of redeemable units	36.8%	55.2%	92.0%	3.7%	5.5%	9.2%

September 30, 2019	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
British Pound	(244,454)	334,360	89,906	(24,445)	33,436	8,991
Euro	(107,931)	38,703	(69,228)	(10,793)	3,870	(6,923)
Norwegian Krone	781	163,355	164,136	78	16,336	16,414
United States Dollar	(2,104,407)	2,812,830	708,423	(210,441)	281,283	70,842
Total	(2,456,011)	3,349,248	893,237	(245,601)	334,925	89,324
% of net assets attributable to holders of redeemable units	(64.3%)	87.7%	23.4%	(6.4%)	8.8%	2.4%

Interest Rate Risk

As at September 30, 2020 and September 30, 2019, 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 Fund may limit 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) even in the event of default or bankruptcy. 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 outlined in the table below including the effect of master netting or similar arrangements in place with all counterparties, as applicable. As at September 30, 2020, the Fund did not have significant direct exposure to credit risk.

	September 30, 2019	
	Net Unrealized Gain (\$)	Credit Rating
Bank of New York Mellon	8,122	Standard & Poor's A-1
CIBC World Markets Inc.	1,482	Standard & Poor's A-1

The counterparties have credit ratings which exceed the minimum requirement outlined in securities legislation. The Fund's cash and margin accounts are maintained at financial institutions with a Standard & Poor's credit rating of AA- and A+; and therefore credit risk is deemed minimal.

Liquidity Risk

The Fund is exposed to liquidity risk on its obligations associated with financial liabilities.

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.

The Fund may write cash secured put options in accordance with its investment objectives and strategies. The value of the securities and/or cash required to satisfy the options if they were exercised, is presented in the table below. There were no put option contracts held as at September 30, 2019.

Value of securities or cash required to satisfy put options	Less than 1 month (\$)	1 to 3 months (\$)	Greater than 3 months and less than one year (\$)	Total (\$)
September 30, 2020	(306,257)	(168,441)	-	(474,698)

All other obligations were due within 3 months from the financial reporting date. Issued redeemable units are payable on demand.

Leverage Risk

As at September 30, 2020, the Fund did not have significant direct exposure to leverage risk as borrowing was nil.

(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, 2020 and September 30, 2019:

As at September 30, 2020	Assets (Liabilities)			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Derivative Assets		213		213
Derivative Liabilities	-	(19,875)	-	(19,875)
Equities – Long	1,570,884	-	-	1,570,884
Total	1,570,884	(19,662)	-	1,551,222

As at September 30, 2019	Assets (Liabilities)			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Derivative Assets	-	9,604	-	9,604
Derivative Liabilities	(4,658)	(1,930)	-	(6,588)
Equities - Long	3,353,907	-	-	3,353,907
Total	3,349,249	7,674	-	3,356,923

(d) STRUCTURED ENTITIES

As at September 30, 2020 and September 30, 2019, the Fund did not have any investments in structured entities.

Statement of Financial Position

As at September 30,

2020

Assets

Current Assets

Cash and cash equivalents	\$	258,933
Dividends receivable		702
Investments (note 5)		211,436
		<u>471,071</u>

Liabilities

Current Liabilities

Management fees payable		458
Expenses payable		211
		<u>669</u>

Net Assets Attributable to Holders of Redeemable Units

\$	<u>470,402</u>
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Net Assets Attributable to Holders of Redeemable Units Per Series

Series A	159,807
Series F	310,595
	<u>\$ 470,402</u>

Number of Redeemable Units Outstanding (note 6)

Series A	16,296
Series F	31,519

Net Assets Attributable to Holders of Redeemable Units Per Unit

Series A	\$	9.81
Series F	\$	9.85

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.

Statement of Comprehensive Income

For the period ended September 30,

2020*

Income

Net gain (loss) on investments and derivatives		
Dividends	\$	1,400
Change in unrealized appreciation (depreciation) on investments		(7,485)
		<u>(6,085)</u>

Other income

Foreign exchange gain (loss) on cash and other net assets		(371)
Total income (net)		<u>(6,456)</u>

Expenses

Unitholder reporting costs		32,928
Audit fees		16,720
Management fees (note 8)		1,624
Independent review committee fees		1,403
Legal fees		98
Performance fees (note 8)		491
Custodial fees		109
Transaction costs		106
Withholding tax expense		105
Total operating expenses		<u>53,585</u>
Less: expenses absorbed by Manager		<u>(50,476)</u>
Net operating expenses		<u>3,109</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$	<u>(9,565)</u>

Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series

Series A	\$	(3,728)
Series F	\$	(5,837)

Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit

Series A	\$	(0.42)
Series F	\$	(0.27)

* From April 17, 2020 (commencement of operations) to September 30, 2020

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

For the period ended September 30,	2020*
Net Assets Attributable to Holders of Redeemable Units at Beginning of Period	
Series A	\$ -
Series F	-
	<u>-</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	
Series A	(3,728)
Series F	(5,837)
	<u>(9,565)</u>
Redeemable Unit Transactions	
Proceeds from redeemable units issued	
Series A	163,535
Series F	316,432
Net Increase (Decrease) from Redeemable Unit Transactions	<u>479,967</u>
Net Assets Attributable to Holders of Redeemable Units at End of Period	
Series A	159,807
Series F	310,595
	<u>\$ 470,402</u>

* From April 17, 2020 (commencement of operations) to September 30, 2020

Statement of Cash Flows

For the period ended September 30,	2020*
Cash Flows from Operating Activities	
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$ (9,565)
Adjustments for:	
Change in unrealized (appreciation) depreciation on investments	7,485
(Increase) decrease in dividends receivable	(702)
Increase (decrease) in management fees and expenses payable	669
Purchase of investments	(218,921)
Net Cash Generated (Used) by Operating Activities	<u>(221,034)</u>
Cash Flows from Financing Activities	
Proceeds from redeemable units issued (note 3)	<u>479,967</u>
Net Cash Generated (Used) by Financing Activities	<u>479,967</u>
Net increase (decrease) in cash and cash equivalents	<u>258,933</u>
Cash and cash equivalents - end of period	<u>258,933</u>
Cash and cash equivalents comprise:	
Cash at bank	\$ 258,933
From operating activities:	
Dividends received, net of withholding tax	\$ 593

* From April 17, 2020 (commencement of operations) to September 30, 2020

Schedule of Investment Portfolio

As at September 30, 2020

No. of Shares	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
EQUITIES				
Canada				
5,848	RioCan Real Estate Investment Trust	\$ 86,065	\$ 82,223	17.5%
Japan				
600	SoftBank Group Corp.	19,096	24,575	5.2%
United States				
1,365	CenturyLink Inc.	18,479	18,339	
1,360	Citigroup Inc.	86,305	78,068	
180	The Bank of New York Mellon Corporation	9,083	8,231	
		113,867	104,638	22.2%
		219,028	211,436	44.9%
	Transaction costs	(106)	-	-
		\$ 218,922	211,436	44.9%
	Other assets less liabilities		258,966	55.1%
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		\$ 470,402	100.0%

(a) OFFSETTING ASSETS AND LIABILITIES

The Fund may borrow on margin for the purposes of making investments. Collateral in the form of securities is required to secure the borrowing. Securities pledged as collateral have not been offset against the borrowing but are presented separately on the statements of financial position as investments that are pledged as collateral. The broker holding the collateral has the right to sell or re-pledge such securities in order to pay back the loan. However, the Fund does not have the right of offset. As at September 30, 2020, there was no borrowing in the Fund.

(b) RISK MANAGEMENT

Please see note 5 for a description of the various financial risks detailed below.

Price Risk

The Manager moderates price risk through diversification of securities and other financial instruments within the limits of the Fund's investment objectives and strategy.

If the price of investments held by the Fund on September 30, 2020 had been higher or lower by 10%, the net assets attributable to holders of redeemable units of the Fund would have been higher or lower by \$21,144. 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, 2020.

By Geographic Region	September 30, 2020
Cash & Other Net Assets (Liabilities)	55.1%
United States	22.2%
Canada	17.5%
Japan	5.2%
Total	100.0%

By Industry Sector	September 30, 2020
Cash & Other Net Assets (Liabilities)	55.1%
Financials	18.3%
Real Estate	17.5%
Communication Services	9.1%
Total	100%

Currency Risk

The table below indicates the foreign currencies to which the Fund had significant exposure as at September 30, 2020, 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 10% in relation to each of the other currencies, with all other variables held constant.

September 30, 2020	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
Unites States Dollar	692	129,213	129,905	69	12,921	12,990
Total	692	129,213	129,905	69	12,921	12,990
% of net assets attributable to holders of redeemable units	0.1%	27.5%	27.6%	-	2.7%	2.7%

Interest Rate Risk

As at September 30, 2020, the Fund did not have significant direct exposure to interest rate risk.

Credit Risk

As at September 30, 2020, the Fund did not have significant direct exposure to credit risk.

Liquidity Risk

The Fund is exposed to liquidity risk on its obligations associated with financial liabilities.

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.

All other obligations were due within 3 months from the financial reporting date. Issued redeemable units are payable on demand.

Leverage Risk

As at September 30, 2020, the Fund did not have significant exposure to leverage risk as borrowing was nil.

(c) FAIR VALUE MEASUREMENTS

The following table illustrates the classification of the Fund's financial instruments within the fair value hierarchy as at September 30, 2020:

As at September 30, 2020	Assets (Liabilities)			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Equities - Long	211,436	-	-	211,436
Total	211,436	-	-	211,436

(d) STRUCTURED ENTITIES

As at September 30, 2020, the Fund did not have any investments in structured entities.

1. GENERAL INFORMATION

(a) Portland 15 of 15 Alternative Fund, Portland Energy Opportunities Alternative Fund, Portland Global Alternative Fund and Portland North American Fund (each a Fund and collectively referred to as the Funds) are open-ended alternative mutual funds created under the laws of Ontario in Canada and governed by a master declaration of trust as amended and restated from time to time. The Funds offer units to the public under a simplified prospectus dated April 17, 2020, as may be amended from time to time (the Prospectus). The formation date of the Funds and inception dates of each series of the Funds are as follows:

Name of Fund	Formation Date of Fund	Inception Date	
		Series A	Series F
Portland 15 of 15 Alternative Fund (note 1(b))	April 27, 2007	May 29, 2014	May 29, 2014
Portland Energy Opportunities Alternative Fund	April 17, 2020	April 17, 2020	April 17, 2020
Portland Global Alternative Fund (note 1 (c))	June 25, 2007	December 17, 2013	December 17, 2013
Portland North American Alternative Fund	April 17, 2020	April 17, 2020	April 17, 2020

Portland Investment Counsel Inc. (the Manager) is the Investment Fund Manager, Portfolio Manager and Trustee of the Funds. The head office of the Funds is 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7. These financial statements are presented in Canadian dollars and were authorized for issue by the board of directors of the Manager on December 4, 2020. The Funds are authorized to issue an unlimited number of units in an unlimited number of series.

Each Fund is considered an “alternative mutual fund” according to National Instrument 81-102, meaning it is permitted to use strategies generally prohibited by conventional mutual funds, such as the ability to invest up to 20% of its net asset value (NAV) in securities of a single issuer (rather than 10% for conventional mutual funds); the ability to invest up to 100% or more of its NAV in physical commodities either directly or through the use of specified derivatives; borrow, up to 50% of its NAV, cash to use for investment purposes; sell, up to 50% of its NAV, securities short (the combined level of cash borrowing and short selling is limited to 50% in aggregate); and aggregate exposure up to 300% of its NAV. The following table presents the investment objective of each Fund.

Name of Fund	Investment Objective
Portland 15 of 15 Alternative Fund	Provide positive long-term total returns by investing primarily in a portfolio of global equities and debt-like securities. In selecting its investment, the Fund considers 15 principles/attributes, which the Manager believes, will result in successful wealth creation.
Portland Energy Opportunities Alternative Fund	Provide positive long-term total returns by investing primarily in a portfolio of global energy focused securities.
Portland Global Alternative Fund	Provide positive long-term total returns consisting of both income and capital gains by investing primarily in a portfolio of global equities and debt-like securities.
Portland North American Alternative Fund	Achieve, over the long-term, preservation of capital and a satisfactory return through focused investing in long security positions.

The statements of financial position of the Funds are as at September 30, 2020 and September 30, 2019, as applicable. 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, 2020 and September 30, 2019 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.

(b) Effective April 20, 2020, the Series A2 Units of Portland Global Dividend Fund were merged into Series A Units of Portland Global Dividend Fund and Portland Advantage Fund, Portland Value Fund and Portland 15 of 15 Fund (collectively the Terminated Funds) were merged into Portland Global Dividend Fund, which was then converted to an alternative mutual fund, and renamed Portland 15 of 15 Alternative Fund (the Continuing Fund). The Continuing Fund acquired all of the assets and assumed all of the liabilities of the Terminated Funds in exchange for units of the Continuing Fund. The financial statements of the Continuing Fund include the results of operations of the Terminated Funds from the date of the merger. In addition, effective April 20, 2020, the management fees decreased from 2.0% and 1.0% to 1.75% and 0.75% on Series A and Series F, respectively. The exchange ratios, total number of units issued by the Continuing Fund and the NAV acquired are summarized below:

Merging Fund	Exchange Ratio	Continuing Fund	Number of Units Issued	Net Asset Value Acquired (\$)
Portland Advantage Fund		Portland 15 of 15 Alternative Fund		1,593,513
Series A	0.9968	Series A	164,321	
Series F	0.9835	Series F	75,513	
Portland Value Fund		Portland 15 of 15 Alternative Fund		352,879
Series A	0.7892	Series A	15,259	
Series F	0.7481	Series F	36,615	
Portland 15 of 15 Fund		Portland 15 of 15 Alternative Fund		999,855
Series A	1.4494	Series A	139,032	
Series F	1.3999	Series F	13,555	

(c) Effective April 20, 2020, the Series A2 Units of Portland Global Banks Funds were merged into Series A Units of Portland Global Bank Fund. In addition, effective April 20, 2020, the management fees decreased from 2.00% and 1.00% to 1.75% and 0.75% on Series A and Series F, respectively and the Fund was converted to an alternative mutual fund and been renamed Portland Global Alternative Fund.

2. BASIS OF PRESENTATION

These financial statements of the Funds have been prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss (FVTPL).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(a) Classification

The Funds classify financial assets based on the business model used for managing such financial assets and the contractual cash flow characteristics of those financial assets. Each Fund may be divided into sub-portfolios that have different business models. Where contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI test), the financial asset will be classified as a financial asset at amortized cost.

The Funds classify their investment in equities, fixed income securities and derivatives as financial assets or financial liabilities at FVTPL. The Funds' obligation for net assets attributable to holders of redeemable units does not meet the criteria for equity treatment and therefore is presented as a liability on the statement of financial position. The Funds have elected to classify their obligations for net assets attributable to holders of redeemable units as financial liabilities at FVTPL.

All remaining assets and liabilities of the Funds are classified as amortized cost and are reflected at the amount required to be paid, discounted to reflect the time value of money when appropriate.

The Funds accounting policies for measuring the fair value of its investments and derivatives are similar to those used in measuring its 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 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 are initially recognized at fair value. Transaction costs incurred to acquire financial assets at FVTPL are expensed as incurred in the statements of comprehensive income. Subsequent to initial recognition, all financial assets and liabilities at FVTPL are measured at fair value. Unrealized gains and losses arising from changes in fair value of the FVTPL category are presented in the statements of comprehensive income within 'Change in unrealized appreciation (depreciation) on investments' or if the Fund holds investments including options, forward currency contracts or other derivatives, under 'Change in unrealized appreciation (depreciation) on investments and derivatives' in the period in which they arise. Financial assets at amortized cost are subsequently measured at amortized cost, less any impairment losses. Transaction costs incurred on financial assets or liabilities at amortized cost are amortized over the life of the asset or liability.

Financial assets are de-recognized when the rights to receive cash flows 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 (for financial assets at FVTPL) or the amortized cost (for financial assets at amortized cost) is included within 'Net realized gain (loss) on investments' or 'Net realized gain (loss) on investments and options' in the statements of comprehensive income.

Amounts receivable or payable with respect to derivative transactions, including premiums or discounts received or paid, are included in the statements of financial position under 'Derivative assets' or 'Derivative liabilities'.

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.

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 provided by independent security pricing services.

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 exchange traded funds (ETFs) to be investments in unconsolidated structured entities. 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 ETF is included in the statements of comprehensive income in 'Change in unrealized appreciation (depreciation) of the investments' or 'Change in unrealized appreciation (depreciation) on investments and derivatives'.

Revenue recognition

'Interest for distribution purposes' shown on the statements of comprehensive income represents the stated rate of interest earned by the Funds on fixed income securities accounted for on an accrual basis, as applicable. 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 statements of financial position based on the debt instruments' stated rates of interest. Dividends on equity investments 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 statements of comprehensive income within 'Net realized gain (loss) on investments' or '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 statements of comprehensive income within 'Net realized gain (loss) on forward currency contracts'.

Unrealized exchange gains or losses on investments, options and forward currency contracts are included in 'Change in unrealized appreciation (depreciation) of investments' or 'Change in unrealized appreciation (depreciation) on 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. Where cash and cash equivalents are in net bank overdraft positions, these are presented as current liabilities in the statements of financial position.

Cost of investments

The cost of investments represents the cost for each security 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. 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 the Fund's NAV per unit at the time of issue or redemption. The NAV per unit is calculated by dividing the NAV of each series of redeemable units by the total number of outstanding redeemable units of each respective series.

Expenses

Expenses of the Funds, including management fees and other operating expenses, are recorded on an accrual basis. Interest charged on margin borrowing is 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.

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.

Distributions 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 taxes. All distributions by the Funds will be automatically reinvested in additional units 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.

Management fee distributions are accounted for as distributions for financial reporting purposes and reinvested in additional units of the same series of a Fund. Management fee distributions are paid first out of net income or net realized capital gains and, thereafter, out of capital.

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 'Investments - pledged as collateral' if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral.

Allocation of non-cash items on the statement of cash flows

The Funds include only the net cash flow impact and do not include non-cash switches between series of a Fund that occurred during the period in 'Proceeds from redeemable units issued' or 'Amount paid on redemption of redeemable units'. The below non-cash switches have been excluded from each Fund's operation and financing activities on the statements of cash flows for the years ending September 30, 2020 and September 30, 2019.

	September 30, 2020 (\$)	September 30, 2019 (\$)
Portland 15 of 15 Alternative Fund	1,599,055	101,644
Portland Energy Opportunities Alternative Fund	-	N/A
Portland Global Alternative Fund	2,376,644	-
Portland North American Alternative Fund	-	N/A

Future accounting changes

New standards, amendments and interpretations effective after January 1, 2020 and that have not been early adopted

There are no new accounting standards effective after January 1, 2020 which affect the accounting policies of the Funds.

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 of securities not quoted in an active market

The fair value of such securities not quoted in an active market may be determined by the Funds using reputable pricing sources (such as pricing agencies) or indicative prices. Such values may be indicative and not executable or binding. The Funds would exercise judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Funds may value positions using their own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The inputs into these models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The determination of what constitutes 'observable' requires significant judgment by the Funds. The Funds consider observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Fair value of foreign securities

The Manager has procedures in place to determine the fair value of foreign securities traded in foreign markets to avoid stale prices and to take into account, among other things, any subsequent events occurring after the close of a foreign market. The Manager's fair value pricing techniques involve assigning values to the Funds' portfolio holdings that may differ from the closing prices on the foreign securities exchanges. The Manager will do this in circumstances where it has in good faith determined that to do so better reflects the market values of the securities in question.

Coronavirus (COVID-19) Impact

While the precise impact of the recent novel coronavirus COVID-19 outbreak remains unknown, it has introduced uncertainty and volatility in global markets and economies, resulting in an economic slowdown. The governments have designed significant monetary and fiscal interventions to stabilize the current economic conditions. This is a developing situation and might impact each Fund's ability to generate income. Currently, it is unknown as to the impact on each Fund's receivables and investments if COVID-19 persists for an extended period. The Funds may incur reductions in revenue relating to such events outside of their control, which could have a material adverse impact on each Fund's business, operating results, revenues and financial condition. The Manager is in the process of assessing the impact of COVID-19, however, given the fluidity and significant volatility of the situation, it is not possible to quantify the impact at this stage. No adjustments have been reflected in the financial statements at this time.

5. FINANCIAL INSTRUMENTS

(a) Risk Management

The Funds' investment activities may be exposed to various financial risks, including market risk (which includes price risk, currency risk and interest rate risk), concentration 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' Prospectus. 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.

Leverage risk

When a Fund makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on equities, fixed-income securities or other portfolio assets, leverage may be introduced into each Fund. Leverage occurs when a Fund borrows to invest or when a Fund's notional exposure to underlying assets is greater than the amount invested. It is an investment technique that can magnify gains and losses. Consequently,

any adverse change in the value or level of the Fund's investments, or of the underlying assets, rate or index to which the Fund's investments relate, may amplify losses compared to those that would have been incurred if the Fund had not borrowed to invest or if the underlying asset had been directly held by a Fund. This may result in losses greater than if the Fund had not borrowed to invest, or, in the case of derivatives, losses greater than the amount invested in the derivative itself. The Funds may borrow, up to 50% of their NAV, cash to use for investment purposes and are subject to an aggregate exposure limit of 300% of their net asset values. The Fund pledges securities as collateral and is able to borrow up to limits imposed by the broker it has pledged the collateral to. The amount of borrowing allowed by the broker depends on the nature of the securities pledged. The Fund pays interest on the amounts borrowed. Interest is accrued daily and paid monthly.

Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type or industry sector. The Funds are subject to increased concentration risk as they are permitted to invest up to 20% of their NAV in the securities of a single issuer.

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 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 non-Canadian dollar currency exposure or the non-Canadian currency exposure of the issuers whose securities comprise the 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.

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 will fluctuate due to changes in market interest rates.

Credit risk

Credit risk is the risk that the issuer of a debt security (including preferred shares) or counterparty to a financial instrument will fail to pay the interest or to repay the principal or discharge an obligation of a commitment that it has entered into with the Fund.

All transactions in listed securities are executed with approved brokers. The risk of default is considered minimal, as delivery of all securities sold is only made once the broker has received payment.

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 invest 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, the Funds may borrow, up to 50% of their NAV, cash to use for investment purposes and are subject to an aggregate exposure limit of 300% of their net asset values. The Funds may not invest more than 20% of its net assets at the time of purchase in securities of a single issuer nor invest in more than 10% of any issuer's outstanding voting securities at the time of purchase.

(b) 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; and

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. 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. 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.

6. REDEEMABLE UNITS

The Funds are permitted to issue an unlimited number of series of units, having such terms and conditions as the Manager may determine. Additional series may be offered in the future on different terms. Each unit of a series represents an undivided ownership interest in the net assets of the 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 are available to all investors.

Series F Units are available to investors who participate in fee-based programs through their dealer and whose dealer has signed a Series F Agreement with the Manager, investors for whom the Funds do not incur distribution costs, or individual investors approved by the Manager.

Series O Units are available to certain institutional investors. The Funds have not yet issued any Series O Units. The number of units issued and outstanding for the years ended September 30, 2020 and September 30, 2019 were as follows:

September 30, 2020	Beginning Balance	Units Issued Including Switches from Other Series	Units Reinvested	Units Redeemed Including Switches from Other Series	Ending Balance	Weighted Average Number of Units
Portland 15 of 15 Alternative Fund						
Series A Units	11,979	880,302	262	40,662	851,881	351,146
Series A2 Units (note 1 (b))	289,783	-	8,936	298,719	-	268,294
Series F Units	30,526	223,063	557	17,889	236,257	109,088
Portland Energy Opportunities Alternative Fund						
Series A Units	-	2,500	-	-	2,500	2,500
Series F Units	-	12,693	-	-	12,693	12,676
Portland Global Alternative Fund						
Series A Units	26,623	310,038	690	35,881	301,470	156,953
Series A2 Units (note 1 (c))	347,473	164	9,415	357,052	-	322,595
Series F Units	19,155	747	379	5,918	14,363	16,496
Portland North American Alternative Fund						
Series A Units	-	16,296	-	-	16,296	8,897
Series F Units	-	31,519	-	-	31,519	21,799

September 30, 2019	Beginning Balance	Units Issued Including Switches from Other Series	Units Reinvested	Units Redeemed Including Switches from Other Series	Ending Balance	Weighted Average Number of Units
Portland 15 of 15 Alternative Fund						
Series A Units	15,550	-	807	4,378	11,979	14,205
Series A2 Units	372,533	-	17,133	99,883	289,783	313,016
Series F Units	161,106	12,105	3,418	146,103	30,526	70,177
Portland Global Alternative Fund						
Series A Units	39,834	1,015	1,595	15,821	26,623	32,494
Series A2 Units	438,627	221	20,814	112,189	347,473	386,666
Series F Units	21,452	540	872	3,709	19,155	20,803

7. TAXATION

Portland 15 of 15 Alternative Fund and Portland Global Alternative Fund qualify as mutual fund trusts within the meaning of the Income Tax Act (Canada) (the Tax Act).

Portland Energy Opportunities Alternative Fund and Portland North American Alternative Fund (collectively, the Unit Trusts) have registered investment status and will qualify as mutual fund trusts once they each have 150 qualifying unitholders. The Unit Trusts could be subject to a 40% tax under Part XII.2 of the Tax Act and may incur Minimum Tax as defined in the Tax Act. Minimum Tax may arise if the unit trust retains capital gains by virtue of applying: a) expenses, b) non-capital loss carry forwards, or c) dividend tax credits against those gains. Minimum Tax may also arise in certain circumstances where dividend income is retained to utilize the dividend tax credit. Minimum Tax is reflected as an expense on the statements of comprehensive income, if applicable. The Unit Trusts will be liable for tax under Part X.2 of the Tax Act if, at the end of any month, the Fund holds property that is not a "qualified investment" for an RRSP, RRIF or DPSP.

The Funds calculate taxable and net capital gains/(losses) in accordance with the Tax Act and intend to distribute sufficient net income and net realized capital gains, if any, to ensure they do not pay ordinary income tax. 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, if any, 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 for the Unit Trusts which have taxation year-ends of December 31.

The following chart presents the amount of non-capital loss carry forwards available to the Funds by year of expiry. There is no non-capital loss carry forwards for Portland 15 of 15 Alternative Fund.

	2030 (\$)	2032 (\$)	2033 (\$)	2035 (\$)	2038 (\$)	2039 (\$)	Total (\$)
Portland Global Alternative Fund	56,541	1,913	336,358	56,124	15,344	-	466,280

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

	Total (\$)
Portland 15 of 15 Alternative Fund	26,427,191
Portland Global Alternative Fund	159,694,288

8. MANAGEMENT FEES, PERFORMANCE 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 average daily NAV 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 F Units
Portland 15 of 15 Alternative Fund	1.75%	0.75%
Portland Energy Opportunities Alternative Fund	1.75%	0.75%
Portland Global Alternative Fund	1.75%	0.75%
Portland North American Alternative Fund	1.75%	0.75%

Management fees on Series O Units are negotiated with the Manager. Such fees are paid directly to the Manager and are not deducted from the NAV of Series O.

Prior to April 20, 2020, the Manager offered a reduced management fee to selected unitholders who invest significant assets in the Funds or who have a certain account-type such as a managed account. The reduced management fee is achieved by reducing the management fee charged by the Manager to a Fund based on the NAV of the units held by such unitholder and the Fund distributing the amount of the reduction as a special distribution to the particular unitholder (a management fee distribution), which is reinvested in additional units of the same series of a Fund.

The Manager is entitled to receive a performance fee (Performance Fee), calculated and accrued on each business day for each series of units and paid monthly. The Performance Fee is equal to: (a) 10% of the amount by which the NAV of the series of units on that business day (including the effect of any declared distributions on said business day and adjusted to exclude the accrual of the Performance Fee) exceeds the High Water Mark (as defined below); multiplied by (b) the number of units of that series outstanding on such business day, prior to giving effect to subscriptions, redemptions and distributions re-invested on such date. For each series of units that is subject to a Performance Fee, a high water mark (High Water Mark) will be calculated for use in the determination of the Performance Fee. The highest NAV on the last business day of the month (minus the effect of any declared distributions since the business day at which the last Performance Fee became payable) for each series of units, upon which a Performance Fee was paid, establishes a High Water Mark for each series of units which must be exceeded subsequently for the Performance Fee applicable to each series of units to be payable. At the inception of each series of a Fund to which a Performance Fee may be applicable, the High Water Mark will be the initial NAV of the series of units. Performance Fees will be accrued daily such that the NAV reflects such accrual. A separate Performance Fee is calculated for each series of units offered by a Fund.

Certain Funds may invest in mutual funds, investment funds and ETFs (collectively referred to as an Underlying Fund) and the Underlying Fund may pay a management fee and other expenses in addition to the expenses payable by the Fund. The Fund will not pay a management fee on the portion of its assets that it invests in the Underlying Fund that, to a reasonable person, would duplicate a management fee payable by the Underlying Fund for the same service.

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 costs of financial reporting, and all related sales taxes. The Manager also provides key management personnel to the Funds. 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 operating expenses of the Funds at its discretion but is under no obligation to do so.

All management fees, performance fees and operating expenses payable by the Funds to the Manager are subject to GST and/or HST as applicable and will be deducted as an expense of the applicable series of units in the calculation of the NAV of such series of units.

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 execute 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).

The Manager may use third party proprietary 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 years ended September 30, 2020 and September 30, 2019 are presented in the table below:

	September 30, 2020 (\$)	September 30, 2019 (\$)
Portland 15 of 15 Alternative Fund	485	89
Portland Energy Opportunities Alternative Fund	28	N/A
Portland Global Alternative Fund	565	186
Portland North American Alternative Fund	-	N/A

10. RELATED PARTY TRANSACTIONS

The following tables outline the management fees and operating expense reimbursements that were paid to the Manager by the Funds during the years ended September 30, 2020 and September 30, 2019. The tables include 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.

September 30, 2020	Management Fees (\$)	Performance Fees (\$)	Operating Expense Reimbursement (\$)	Absorbed Operating Expenses (\$)	Operating Expenses Reimbursed to Affiliates of the Manager (\$)
Portland 15 of 15 Alternative Fund	68,346	57,216	21,481	81,665	707
Portland Energy Opportunities Alternative Fund	663	1,516	363	46,663	-
Portland Global Alternative Fund	53,675	3,569	15,642	138,700	708
Portland North American Alternative Fund	1,438	436	692	44,686	-

September 30, 2019	Management Fees (\$)	Operating Expense Reimbursement (\$)	Absorbed Operating Expenses (\$)	Operating Expenses Reimbursed to Affiliates of the Manager (\$)
Portland 15 of 15 Alternative Fund	56,969	16,863	117,161	385
Portland Global Alternative Fund	75,321	21,822	127,837	355

The Funds owed the following amounts to the Manager excluding applicable GST or HST:

As at September 30, 2020	Management Fees (\$)	Performance Fees (\$)	Operating Expense Reimbursement (\$)
Portland 15 of 15 Alternative Fund	9,439	4,685	3,139
Portland Energy Opportunities Alternative Fund	113	-	62
Portland Global Alternative Fund	3,410	1,456	1,003
Portland North American Alternative Fund	406	-	186

As at September 30, 2019	Management Fees (\$)	Operating Expense Reimbursement (\$)
Portland 15 of 15 Alternative Fund	3,969	1,119
Portland Global Alternative Fund	5,570	1,616

The Manager and/or its affiliates and key management personnel of the Manager and their family (collectively referred to as Related Parties) may invest in units of the Funds from time to time in the normal course of business. The following tables present the number of shares of each of the Funds held by the Manager and Related Parties on each reporting date. Funds held by the Manager and Related Parties on each reporting date.

As at September 30, 2020	Manager	Related Parties
Portland 15 of 15 Alternative Fund	-	96,034
Portland Energy Opportunities Alternative Fund	-	15,000
Portland Global Alternative Fund	-	2,132
Portland North American Alternative Fund	-	15,000

As at September 30, 2019	Manager	Related Parties
Portland 15 of 15 Alternative Fund	-	3,321
Portland Global Alternative Fund	-	3,243

11. BROKERAGE FACILITY

The Funds have a Settlement Services Agreement with RBC Dominion Securities Inc. (RBCDS), and have 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 had the right to set off the collateral property to reduce or eliminate the amount owed to them. RBCDS also has the right to sell or otherwise dispose of the collateral property held on account for the Funds in order to set off against amounts owing to them from the Funds. Non-cash collateral has been classified separately within the statements of financial position from other assets and is identified as 'Investments - pledged as collateral'. Cash collateral has been classified separately on the statements of financial position as 'Margin accounts'.

12. RECONCILIATION OF NAV PER UNIT AND NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT

The NAV per unit of the Funds may be higher than the net assets attributable to holders of redeemable units per unit because of the difference in the date of the month end NAV and financial statement date. As a result, the NAV per unit is higher than net assets attributable to holders of redeemable units per unit. As at September 30, 2020 and September 30, 2019, 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.



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