



Portland Investment Counsel<sup>®</sup>

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PORTLAND CONVENTIONAL MUTUAL FUNDS  
**ANNUAL FINANCIAL REPORT**

SEPTEMBER 30, 2021

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## Chairman's Message



Do you know what a unicorn is? A unicorn is the name given to a private start-up company that eventually grows in valuation to over U.S. \$1 billion. Like the mythical horse, a unicorn business is rare and is the aspiration of every entrepreneur. An investment firm associated with one business unicorn is rare... a firm associated with more than one, even rarer. In fact, do you know what a group of unicorns is called? It is a blessing. Portland Holdings, the parent company of Portland Investment Counsel Inc., is, indeed, blessed to be associated with four unicorns, 2 past and 2 present and 3 multi-billion dollar businesses with one business being a wholly owned subsidiary of another business. These publicly listed companies that Portland Holdings affiliates directly invested in, eventually exceeded U.S. \$1 billion in valuation. Remarkably, these unicorns and public billion dollar associations are located in different sectors, ranging from asset management, telecommunications, power generation and radio molecular precision oncology. Geographically, these companies are headquartered in Canada, Australia, Germany, United Kingdom and the Caribbean region. Therefore, these success stories are sector agnostic and geographically agnostic.

How was this achieved? Is there a specific formula that one can distill down in order to replicate success? As a trained engineer, there is a process I go through when problem solving: I start by observing, in order to create a hypothesis. I then stress-test the hypothesis and, if it holds true, I codify it. I then hardwire the codified hypothesis as the default behavior via repeat practice. Repetition can lead to the long-term effect of compounding.

I believe investing successfully is a function of three conditions. Firstly, a sound intellectual framework is fundamental. Secondly, we must control our emotions. When we are in the midst of a crisis, stress can consume us. Therefore, during these times, following our framework will keep us clear-headed and grounded. Thirdly, success is a function of having access to opportunities. These three conditions can also be applied to success in life.

As a young investor and entrepreneur, I achieved success by identifying a key long-term demographic trend and positioned myself and my clients to optimally benefit as it unfolded. Baby boomers, those born between 1946 and 1964, of which I am a member, have been the largest demographic cohort in North America and have determined the evolution of the various economic sectors as they progressed through their life cycle. In their youth, baby boomers focused on consuming goods and services. As they matured, saving and retirement became the baby boomers' focus, which stimulated explosive growth in the asset management industry. In 1983, the assets under management in the Canadian asset management industry were circa \$5 billion. As of September 30, 2021, the total net asset of mutual funds in Canada were reported by The Investment Funds Institute of Canada to be \$1.98 trillion, an increase of more than 300 times!

As the baby boomers move into retirement, their chief concern shifted to longevity and quality of life. However, with increased cancer incidence, securing both longevity and quality of life is becoming increasingly difficult. As we all unfortunately know, cancer care places a significant burden on family, friends and society as a whole. Fortunately, the convergence of scientific advances, in particular in the area of molecular biology, immunology, genomics, nuclear physics and computational power, has led to the emergence of the promising field of precision oncology. The cancer treatment paradigm has been shifting from a one size fits all traditional medicine approach (primarily centered on surgery, chemotherapy and external radiation therapy) to an individually tailored, precision medicine approach. It is at the merging of these trends that we find ourselves and suggest how you could participate in this growing trend.

I am pleased to report that over the past three years, the Portland Holdings group of companies and its affiliated and connected parties have invested more than \$95 million in companies to support the development of cancer treatments. We believe these innovative therapies to be more effective than traditional cancer treatments, with the potential for less side effects and are more economically sustainable. Thus far, our track record has been strong. Portland led a private placement in Telix Pharmaceuticals Limited in July 2021, the market value of the company's shares has grown more than 4.5 times as of October 31, 2021. This comes on the back of our track record as investors in companies central to the growth of the molecularly targeted precision oncology sector. Our success, as explained earlier, was predicated on following a process and codifying it, once tested. Consequently, the traits we're looking for in a future unicorn in the field of precision oncology include: a focus on medical outcomes, an association with a strong financial and business network supporter, a long-term approach to both innovation and securing financing needs, skin in the game on the part of the company's principals, transparency, strong track record and potential platform value.

I would like to personally thank you, our investors, for your support. We are committed to continuing our journey towards better results for both patients and investors by seeking to expand our investment focus in the precision oncology area across both private to public securities. It is my honour to extend to you an invitation to join us on our continued journey.

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 Canadian Balanced Fund and Portland Global Balanced 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 Chartered Professional Accountants 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 16, 2021**

*"Robert Almeida"*

**Robert Almeida,  
Director  
December 16, 2021**

## Independent Auditor's Report

To the Unitholders and Trustee of:

Portland Canadian Balanced Fund  
Portland Global Balanced Fund  
(individually, a Fund)

### Our Opinion

In our opinion, the accompanying financial statements of each Fund present fairly, in all material respects, the financial position of each Fund as at September 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended 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 September 30, 2021 and 2020;
- the statements of comprehensive income for the years then ended;
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

### 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.

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 16, 2021

## Statements of Financial Position

As at September 30,			2021			2020
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents		\$	10,136,361		\$	6,058,751
Subscriptions receivable			144,075			9,172
Dividends receivable			111,492			68,089
Investments (note 5)			36,024,817			23,866,131
			<u>46,416,745</u>			<u>30,002,143</u>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Redemptions payable			17,371			26,171
Management fees payable			45,765			30,663
Expenses payable			21,465			14,081
			<u>84,601</u>			<u>70,915</u>
<b>Net Assets Attributable to Holders of Redeemable Units</b>		<b>\$</b>	<b>46,332,144</b>		<b>\$</b>	<b>29,931,228</b>
<b>Net Assets Attributable to Holders of Redeemable Units Per Series</b>						
Series A			16,920,254			11,726,441
Series F			29,411,890			18,204,787
			<u>\$ 46,332,144</u>			<u>\$ 29,931,228</u>
<b>Number of Redeemable Units Outstanding (note 6)</b>						
Series A			980,278			821,943
Series F			1,634,736			1,229,379
<b>Net Assets Attributable to Holders of Redeemable Units Per Unit</b>						
Series A		\$	17.26		\$	14.27
Series F		\$	17.99		\$	14.81

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,	2021	2020
<b>Income</b>		
Net gain (loss) on investments		
Dividends	\$ 1,274,793	\$ 637,707
Interest for distribution purposes	77,952	55,959
Net realized gain (loss) on investments	4,375,898	687,977
Change in unrealized appreciation (depreciation) on investments	4,807,797	43,363
	<u>10,536,440</u>	<u>1,425,006</u>
<b>Other income</b>		
Foreign exchange gain (loss) on cash and other net assets	(20,628)	(36,290)
<b>Total income (net)</b>	<u>10,515,812</u>	<u>1,388,716</u>
<b>Expenses</b>		
Management fees (note 8)	474,320	266,782
Unitholder reporting costs	160,813	130,899
Withholding tax expense	46,571	26,547
Custodial fees	23,670	7,852
Transaction costs	19,747	7,639
Audit fees	18,239	17,812
Legal fees	14,996	226
Independent review committee fees	3,394	3,013
Interest expense and bank charges	-	102
Total operating expenses	<u>761,750</u>	<u>460,872</u>
Less: expenses absorbed by Manager	-	(46,522)
Net operating expenses	<u>761,750</u>	<u>414,350</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>	<u>\$ 9,754,062</u>	<u>\$ 974,366</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series</b>		
Series A	\$ 3,663,849	\$ 182,286
Series F	\$ 6,090,213	\$ 792,080
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit</b>		
Series A	\$ 4.19	\$ 0.31
Series F	\$ 4.28	\$ 1.00

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,	2021		2020	
<b>Net Assets Attributable to Holders of Redeemable Units at Beginning of Period</b>				
Series A	\$	11,726,441	\$	5,776,159
Series F		18,204,787		6,398,188
		<u>29,931,228</u>		<u>12,174,347</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>				
Series A		3,663,849		182,286
Series F		6,090,213		792,080
		<u>9,754,062</u>		<u>974,366</u>
<b>Distributions to Holders of Redeemable Units</b>				
From net investment income				
Series A		(103,766)		(16,913)
Series F		(342,583)		(75,488)
		<u>(446,349)</u>		<u>(92,401)</u>
From net realized gains on investments				
Series A		(1,046,987)		(144,662)
Series F		(1,578,963)		(151,571)
		<u>(2,625,950)</u>		<u>(296,233)</u>
<b>Net Decrease from Distributions to Holders of Redeemable Units</b>		<u>(3,072,299)</u>		<u>(388,634)</u>
<b>Redeemable Unit Transactions</b>				
Proceeds from redeemable units issued				
Series A		3,831,039		6,515,428
Series F		8,312,091		12,660,632
		<u>12,143,130</u>		<u>19,176,060</u>
Reinvestments of distributions				
Series A		1,088,505		143,449
Series F		1,884,197		222,802
		<u>2,972,702</u>		<u>366,251</u>
Redemptions of redeemable units				
Series A		(2,238,827)		(729,306)
Series F		(3,157,852)		(1,641,856)
		<u>(5,396,679)</u>		<u>(2,371,162)</u>
<b>Net Increase (Decrease) from Redeemable Unit Transactions</b>		<u>9,719,153</u>		<u>17,171,149</u>
<b>Net Assets Attributable to Holders of Redeemable Units at End of Period</b>				
Series A		16,920,254		11,726,441
Series F		29,411,890		18,204,787
	\$	<u>46,332,144</u>	\$	<u>29,931,228</u>

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

## Statements of Cash Flows

For the years ended September 30,	2021		2020	
<b>Cash Flows from Operating Activities</b>				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$	9,754,062	\$	974,366
Adjustments for:				
Net realized (gain) loss on investments		(4,375,898)		(687,977)
Change in unrealized (appreciation) depreciation on investments		(4,807,797)		(43,363)
(Increase) decrease in dividends receivable		(43,403)		(39,687)
Increase (decrease) in management fees and expenses payable		22,486		24,388
Purchase of investments		(21,697,753)		(9,683,890)
Proceeds from sale of investments		18,722,762		8,153,635
<b>Net Cash Generated (Used) by Operating Activities</b>		<u>(2,425,541)</u>		<u>(1,302,528)</u>
<b>Cash Flows from Financing Activities</b>				
Distributions to holders of redeemable units, net of reinvested distributions		(99,597)		(22,383)
Proceeds from redeemable units issued (note 3)		11,171,200		5,880,268
Amount paid on redemption of redeemable units (note 3)		(4,568,452)		(2,256,126)
<b>Net Cash Generated (Used) by Financing Activities</b>		<u>6,503,151</u>		<u>3,601,759</u>
Net increase (decrease) in cash and cash equivalents		4,077,610		2,299,231
Cash and cash equivalents - beginning of period		6,058,751		3,759,520
<b>Cash and cash equivalents - end of period</b>		<u>10,136,361</u>		<u>6,058,751</u>
<b>Cash and cash equivalents comprise:</b>				
Cash at bank	\$	10,136,361	\$	208,751
Short-term investments		-		5,850,000
	\$	<u>10,136,361</u>	\$	<u>6,058,751</u>
<b>From operating activities:</b>				
Interest received, net of withholding tax	\$	77,952	\$	55,959
Dividends received, net of withholding tax	\$	1,184,819	\$	571,473
<b>From financing activities:</b>				
Interest paid	\$	-	\$	(102)

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

## Schedule of Investment Portfolio

As at September 30, 2021

No. of Shares	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
<b>EQUITIES - Preferred</b>				
<b>Canada</b>				
226,700	BMO Laddered Preferred Share Index ETF	\$ 1,996,790	\$ 2,604,783	
96,600	Horizons Active Preferred Share ETF	755,981	933,156	
91,100	iShares S&P/TSX Canadian Preferred Share Index ETF	1,006,132	1,266,290	
	Total equities - preferred	3,758,903	4,804,229	10.4%
<b>EQUITIES - Common</b>				
<b>Canada</b>				
19,710	Bank of Montreal	1,395,693	2,492,329	
23,900	Canadian Imperial Bank of Commerce	2,146,128	3,369,900	
109,500	Shaw Communications Inc., Class B	3,796,632	4,031,790	
66,000	TC Energy Corp	3,512,828	4,023,360	
34,700	The Bank of Nova Scotia	2,157,759	2,705,212	
35,200	The Toronto-Dominion Bank	2,072,423	2,951,520	
		15,081,463	19,574,111	42.2%
<b>Japan</b>				
75,200	SoftBank Group Corp.	3,252,560	2,766,011	6.0%
<b>United Kingdom</b>				
178,877	Vodafone Group PLC	3,827,066	3,500,439	7.6%
<b>United States</b>				
25,400	Citigroup Inc.	1,703,546	2,257,806	
15,875	General Electric Company	2,050,934	2,071,652	
16,000	The Bank of New York Mellon Corporation	729,853	1,050,569	
		4,484,333	5,380,027	11.6%
	Total equities - common	26,645,422	31,220,588	67.4%
	Total investment portfolio	30,404,325	36,024,817	77.8%
	Transaction costs	(17,085)	-	-
		\$ 30,387,240	36,024,817	77.8%
	Other assets less liabilities		10,307,327	22.2%
	<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>		\$ 46,332,144	100.0%

**(a) 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, 2021 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 \$3,602,482 (September 30, 2020: \$2,386,613). 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, 2021 and September 30, 2020:

By Geographic Sector	September 30, 2021	September 30, 2020
Canada	52.6%	50.3%
Cash & Other Net Assets (Liabilities)	22.2%	20.3%
United States	11.6%	17.8%
United Kingdom	7.6%	-
Japan	6.0%	11.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

By Industry Sector	September 30, 2021	September 30, 2020
Financials	31.9%	36.5%
Communication Services	22.3%	17.6%
Cash & Other Net Assets (Liabilities)	22.2%	20.3%
Exchange Traded Funds	10.4%	11.4%
Energy	8.7%	-
Industrials	4.5%	2.0%
Real Estate	-	8.6%
Consumer Discretionary	-	3.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

**Currency Risk**

The tables below indicate the foreign currencies to which the Fund had significant direct exposure at September 30, 2021 and September 30, 2020 in Canadian dollar terms. The tables also illustrate 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, 2021	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
United States Dollar	1,367	11,646,477	11,647,844	137	1,164,648	1,164,785
<b>Total</b>	<b>1,367</b>	<b>11,646,477</b>	<b>11,647,844</b>	<b>137</b>	<b>1,164,648</b>	<b>1,164,785</b>
% of net assets attributable to holders of redeemable units	-	25.1%	25.1%	-	2.5%	2.5%

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	7,770	8,819,462	8,827,232	777	881,946	882,723
<b>Total</b>	<b>7,770</b>	<b>8,819,462</b>	<b>8,827,232</b>	<b>777</b>	<b>881,946</b>	<b>882,723</b>
% of net assets attributable to holders of redeemable units	-	29.5%	29.5%	-	2.9%	2.9%

### Interest Rate Risk

As at September 30, 2021 and September 30, 2020, the Fund did not have significant direct exposure to interest rate risk. The Fund has indirect exposure to interest rate risk through its investments in preferred share ETFs.

### Credit Risk

As at September 30, 2021 and September 30, 2020, the Fund had exposure to credit risk due to its holding of cash. The Fund's cash accounts are maintained at a financial institution with a Standard & Poor's credit rating of A+ and therefore credit risk is deemed minimal. The Fund had indirect exposure to credit risk through its investment in preferred share ETFs.

### 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 three months from the financial reporting date. Issued redeemable units are payable on demand.

### (b) FAIR VALUE MEASUREMENTS

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at September 30, 2021 and September 30, 2020:

September 30, 2021	Assets (Liabilities)			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Equities - Long	36,024,817	-	-	36,024,817
<b>Total</b>	<b>36,024,817</b>	<b>-</b>	<b>-</b>	<b>36,024,817</b>

September 30, 2020	Assets (Liabilities)			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Equities - Long	23,866,131	-	-	23,866,131
<b>Total</b>	<b>23,866,131</b>	<b>-</b>	<b>-</b>	<b>23,866,131</b>

### (c) STRUCTURED ENTITIES

The Fund's investments in ETFs are susceptible to market price risk arising from uncertainties about 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, 2021 and September 30, 2020 are summarized below:

September 30, 2021	Investment at Fair Value (\$)	Net Asset Value (\$)	% of Net Asset Value
BMO Laddered Preferred Share Index ETF	2,604,783	2,247,830,000	0.1%
Horizons Active Preferred Share ETF	933,156	1,826,480,000	0.1%
iShares S&P/TSX Canadian Preferred Share Index ETF	1,266,290	1,494,250,000	0.1%

September 30, 2020	Investment at Fair Value (\$)	Net Asset Value (\$)	% of Net Asset Value
BMO Laddered Preferred Share Index ETF	1,707,264	2,018,530,000	0.1%
Horizons Active Preferred Share ETF	645,852	1,225,440,000	0.1%
iShares S&P/TSX Canadian Preferred Share Index ETF	1,054,938	1,208,950,000	0.1%

## Statements of Financial Position

As at September 30,	2021	2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 101,603	\$ 436,414
Margin accounts (note 11)	307	6,054
Receivable for investments sold	94,321	29,830
Dividends receivable	9,927	6,130
Investments (note 5)	2,865,845	3,763,096
Investments - pledged as collateral (note 5 and 11)	-	37,259
	<u>3,072,003</u>	<u>4,278,783</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Management fees payable	4,168	5,633
Expenses payable	1,422	1,984
Redemptions payable	7,489	43,478
Payable for investments purchased	94,424	-
Distributions payable	1,190	2,612
Derivative liabilities	-	2,653
	<u>108,693</u>	<u>56,360</u>
<b>Net Assets Attributable to Holders of Redeemable Units</b>	<u>\$ 2,963,310</u>	<u>\$ 4,222,423</u>
<b>Net Assets Attributable to Holders of Redeemable Units Per Series</b>		
Series A	2,708,282	3,733,020
Series F	255,028	489,403
	<u>\$ 2,963,310</u>	<u>\$ 4,222,423</u>
<b>Number of Redeemable Units Outstanding (note 6)</b>		
Series A	317,778	456,359
Series F	27,250	55,323
<b>Net Assets Attributable to Holders of Redeemable Units Per Unit</b>		
Series A	\$ 8.52	\$ 8.18
Series F	\$ 9.36	\$ 8.85

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.

## Statements of Comprehensive Income

For the years ended September 30,	2021	2020
<b>Income</b>		
Net gain (loss) on investments and derivatives		
Dividends	\$ 104,184	\$ 106,943
Interest for distribution purposes	2,069	33,639
Net realized gain (loss) on investments and options	204,834	(1,010,600)
Net realized gain (loss) on forward currency contracts	-	(15,026)
Change in unrealized appreciation (depreciation) on investments and derivatives	93,330	1,012,212
	<u>404,417</u>	<u>127,168</u>
<b>Other income</b>		
Foreign exchange gain (loss) on cash and other net assets	(2,108)	41,244
<b>Total income (net)</b>	<u>402,309</u>	<u>168,412</u>
<b>Expenses</b>		
Unitholder reporting costs	135,592	131,193
Management fees (note 8)	57,510	81,880
Audit fees	18,210	17,779
Legal fees	13,766	226
Withholding tax expense	10,749	2,160
Custodial fees	3,517	3,829
Independent review committee fees	3,389	3,007
Transaction costs	1,716	5,855
Interest expense and bank charges	294	118
Total operating expenses	<u>244,743</u>	<u>246,047</u>
Less: expenses absorbed by Manager	(154,625)	(127,912)
Net operating expenses	<u>90,118</u>	<u>118,135</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>	<u>\$ 312,191</u>	<u>\$ 50,277</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series</b>		
Series A	\$ 278,060	\$ 37,538
Series F	\$ 34,131	\$ 12,739
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit</b>		
Series A	\$ 0.73	\$ 0.07
Series F	\$ 0.91	\$ 0.18

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,	2021		2020	
<b>Net Assets Attributable to Holders of Redeemable Units at Beginning of Period</b>				
Series A	\$	3,733,020	\$	5,092,010
Series F		489,403		835,635
		<u>4,222,423</u>		<u>5,927,645</u>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>				
Series A		278,060		37,538
Series F		34,131		12,739
		<u>312,191</u>		<u>50,277</u>
<b>Distributions to Holders of Redeemable Units</b>				
From net investment income				
Series A		(6,108)		(105,760)
Series F		(655)		(11,748)
		<u>(6,763)</u>		<u>(117,508)</u>
From net realized gains on investments				
Series A		-		(3,367)
Series F		-		(5,282)
		<u>-</u>		<u>(8,649)</u>
From return of capital				
Series A		(143,251)		(131,347)
Series F		(13,825)		(15,228)
		<u>(157,076)</u>		<u>(146,575)</u>
<b>Net Decrease from Distributions to Holders of Redeemable Units</b>		<u>(163,839)</u>		<u>(272,732)</u>
<b>Redeemable Unit Transactions</b>				
Proceeds from redeemable units issued				
Series A		18,490		22,400
Series F		2,584		22,801
		<u>21,074</u>		<u>45,201</u>
Reinvestments of distributions				
Series A		133,200		215,009
Series F		7,503		22,001
		<u>140,703</u>		<u>237,010</u>
Redemptions of redeemable units				
Series A		(1,305,129)		(1,393,463)
Series F		(264,113)		(371,515)
		<u>(1,569,242)</u>		<u>(1,764,978)</u>
<b>Net Increase (Decrease) from Redeemable Unit Transactions</b>		<u>(1,407,465)</u>		<u>(1,482,767)</u>
<b>Net Assets Attributable to Holders of Redeemable Units at End of Period</b>				
Series A		2,708,282		3,733,020
Series F		255,028		489,403
	\$	<u>2,963,310</u>	\$	<u>4,222,423</u>

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



## Statements of Cash Flows

For the years ended September 30,	2021		2020	
<b>Cash Flows from Operating Activities</b>				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$	312,191	\$	50,277
Adjustments for:				
Net realized (gain) loss on investments and options		(204,834)		1,010,600
Change in unrealized (appreciation) depreciation on investments and derivatives		(93,330)		(1,012,212)
Unrealized foreign exchange (gain) loss on cash		158		5,853
(Increase) decrease in interest receivable		-		2,198
(Increase) decrease in dividends receivable		(3,797)		1,570
Increase (decrease) in management fees and expenses payable		(2,027)		(3,401)
Purchase of investments		(810,276)		(4,997,183)
Proceeds from sale of investments		2,070,230		6,633,194
<b>Net Cash Generated (Used) by Operating Activities</b>		<b>1,268,315</b>		<b>1,690,896</b>
<b>Cash Flows from Financing Activities</b>				
Change in margin cash		5,747		9,862
Distributions to holders of redeemable units, net of reinvested distributions		(24,558)		(36,498)
Proceeds from redeemable units issued (note 3)		21,074		45,251
Amount paid on redemption of redeemable units (note 3)		(1,605,231)		(1,740,028)
<b>Net Cash Generated (Used) by Financing Activities</b>		<b>(1,602,968)</b>		<b>(1,721,413)</b>
Net increase (decrease) in cash and cash equivalents		(334,653)		(30,517)
Unrealized foreign exchange gain (loss) on cash		(158)		(5,853)
Cash and cash equivalents - beginning of period		436,414		472,784
<b>Cash and cash equivalents - end of period</b>		<b>101,603</b>		<b>436,414</b>
<b>Cash and cash equivalents comprise:</b>				
Cash at bank	\$	101,603	\$	436,414
<b>From operating activities:</b>				
Interest received, net of withholding tax	\$	2,069	\$	35,837
Dividends received, net of withholding tax	\$	89,638	\$	106,353
<b>From financing activities:</b>				
Interest paid	\$	-	\$	(118)

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

## Schedule of Investment Portfolio

As at September 30, 2021

No. of Shares	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
<b>EQUITIES - Preferred</b>				
<b>Bermuda</b>				
2,150	Brookfield Infrastructure Partners L.P., Preferred, Series 9, Fixed-Reset	\$ 49,202	\$ 55,212	1.9%
<b>Canada</b>				
1,500	Brookfield Asset Management Inc., Preferred, Series 48, Fixed-Reset	37,500	38,700	
3,000	Brookfield Office Properties Inc., Preferred, Series GG, Fixed-Reset	75,000	69,450	
2,600	Emera Incorporated, Preferred, Series H, Fixed-Reset	65,000	68,588	
3,000	Pembina Pipeline Corporation, Preferred, Series 21, Fixed-Reset	75,000	76,740	
		252,500	253,478	8.6%
	Total equities - preferred	301,702	308,690	10.5%
<b>EQUITIES - Common</b>				
<b>Canada</b>				
240	Canadian National Railway Company	27,634	35,227	
292	Fortis, Inc.	15,535	16,407	
255	Metro Inc.	14,262	15,782	
250	Royal Bank of Canada	21,437	31,508	
		78,868	98,924	3.3%
<b>Denmark</b>				
590	Coloplast A/S	100,408	117,158	4.0%
<b>France</b>				
440	Sanofi	59,667	53,632	1.8%
<b>Germany</b>				
370	Fresenius Medical Care AG & Co. KGaA	40,822	33,038	
500	Fresenius SE & Co KGaA	33,279	30,469	
		74,101	63,507	2.1%
<b>Ireland</b>				
132	Linde Public Limited Company	36,309	49,051	1.7%
<b>Japan</b>				
564	ITOCHU Corporation	20,411	21,034	
2,600	Marubeni Corporation	20,393	27,613	
1,700	Mitsubishi Corporation	52,927	68,411	
853	MITSUI & CO., LTD.	19,852	23,919	
3,700	Sumitomo Corporation	61,179	66,594	
		174,762	207,571	7.0%
<b>Spain</b>				
2,200	Red Electrica Corporacion S.A.	55,823	55,872	1.9%
<b>Switzerland</b>				
557	Nestle S.A.	79,563	85,315	
475	Novartis AG	59,764	49,599	
125	Roche Holding AG	60,210	58,092	
		199,537	193,006	6.5%
<b>United Kingdom</b>				
1,340	Bunzl PLC	43,815	56,143	
2,000	Compass Group PLC	46,742	52,018	
430	Croda International PLC	37,117	62,700	
835	Diageo PLC	40,322	51,386	
1,000	Halma PLC	40,118	48,502	
		208,114	270,749	9.1%
<b>United States</b>				
600	American States Water Company	68,422	64,992	
175	American Tower Corporation	54,822	58,829	
1,300	AT&T Inc.	48,845	44,474	
766	California Water Service Group	54,869	57,175	
500	Cincinnati Financial Corporation	44,605	72,335	
471	Colgate-Palmolive Company	41,930	45,089	
1,630	Consolidated Edison, Inc.	180,388	149,866	
411	Genuine Parts Company	56,789	63,109	
1,200	Hormel Foods Corporation	70,567	62,317	
550	Johnson & Johnson	101,436	112,506	

## Schedule of Investment Portfolio (continued)

As at September 30, 2021

No. of Shares	Security Name	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
232	Kimberly-Clark Corporation	41,889	38,918	
1,050	Leggett & Platt, Incorporated	67,532	59,634	
374	McCormick & Company, Incorporated	42,003	38,385	
260	McDonald's Corporation	67,281	79,401	
332	PepsiCo, Inc.	59,883	63,249	
1,000	SJW Group	90,585	83,672	
153	Target Corporation	25,301	44,333	
208	The Clorox Company	41,808	43,630	
892	The Coca-Cola Company	61,071	59,281	
550	The Procter & Gamble Company	89,087	97,389	
618	Walmart Inc.	97,270	109,101	
		<u>1,406,383</u>	<u>1,447,685</u>	<u>48.8%</u>
	Total equities - common	<u>2,393,972</u>	<u>2,557,155</u>	<u>86.2%</u>
	Total investment portfolio	<u>2,695,674</u>	<u>2,865,845</u>	<u>96.7%</u>
	Transaction Costs	<u>(2,256)</u>	<u>-</u>	<u>-</u>
		<u>\$ 2,693,418</u>	<u>2,865,845</u>	<u>96.7%</u>
	Other assets less liabilities		<u>97,465</u>	<u>3.3%</u>
	<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>		<u>\$ 2,963,310</u>	<u>100.0%</u>

**(a) 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, 2021 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 \$286,585 (September 30, 2020: \$379,770). Actual results may differ from the above sensitivity analysis and the difference could be material.

**Concentration Risk**

The following tables present the Fund's exposure as a percentage of its net assets attributable to holders of redeemable units by geographic region and industry sector as at September 30, 2021 and September 30, 2020:

By Geographic Region	September 30, 2021	September 30, 2020
Foreign Equity	82.9%	58.1%
Canadian Preferred	8.6%	6.5%
Canadian Equity	3.3%	11.7%
Cash & Other Net Assets (Liabilities)	3.3%	10.1%
Foreign Preferred	1.9%	3.7%
Canadian Fixed Income	-	10.0%
Short Positions – Derivatives	-	(0.1%)
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

By Industry Sector	September 30, 2021	September 30, 2020
Consumer Staples	27.9%	21.7%
Utilities	18.6%	21.1%
Health Care	11.4%	6.4%
Industrials	10.1%	5.3%
Consumer Discretionary	10.1%	5.9%
Financials	4.9%	6.5%
Real Estate	4.3%	6.0%
Materials	3.8%	4.4%
Cash & Other Net Assets (Liabilities)	3.3%	10.1%
Energy	2.5%	3.0%
Information Technology	1.6%	-
Communication Services	1.5%	-
Exchange Traded Funds	-	9.7%
Short Positions – Derivatives	-	(0.1%)
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

**Currency Risk**

The tables below indicate the foreign currencies to which the Fund had significant direct exposure at September 30, 2021 and September 30, 2020 in Canadian dollar terms, net of the notional amounts of forward currency contracts. The tables also illustrate 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, 2021	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
British Pound	956	270,749	271,705	96	27,075	27,171
Danish Krone	-	117,157	117,157	-	11,716	11,716
Euro	1	173,012	173,013	-	17,301	17,301
Japanese Yen	3,410	207,571	210,981	341	20,757	21,098
Swiss Franc	1,748	193,006	194,754	174	19,301	19,475
United States Dollar	7,385	1,496,735	1,504,120	739	149,673	150,412
<b>Total</b>	<b>13,500</b>	<b>2,458,230</b>	<b>2,471,730</b>	<b>1,350</b>	<b>245,823</b>	<b>247,173</b>
% of net assets attributable to holders of redeemable units	0.3%	82.8%	83.1%	-	8.3%	8.3%

September 30, 2020	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary (\$)	Non-monetary (\$)	Total (\$)	Monetary (\$)	Non-monetary (\$)	Total (\$)
Australian Dollar	2,925	122,892	125,817	293	12,289	12,582
British Pound	31,762	254,715	286,477	3,176	25,472	28,648
Danish Krone	241	56,816	57,057	24	5,682	5,706
Euro	2,275	113,620	115,895	228	11,362	11,590
Hong Kong Dollar	2,113	31,055	33,168	211	3,106	3,317
Swiss Franc	562	199,871	200,433	56	19,987	20,043
U.S. Dollar	228,232	1,674,647	1,902,879	22,823	167,465	190,288
<b>Total</b>	<b>268,110</b>	<b>2,453,616</b>	<b>2,721,726</b>	<b>26,811</b>	<b>245,363</b>	<b>272,174</b>
% of net assets attributable to holders of redeemable units	6.3%	58.1%	64.4%	0.6%	5.8%	6.4%

### Interest Rate Risk

As at September 30, 2021 and September 30, 2020, the Fund did not have significant direct exposure to interest rate risk.

### Credit Risk

As at September 30, 2021 and 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 three months from the financial reporting date. Issued redeemable units are payable on demand.

The Fund may write cash secured put options in accordance with its investment objectives and strategies. There were no put option contracts held at September 30, 2021. The value of the securities and/or cash required to satisfy the options if they were exercised as at September 30, 2020 are presented in the table below.

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	153,129	90,545	-	243,674

### (b) FAIR VALUE MEASUREMENTS

The following tables illustrate the classifications of the Fund's financial instruments within the fair value hierarchy as at September 30, 2021 and September 30, 2020:

September 30, 2021	Assets (Liabilities)			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Equities - Long	2,865,845	-	-	2,865,845
<b>Total</b>	<b>2,865,845</b>	<b>-</b>	<b>-</b>	<b>2,865,845</b>

September 30, 2020	Assets (Liabilities)			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Derivative Liabilities	-	(2,653)	-	(2,653)
Equities - Long	3,800,355	-	-	3,800,355
<b>Total</b>	<b>3,800,355</b>	<b>(2,653)</b>	<b>-</b>	<b>3,797,702</b>

**(c) 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 investment in ETFs as at September 30, 2020 is summarized below. There were no investment in ETFs as at September 30, 2021.

September 30, 2020	Investment at Fair Value (\$)	Net Asset Value (\$)	% of Net Asset Value
iShares Canadian Short Term Bond Index ETF	423,300	2,480,540,000	-

## 1. GENERAL INFORMATION

(a) Portland Canadian Balanced Fund and Portland Global Balanced Fund (each a Fund and collectively referred to as the Funds) are open-ended 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 14, 2021, as may be amended from time to time (the Prospectus). The formation date of the Funds and commencement of operations dates of each series of the Funds are as follows:

Name of Fund	Formation Date of Fund	Commencement of Operations	
		Series A	Series F
Portland Canadian Balanced Fund (note 1 (b))	October 1, 2012	October 31, 2012	October 31, 2012
Portland Global Balanced Fund (note 1 (c))	January 27, 2005	February 18, 2005	December 17, 2013

Portland Investment Counsel Inc. (the Manager) is the Investment Fund Manager, Portfolio Manager and Trustee of the Funds. The head office of the Fund 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 16, 2021. The Funds are authorized to issue an unlimited number of units in an unlimited number of series.

The statements of financial position of the Funds are as at September 30, 2021 and September 30, 2020. 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, 2021 and September 30, 2020. The schedule of investment portfolio is as at September 30, 2021.

The following table presents the investment objective of each Fund.

Name of Fund	Investment Objective
Portland Canadian Balanced Fund	Provide positive long-term total returns, consisting of both income and capital gains by investing primarily in a portfolio of fixed income securities and Canadian equities.
Portland Global Balanced Fund	Provide positive long-term total returns, consisting of both income and capital gains by investing primarily in a portfolio of global fixed income and equity securities.

(b) Effective on April 20, 2020, Portland Canadian Focused Fund (the Terminated Fund) was merged into Portland Canadian Balanced Fund (the Continuing Fund). The Continuing Fund acquired all of the assets and assumed all of the liabilities of the Terminated Fund in exchange for units of the Continuing Fund. The financial statements of the Continuing Fund include the results of operations of the Terminated Fund from the date of the merger. The exchange ratios, total number of units issued by the Continuing Fund and the net asset value acquired are summarized below. 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.

Merging Fund	Exchange Ratio	Continuing Fund	Number of Units Issued	Net Asset Value Acquired (\$)
Portland Canadian Focused Fund		Portland Canadian Balanced Fund		16,898,362
Series A	0.9829	Series A	416,278	
Series F	1.0055	Series F	843,090	

(c) Effective on April 20, 2020, Portland Global Income Fund was renamed Portland Global Balanced Fund. In addition, effective April 20, 2020, the management fees decreased from 1.65% and 0.65% to 1.55% and 0.55% on Series A and Series F, respectively.

## 2. BASIS OF PRESENTATION

These financial statements of the Funds have been prepared in accordance 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 net asset value (NAV) for unitholder transactions; therefore it is expected that net assets attributable to holders of redeemable units will be the same in all material respects as the NAV per unit used in processing unitholder transactions.

Financial assets and liabilities may be offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Funds may enter into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy, certain events of default or termination of the contracts.

#### (b) Recognition, de-recognition and measurement

Purchases and sales of financial assets are recognized on their trade date - the date on which the Funds commit to purchase or sell the investment. Financial assets and liabilities 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. Each Fund's 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. 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.

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 ended September 30, 2021 and September 30, 2020.

	September 30, 2021 (\$)	September 30, 2020 (\$)
Portland Canadian Balanced Fund	837,027	174,420
Portland Global Balanced Fund	-	-

**Future accounting changes**

*New standards, amendments and interpretations effective after January 1, 2021 and that have not been early adopted*

There are no new accounting standards effective after January 1, 2021 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.

**COVID-19**

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. This is a continuing situation and might impact the Fund's ability to generate income and charge related parties for reimbursement of expenses. Currently, it is unknown as to the impact on the Fund's receivables and investments if COVID-19 persists for an extended period. The Fund may incur reductions in revenue relating to such events outside of their control, which could have a material adverse impact on the Fund's business, operating results, revenues and financial condition. The Manager continues to assess the impact of COVID-19 on its investments. No adjustments have been reflected in the financial statements at this time.

**5. FINANCIAL INSTRUMENTS****(a) Risk Management**

Each Fund's 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. Each Fund's 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 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. Each Fund limits its exposure to any one security to 10% of NAV at the time of purchase, which is monitored on a daily basis.

**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.

**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 a Fund 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, each Fund has the ability to borrow up to 5% of its net assets attributable to holders of redeemable units for the purposes of funding redemptions and settling portfolio transactions.

**(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, 2021 and September 30, 2020 were as follows:

September 30, 2021	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 Canadian Balanced Fund						
Series A Units	821,943	222,650	72,163	136,478	980,278	873,462
Series F Units	1,229,379	468,511	120,882	184,036	1,634,736	1,422,136
Portland Global Balanced Fund						
Series A Units	456,359	2,190	16,055	156,826	317,778	379,559
Series F Units	55,323	281	833	29,187	27,250	37,629

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 Canadian Balanced Fund						
Series A Units	374,354	490,289	9,379	52,079	821,943	590,875
Series F Units	401,159	925,518	14,172	111,470	1,229,379	795,494
Portland Global Balanced Fund						
Series A Units	596,518	2,799	26,176	169,134	456,359	527,108
Series F Units	91,901	2,743	2,488	41,089	55,323	70,710

## 7. TAXATION

Each Fund qualifies as mutual fund trusts within the meaning of the Income Tax Act (Canada) (the Tax Act). 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.

The Funds do not have any unused non-capital loss carry-forwards. Portland Global Balanced Fund has unused gross capital losses of \$23,897,134, which can be carried forward indefinitely by the Fund.

## 8. MANAGEMENT FEES AND EXPENSES

Pursuant to the Prospectus, the Funds agree to pay management fees to the Manager, calculated and accrued daily based on a percentage of the 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 Canadian Balanced Fund	1.75%	0.75%
Portland Global Balanced Fund	1.55%	0.55%

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 17, 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.

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 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. Portland Canadian Balanced Fund has not participated in any third party soft dollar arrangements to date. The ascertainable value of the third party soft dollar arrangements in connection with portfolio transactions for Portland Global Balanced Fund for the year ended September 30, 2021 was \$232 (September 30, 2020: \$1,298).

## 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 six-month periods ended September 30, 2021 and September 30, 2020. 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, 2021	Management Fees (\$)	Operating Expense Reimbursement (\$)	Absorbed Operating Expenses (\$)	Operating Expenses Reimbursed to Affiliates of the Manager (\$)
Portland Canadian Balanced Fund	420,216	195,890	-	802
Portland Global Balanced Fund	51,028	17,612	137,197	802

September 30, 2020	Management Fees (\$)	Operating Expense Reimbursement (\$)	Absorbed Operating Expenses (\$)	Operating Expenses Reimbursed to Affiliates of the Manager (\$)
Portland Canadian Balanced Fund	234,662	100,309	41,195	950
Portland Global Balanced Fund	72,630	24,949	113,475	943

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

As at September 30, 2021	Management Fees (\$)	Operating Expense Reimbursement (\$)
Portland Canadian Balanced Fund	40,547	19,015
Portland Global Balanced Fund	3,698	1,262

As at September 30, 2020	Management Fees (\$)	Operating Expense Reimbursement (\$)
Portland Canadian Balanced Fund	27,167	12,474
Portland Global Balanced Fund	4,997	1,760

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 Related Parties on each reporting date.

	September 30, 2021	September 30, 2020
Portland Canadian Balanced Fund	2,705	3,561
Portland Global Balanced Fund	13,963	14,212

## 11. BROKERAGE FACILITY

Portland Global Balanced Fund has a Settlement Services Agreement with RBC Dominion Securities Inc. (RBCDS), and have placed securities and cash on account with RBCDS as collateral for its 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 Fund in order to set off against amounts owing to them from the Fund. 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, 2021 and September 30, 2020, 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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