



Portland Investment Counsel®

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PORTLAND CONVENTIONAL MUTUAL FUNDS
INTERIM FINANCIAL REPORT

MARCH 31, 2024

PORTLAND CONVENTIONAL MUTUAL FUNDS INTERIM FINANCIAL REPORT

MARCH 31, 2024

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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

"Michael Lee-Chin"

**Michael Lee-Chin,
Director
May 9, 2024**

"Robert Almeida"

**Robert Almeida,
Director
May 9, 2024**

These financial statements have not been reviewed by an independent auditor.

Statements of Financial Position (Unaudited)

| | As at | | As at | |
|--|----------------|-------------------|--------------------|-------------------|
| | March 31, 2024 | | September 30, 2023 | |
| Assets | | | | |
| Cash and cash equivalents | \$ | 1,581,033 | \$ | 5,535,886 |
| Subscriptions receivable | | 94,181 | | 10,941 |
| Receivable for investments sold | | 1,510,327 | | - |
| Dividends receivable | | 63,496 | | 127,234 |
| Investments (note 5) | | 30,249,681 | | 27,254,190 |
| Derivative assets | | - | | 5,985 |
| | | <u>33,498,718</u> | | <u>32,934,236</u> |
| Liabilities | | | | |
| Management fees payable (note 8) | | 37,317 | | 35,847 |
| Expenses payable | | 15,269 | | 15,579 |
| Redemptions payable | | 20,210 | | 48,157 |
| Payable for investments purchased | | 754,877 | | - |
| Derivative liabilities | | 34,086 | | - |
| | | <u>861,759</u> | | <u>99,583</u> |
| Net Assets Attributable to Holders of Redeemable Units | \$ | <u>32,636,959</u> | \$ | <u>32,834,653</u> |
| Net Assets Attributable to Holders of Redeemable Units Per Series | | | | |
| Series A | | 17,152,537 | | 15,036,284 |
| Series F | | 15,484,422 | | 17,798,369 |
| | \$ | <u>32,636,959</u> | \$ | <u>32,834,653</u> |
| Number of Redeemable Units Outstanding (note 6) | | | | |
| Series A | | 1,089,928 | | 1,098,213 |
| Series F | | 930,309 | | 1,228,602 |
| Net Assets Attributable to Holders of Redeemable Units Per Unit | | | | |
| Series A | \$ | 15.74 | \$ | 13.69 |
| Series F | \$ | 16.64 | \$ | 14.49 |

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 (Loss) (Unaudited)

| For the periods ended March 31, | 2024 | 2023 |
|---|---------------------|---------------------|
| Income | | |
| Net gain (loss) on investments and derivatives | | |
| Dividends | \$ 664,930 | \$ 812,327 |
| Interest for distribution purposes | 64,979 | 169,786 |
| Net realized gain (loss) on investments | 58,866 | 529,466 |
| Net realized gain (loss) on forward currency contracts | 36,890 | (635,405) |
| Change in unrealized appreciation (depreciation) on investments and derivatives | 5,165,597 | 1,589,383 |
| | <u>5,991,262</u> | <u>2,465,557</u> |
| Other income | | |
| Foreign exchange gain (loss) on cash and other net assets | (11,476) | (9,679) |
| Total income (loss) | <u>5,979,786</u> | <u>2,455,878</u> |
| Expenses | | |
| Management fees (note 8) | 214,746 | 260,326 |
| Unitholder reporting costs | 115,483 | 75,241 |
| Withholding tax expense | 28,851 | 20,059 |
| Audit fees | 17,435 | 15,261 |
| Custodial fees | 14,093 | 15,050 |
| Transaction costs | 7,269 | 5,594 |
| Legal fees | 4,907 | 11,532 |
| Independent review committee fees | 1,206 | 1,164 |
| Bank charges | - | 152 |
| Total operating expenses | 403,990 | 404,379 |
| Less: management fees waived by Manager (note 8) | (63,642) | - |
| Net operating expenses | <u>340,348</u> | <u>404,379</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | <u>\$ 5,639,438</u> | <u>\$ 2,051,499</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | \$ 2,813,743 | \$ 832,378 |
| Series F | \$ 2,825,695 | \$ 1,219,121 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit | | |
| Series A | \$ 2.56 | \$ 0.72 |
| Series F | \$ 2.77 | \$ 0.74 |

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

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

| For the periods ended March 31, | 2024 | | 2023 | |
|--|------|--------------------|------|--------------------|
| Net Assets Attributable to Holders of Redeemable Units at Beginning of Period | | | | |
| Series A | \$ | 15,036,284 | \$ | 16,045,276 |
| Series F | | 17,798,369 | | 24,819,907 |
| | | <u>32,834,653</u> | | <u>40,865,183</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | | | | |
| Series A | | 2,813,743 | | 832,378 |
| Series F | | 2,825,695 | | 1,219,121 |
| | | <u>5,639,438</u> | | <u>2,051,499</u> |
| Distributions to Holders of Redeemable Units | | | | |
| From net investment income | | | | |
| Series A | | (592,659) | | (150,136) |
| Series F | | (635,494) | | (510,943) |
| Net Decrease from Distributions to Holders of Redeemable Units | | <u>(1,228,153)</u> | | <u>(661,079)</u> |
| Redeemable Unit Transactions | | | | |
| Proceeds from redeemable units issued | | | | |
| Series A | | 796,316 | | 623,083 |
| Series F | | 682,455 | | 1,209,405 |
| | | <u>1,478,771</u> | | <u>1,832,488</u> |
| Reinvestments of distributions | | | | |
| Series A | | 539,444 | | 134,126 |
| Series F | | 427,527 | | 423,627 |
| | | <u>966,971</u> | | <u>557,753</u> |
| Redemptions of redeemable units | | | | |
| Series A | | (1,440,591) | | (802,605) |
| Series F | | (5,614,130) | | (7,513,588) |
| | | <u>(7,054,721)</u> | | <u>(8,316,193)</u> |
| Net Increase (Decrease) from Redeemable Unit Transactions | | <u>(4,608,979)</u> | | <u>(5,925,952)</u> |
| Net Assets Attributable to Holders of Redeemable Units at End of Period | | | | |
| Series A | | 17,152,537 | | 16,682,122 |
| Series F | | 15,484,422 | | 19,647,529 |
| | \$ | <u>32,636,959</u> | \$ | <u>36,329,651</u> |

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

Statements of Cash Flows (Unaudited)

| For the periods ended March 31, | 2024 | | 2023 | |
|---|------|--------------------|------|--------------------|
| Cash Flows from Operating Activities | | | | |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | \$ | 5,639,438 | \$ | 2,051,499 |
| Adjustments for: | | | | |
| Net realized (gain) loss on investments | | (58,866) | | (529,466) |
| Change in unrealized (appreciation) depreciation on investments and derivatives | | (5,165,597) | | (1,589,383) |
| Unrealized foreign exchange (gain) loss on cash | | 364 | | (1,200) |
| (Increase) decrease in dividends receivable | | 63,738 | | (3,767) |
| Increase (decrease) in management fees and expenses payable | | 1,160 | | (2,302) |
| Purchase of investments | | (7,721,939) | | (9,112,255) |
| Proceeds from sale of investments | | 9,235,532 | | 8,123,850 |
| Net Cash Generated (Used) by Operating Activities | | 1,993,830 | | (1,063,024) |
| Cash Flows from Financing Activities | | | | |
| Distributions to holders of redeemable units, net of reinvested distributions | | (261,182) | | (103,326) |
| Proceeds from redeemable units issued (note 3) | | 1,078,679 | | 1,694,674 |
| Amount paid on redemption of redeemable units (note 3) | | (6,765,816) | | (8,204,649) |
| Net Cash Generated (Used) by Financing Activities | | (5,948,319) | | (6,613,301) |
| Net increase (decrease) in cash and cash equivalents | | (3,954,489) | | (7,676,325) |
| Unrealized foreign exchange gain (loss) on cash | | (364) | | 1,200 |
| Cash and cash equivalents - beginning of period | | 5,535,886 | | 13,190,756 |
| Cash and cash equivalents - end of period | \$ | 1,581,033 | \$ | 5,515,631 |
| Cash and cash equivalents comprise: | | | | |
| Cash at bank | \$ | 83,068 | \$ | 123,222 |
| Short-term investments | | 1,497,965 | | 5,392,409 |
| | \$ | 1,581,033 | \$ | 5,515,631 |
| From operating activities: | | | | |
| Interest received, net of withholding tax | \$ | 64,979 | \$ | 169,786 |
| Dividends received, net of withholding tax | \$ | 699,817 | \$ | 788,501 |

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

Schedule of Investment Portfolio (Unaudited)

As at March 31, 2024

| No. of Shares | Security Name | Average Cost | Fair Value | % of Net Assets Attributable to Holders of Redeemable Units |
|--|---|-------------------|----------------------|---|
| EQUITIES - Preferred | | | | |
| Canada | | | | |
| 130,000 | BMO Laddered Preferred Share Index ETF | \$ 1,111,397 | \$ 1,287,000 | |
| 144,300 | Horizons Active Preferred Share ETF | 1,187,118 | 1,215,006 | |
| 100,000 | iShares S&P/TSX Canadian Preferred Share Index ETF | 1,105,703 | 1,157,500 | |
| | Total equities - preferred | 3,404,218 | 3,659,506 | 11.2% |
| EQUITIES - Common | | | | |
| Canada | | | | |
| 23,900 | ATCO Ltd. | 801,931 | 901,269 | |
| 8,000 | Bank of Montreal | 742,972 | 1,058,000 | |
| 40,069 | Canadian Imperial Bank of Commerce | 1,928,604 | 2,751,538 | |
| 3,900 | Empire Company Limited | 125,528 | 129,012 | |
| 19,600 | Magna International Inc. | 1,292,933 | 1,446,284 | |
| 22,800 | Nutrien Ltd. | 1,626,335 | 1,677,852 | |
| 22,270 | Royal Bank of Canada | 2,665,549 | 3,042,528 | |
| 5,600 | Suncor Energy, Inc. | 258,665 | 279,944 | |
| 46,962 | The Bank of Nova Scotia | 3,108,693 | 3,290,627 | |
| 31,000 | The Toronto-Dominion Bank | 1,969,226 | 2,534,250 | |
| | | 14,520,436 | 17,111,304 | 52.4% |
| Cayman Islands | | | | |
| 79,000 | CK Hutchison Holdings Limited | 670,173 | 516,802 | 1.6% |
| United States | | | | |
| 100,000 | AT&T Inc. | 2,234,213 | 2,384,008 | |
| 22,900 | Citigroup Inc. | 1,497,709 | 1,961,654 | |
| 14,200 | CVS Health Corporation | 1,317,128 | 1,534,152 | |
| 7,773 | Starbucks Corporation | 954,386 | 962,238 | |
| 37,300 | Verizon Communications Inc. | 1,737,355 | 2,120,017 | |
| | | 7,740,791 | 8,962,069 | 27.5% |
| | Total equities - common | 22,931,400 | 26,590,175 | 81.5% |
| | Total investment portfolio | 26,335,618 | 30,249,681 | 92.7% |
| FORWARD CURRENCY CONTRACTS (Schedule 1) | | | | |
| | Total unrealized loss on forward currency contracts | - | (34,086) | (0.1%) |
| | Net Investments | 26,335,618 | 30,215,595 | 92.6% |
| | Transaction costs | (7,362) | - | - |
| | | \$ 26,328,256 | 30,215,595 | 92.6% |
| | Other assets less liabilities | | 2,421,364 | 7.4% |
| | NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS | | \$ 32,636,959 | 100.0% |

Schedule 1

| Contract Price | Settlement Date | Purchased Currency | | | Sold Currency | | | Unrealized gain (loss) (\$) |
|----------------|-----------------|--------------------|-------------|---------------------------------|----------------------|-------------|---------------------------------|-----------------------------|
| | | Currency | Amount (\$) | Value as at March 31, 2024 (\$) | Currency | Amount (\$) | Value as at March 31, 2024 (\$) | |
| 0.741894799 | Jun-12-24 | Canadian Dollar | 8,761,350 | 8,761,350 | United States Dollar | 6,500,000 | 8,795,436 | (34,086) |
| | | | | | | | Unrealized loss | (34,086) |

(a) OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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 March 31, 2024 and September 30, 2023.

| | March 31, 2024 (\$) | September 30, 2023 (\$) |
|------------------------------|------------------------|----------------------------|
| Gross derivative assets | - | 5,985 |
| Gross derivative liabilities | (34,086) | - |
| Net exposure | (34,086) | 5,985 |

(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 March 31, 2024 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 \$3,024,968 (September 30, 2023: \$2,725,419). 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 March 31, 2024 and September 30, 2023:

| By Geographic Sector | March 31, 2024 | September 30, 2023 |
|--------------------------------|----------------|--------------------|
| Canada | 63.6% | 56.8% |
| United States | 27.5% | 20.0% |
| Cash & Cash Equivalents | 4.9% | 16.9% |
| Other Net Assets (Liabilities) | 2.5% | 0.1% |
| Cayman Islands | 1.6% | 1.7% |
| Forward Currency Contracts | (0.1%) | - |
| United Kingdom | - | 4.5% |
| Total | 100.0% | 100.0% |

| By Industry Sector | March 31, 2024 | September 30, 2023 |
|--------------------------------|----------------|--------------------|
| Financials | 44.8% | 55.7% |
| Communication Services | 13.8% | 12.6% |
| Exchange Traded Funds | 11.2% | 12.1% |
| Consumer Discretionary | 7.4% | - |
| Materials | 5.1% | - |
| Cash & Cash Equivalents | 4.9% | 16.9% |
| Health Care | 4.7% | - |
| Utilities | 2.8% | - |
| Other Net Assets (Liabilities) | 2.5% | 0.1% |
| Industrials | 1.6% | 1.8% |
| Energy | 0.9% | 0.8% |
| Consumer Staples | 0.4% | - |
| 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 direct exposure as at March 31, 2024 and September 30, 2023 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.

| March 31, 2024 | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|---|--------------------|-------------------|----------------|--|-------------------|---------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| Hong Kong Dollar | - | 516,802 | 516,802 | - | 51,680 | 51,680 |
| United States Dollar | (8,778,759) | 8,962,069 | 183,310 | (877,876) | 896,207 | 18,331 |
| Total | (8,778,759) | 9,478,871 | 700,112 | (877,876) | 947,887 | 70,011 |
| % of net assets attributable to holders of redeemable units | (26.9%) | 29.0% | 2.1% | (2.7%) | 2.9% | 0.2% |

| September 30, 2023 | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|---|--------------------|-------------------|----------------|--|-------------------|---------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| Hong Kong Dollar | - | 574,125 | 574,125 | - | 57,413 | 57,413 |
| United States Dollar | (8,395,061) | 8,046,283 | (348,778) | (839,506) | 804,628 | (34,878) |
| Total | (8,395,061) | 8,620,408 | 225,347 | (839,506) | 862,041 | 22,535 |
| % of net assets attributable to holders of redeemable units | (25.6%) | 26.3% | 0.7% | (2.6%) | 2.6% | 0.1% |

Interest Rate Risk

As at March 31, 2024 and September 30, 2023, 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

The Fund had exposure to credit risk due to its holding of cash and cash equivalents (such as Treasury Bills) and forward currency contracts. 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. As at March 31, 2024, the Fund had forward currency contracts with one counterparty with an unrealized loss of \$34,086 (September 30, 2023: unrealized gain of \$5,985). The counterparty, CIBC World Markets Inc., had a Standard & Poor's credit rating of A-1, which exceeds the minimum requirement outlined by securities legislation. The Fund also 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.

(c) FAIR VALUE MEASUREMENTS

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at March 31, 2024 and September 30, 2023:

| March 31, 2024 | Assets (Liabilities) | | | Total (\$) |
|-------------------|----------------------|-----------------|--------------|-------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Equities - Long | 30,249,681 | - | - | 30,249,681 |
| Derivative Assets | - | (34,086) | - | (34,086) |
| Total | 30,249,681 | (34,086) | - | 30,215,595 |

| September 30, 2023 | Assets (Liabilities) | | | Total (\$) |
|--------------------|----------------------|--------------|--------------|-------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Equities - Long | 27,254,190 | - | - | 27,254,190 |
| Derivative Assets | - | 5,985 | - | 5,985 |
| Total | 27,254,190 | 5,985 | - | 27,260,175 |

(d) 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 March 31, 2024 and September 30, 2023 are summarized below:

| March 31, 2024 | Investment at Fair Value (\$) | Net Asset Value (\$ millions) | % of Net Asset Value |
|--|----------------------------------|----------------------------------|----------------------|
| BMO Laddered Preferred Share Index ETF | 1,287,000 | 2,045 | 0.1% |
| Horizons Active Preferred Share ETF | 1,215,006 | 1,413 | 0.1% |
| iShares S&P/TSX Canadian Preferred Share Index ETF | 1,157,500 | 1,387 | 0.1% |

| September 30, 2023 | Investment at Fair Value (\$) | Net Asset Value (\$ millions) | % of Net Asset Value |
|--|----------------------------------|----------------------------------|----------------------|
| BMO Laddered Preferred Share Index ETF | 1,933,751 | 1,969 | 0.1% |
| Horizons Active Preferred Share ETF | 1,034,631 | 1,275 | 0.1% |
| iShares S&P/TSX Canadian Preferred Share Index ETF | 1,018,000 | 1,283 | 0.1% |

Statements of Financial Position (Unaudited)

| | As at March 31, 2024 | | As at September 30, 2023 | |
|--|-------------------------|------------------|-----------------------------|------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ | 196,242 | \$ | 287,932 |
| Dividends receivable | | 7,271 | | 6,154 |
| Investments (note 5) | | 2,171,748 | | 2,100,782 |
| | | <u>2,375,261</u> | | <u>2,394,868</u> |
| Liabilities | | | | |
| Management fees payable (note 8) | | 2,928 | | 2,939 |
| Expenses payable | | 1,118 | | 1,138 |
| Redemptions payable | | - | | 3,891 |
| Distributions payable | | 1,444 | | - |
| | | <u>5,490</u> | | <u>7,968</u> |
| Net Assets Attributable to Holders of Redeemable Units | \$ | <u>2,369,771</u> | \$ | <u>2,386,900</u> |
| Net Assets Attributable to Holders of Redeemable Units Per Series | | | | |
| Series A | | 1,810,133 | | 1,785,459 |
| Series F | | 559,638 | | 601,441 |
| | \$ | <u>2,369,771</u> | \$ | <u>2,386,900</u> |
| Number of Redeemable Units Outstanding (note 6) | | | | |
| Series A | | 229,440 | | 235,403 |
| Series F | | 62,269 | | 70,051 |
| Net Assets Attributable to Holders of Redeemable Units Per Unit | | | | |
| Series A | \$ | 7.89 | \$ | 7.58 |
| Series F | \$ | 8.99 | \$ | 8.59 |

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 (Loss) (Unaudited)

| For the periods ended March 31, | 2024 | 2023 |
|---|-------------------|-------------------|
| Income | | |
| Net gain (loss) on investments | | |
| Dividends | \$ 30,866 | \$ 31,780 |
| Interest for distribution purposes | 8,382 | 3,602 |
| Net realized gain (loss) on investments | 22,132 | (53,489) |
| Change in unrealized appreciation (depreciation) on investments | 128,114 | 285,188 |
| | <u>189,494</u> | <u>267,081</u> |
| Other income | | |
| Foreign exchange gain (loss) on cash and other net assets | (486) | (2,681) |
| Total income (loss) | <u>189,008</u> | <u>264,400</u> |
| Expenses | | |
| Unitholder reporting costs | 75,211 | 76,666 |
| Audit fees | 17,405 | 15,201 |
| Management fees (note 8) | 17,225 | 20,030 |
| Legal fees | 4,899 | 11,487 |
| Withholding tax expense | 3,783 | 4,391 |
| Custodial fees | 2,042 | 734 |
| Independent review committee fees | 1,203 | 1,159 |
| Transaction costs | 18 | 220 |
| Bank charges | 5 | 2 |
| Total operating expenses | <u>121,791</u> | <u>129,890</u> |
| Less: expenses absorbed by Manager (note 8) | (94,148) | (97,627) |
| Net operating expenses | <u>27,643</u> | <u>32,263</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | <u>\$ 161,365</u> | <u>\$ 232,137</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | \$ 120,150 | \$ 177,536 |
| Series F | \$ 41,215 | \$ 54,601 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit | | |
| Series A | \$ 0.52 | \$ 0.70 |
| Series F | \$ 0.64 | \$ 0.82 |

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

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

| For the periods ended March 31, | 2024 | | 2023 | |
|--|------|------------------|------|------------------|
| Net Assets Attributable to Holders of Redeemable Units at Beginning of Period | | | | |
| Series A | \$ | 1,785,459 | \$ | 1,990,955 |
| Series F | | 601,441 | | 578,261 |
| | | <u>2,386,900</u> | | <u>2,569,216</u> |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | | | | |
| Series A | | 120,150 | | 177,536 |
| Series F | | 41,215 | | 54,601 |
| | | <u>161,365</u> | | <u>232,137</u> |
| Distributions to Holders of Redeemable Units | | | | |
| From net investment income | | | | |
| Series A | | (28,049) | | (4,449) |
| Series F | | (8,532) | | (1,286) |
| | | <u>(36,581)</u> | | <u>(5,735)</u> |
| From return of capital | | | | |
| Series A | | (21,802) | | (53,388) |
| Series F | | (6,811) | | (14,789) |
| | | <u>(28,613)</u> | | <u>(68,177)</u> |
| Net Decrease from Distributions to Holders of Redeemable Units | | <u>(65,194)</u> | | <u>(73,912)</u> |
| Redeemable Unit Transactions | | | | |
| Proceeds from redeemable units issued | | | | |
| Series A | | 5,969 | | 20,385 |
| Series F | | 6,054 | | 186,712 |
| | | <u>12,023</u> | | <u>207,097</u> |
| Reinvestments of distributions | | | | |
| Series A | | 43,865 | | 50,868 |
| Series F | | 12,795 | | 13,315 |
| | | <u>56,660</u> | | <u>64,183</u> |
| Redemptions of redeemable units | | | | |
| Series A | | (95,459) | | (62,603) |
| Series F | | (86,524) | | (10,751) |
| | | <u>(181,983)</u> | | <u>(73,354)</u> |
| Net Increase (Decrease) from Redeemable Unit Transactions | | <u>(113,300)</u> | | <u>197,926</u> |
| Net Assets Attributable to Holders of Redeemable Units at End of Period | | | | |
| Series A | | 1,810,133 | | 2,119,304 |
| Series F | | 559,638 | | 806,063 |
| | \$ | <u>2,369,771</u> | \$ | <u>2,925,367</u> |

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

Statements of Cash Flows (Unaudited)

| For the periods ended March 31, | 2024 | | 2023 | |
|---|-----------|------------------|-----------|-----------------|
| Cash Flows from Operating Activities | | | | |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units | \$ | 161,365 | \$ | 232,137 |
| Adjustments for: | | | | |
| Net realized (gain) loss on investments | | (22,132) | | 53,489 |
| Change in unrealized (appreciation) depreciation on investments | | (128,114) | | (285,188) |
| Unrealized foreign exchange (gain) loss on cash | | (44) | | 82 |
| (Increase) decrease in dividends receivable | | (1,117) | | 1,066 |
| Increase (decrease) in management fees and expenses payable | | (31) | | 220 |
| Purchase of investments | | (127,444) | | (610) |
| Proceeds from sale of investments | | 206,724 | | 299,663 |
| Net Cash Generated (Used) by Operating Activities | | <u>89,207</u> | | <u>300,859</u> |
| Cash Flows from Financing Activities | | | | |
| Change in margin cash | | - | | (3,568) |
| Distributions to holders of redeemable units, net of reinvested distributions | | (7,090) | | (9,407) |
| Proceeds from redeemable units issued (note 3) | | 12,023 | | 14,050 |
| Amount paid on redemption of redeemable units (note 3) | | (185,874) | | (67,159) |
| Net Cash Generated (Used) by Financing Activities | | <u>(180,941)</u> | | <u>(66,084)</u> |
| Net increase (decrease) in cash and cash equivalents | | (91,734) | | 234,775 |
| Unrealized foreign exchange gain (loss) on cash | | 44 | | (82) |
| Cash and cash equivalents - beginning of period | | 287,932 | | 179,915 |
| Cash and cash equivalents - end of period | \$ | 196,242 | \$ | 414,608 |
| Cash and cash equivalents comprise: | | | | |
| Cash at bank | \$ | 46,741 | \$ | 40,756 |
| Short-term investments | | 149,501 | | 373,852 |
| | \$ | 196,242 | \$ | 414,608 |
| From operating activities: | | | | |
| Interest received, net of withholding tax | \$ | 8,382 | \$ | 3,602 |
| Dividends received, net of withholding tax | \$ | 25,966 | \$ | 28,455 |
| From financing activities: | | | | |
| Interest paid | \$ | (5) | \$ | (2) |

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

Schedule of Investment Portfolio (Unaudited)

As at March 31, 2024

| Par Value/No. of Shares | Security Name | Average Cost | Fair Value | % of Net Assets Attributable to Holders of Redeemable Units |
|----------------------------|---|--------------|--------------|--|
| TREASURY BILLS | | | | |
| Canada | | | | |
| 125,000 | Government of Canada, 4.99%, July 18, 2024 | \$ 123,123 | \$ 123,190 | |
| | Total treasury bills | 123,123 | 123,190 | 5.2% |
| EQUITIES - Common | | | | |
| Canada | | | | |
| 240 | Canadian National Railway Company | 27,634 | 42,809 | |
| 318 | Fortis, Inc. | 17,004 | 17,019 | |
| 260 | Royal Bank of Canada | 22,688 | 35,521 | |
| | | 67,326 | 95,349 | 4.0% |
| Denmark | | | | |
| 590 | Coloplast A/S | 100,408 | 107,778 | 4.5% |
| France | | | | |
| 440 | Sanofi SA | 59,667 | 58,487 | 2.5% |
| Ireland | | | | |
| 132 | Linde PLC | 36,309 | 83,021 | 3.5% |
| Switzerland | | | | |
| 350 | Nestle S.A. | 49,995 | 50,335 | |
| 475 | Novartis AG | 59,764 | 62,333 | |
| 125 | Roche Holding AG | 60,210 | 43,125 | |
| | | 169,969 | 155,793 | 6.6% |
| United Kingdom | | | | |
| 1,340 | Bunzl PLC | 43,815 | 69,827 | |
| 2,000 | Compass Group PLC | 46,742 | 79,430 | |
| 430 | Croda International PLC | 37,117 | 36,037 | |
| 835 | Diageo PLC | 40,322 | 41,763 | |
| | | 167,996 | 227,057 | 9.6% |
| United States | | | | |
| 600 | American States Water Company | 68,422 | 58,712 | |
| 175 | American Tower Corporation | 54,822 | 46,838 | |
| 766 | California Water Service Group | 54,869 | 48,227 | |
| 350 | Cincinnati Financial Corporation | 31,223 | 58,868 | |
| 471 | Colgate-Palmolive Company | 41,930 | 57,451 | |
| 600 | Consolidated Edison, Inc. | 66,401 | 73,804 | |
| 411 | Genuine Parts Company | 56,789 | 86,253 | |
| 1,200 | Hormel Foods Corporation | 70,567 | 56,712 | |
| 385 | iShares MSCI Japan ETF | 26,388 | 37,209 | |
| 504 | Johnson & Johnson | 92,953 | 107,996 | |
| 369 | Kenvue Inc. | 12,026 | 10,726 | |
| 232 | Kimberly-Clark Corporation | 41,889 | 40,649 | |
| 374 | McCormick & Company, Incorporated | 42,003 | 38,912 | |
| 260 | McDonald's Corporation | 67,281 | 99,298 | |
| 332 | PepsiCo, Inc. | 59,883 | 78,704 | |
| 900 | SJW Group | 81,526 | 68,989 | |
| 153 | Target Corporation | 25,301 | 36,726 | |
| 208 | The Clorox Company | 41,808 | 43,138 | |
| 892 | The Coca-Cola Company | 61,071 | 73,921 | |
| 400 | The Procter & Gamble Company | 64,790 | 87,910 | |
| 1,350 | Walmart Inc. | 70,828 | 110,030 | |
| | | 1,132,770 | 1,321,073 | 55.7% |
| | Total equities - common | 1,734,445 | 2,048,558 | 86.4% |
| | Total Investment Portfolio | 1,857,568 | 2,171,748 | 91.6% |
| | Transaction Costs | (1,278) | - | - |
| | | \$ 1,856,290 | 2,171,748 | 91.6% |
| | Other assets less liabilities | | 198,023 | 8.4% |
| | NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS | | \$ 2,369,771 | 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 March 31, 2024 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 \$217,175 (September 30, 2023: \$200,209). 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 March 31, 2024 and September 30, 2023:

| By Geographic Region | March 31, 2024 | September 30, 2023 |
|--------------------------------|----------------|--------------------|
| United States | 55.7% | 55.7% |
| Cash & Cash Equivalents | 13.5% | 16.3% |
| United Kingdom | 9.6% | 8.7% |
| Switzerland | 6.6% | 7.0% |
| Denmark | 4.5% | 3.6% |
| Canada | 4.0% | 3.4% |
| Ireland | 3.5% | 2.8% |
| France | 2.5% | 2.7% |
| Other Net Assets (Liabilities) | 0.1% | (0.2%) |
| Total | 100.0% | 100.0% |

| By Industry Sector | March 31, 2024 | September 30, 2023 |
|--------------------------------|----------------|--------------------|
| Consumer Staples | 30.6% | 29.5% |
| Health Care | 15.9% | 15.5% |
| Cash & Cash Equivalents | 13.5% | 16.3% |
| Utilities | 11.3% | 13.3% |
| Consumer Discretionary | 11.2% | 10.0% |
| Materials | 5.0% | 4.3% |
| Industrials | 4.8% | 4.2% |
| Financials | 4.0% | 4.2% |
| Real Estate | 2.0% | 1.6% |
| Exchange Traded Funds | 1.6% | 1.3% |
| Other Net Assets (Liabilities) | 0.1% | (0.2%) |
| Total | 100.0% | 100.0% |

Currency Risk

The tables below indicate the foreign currencies to which the Fund had significant direct exposure as at March 31, 2024 and September 30, 2023 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.

| March 31, 2024 | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|--|---------------|-------------------|------------------|--|-------------------|----------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| British Pound | 1,418 | 227,057 | 228,475 | 142 | 22,706 | 22,848 |
| Danish Krone | - | 107,778 | 107,778 | - | 10,778 | 10,778 |
| Euro | (1) | 58,487 | 58,486 | - | 5,849 | 5,849 |
| Swiss Franc | 5,892 | 155,793 | 161,685 | 589 | 15,579 | 16,168 |
| United States Dollar | 6,564 | 1,404,093 | 1,410,657 | 656 | 140,409 | 141,065 |
| Total | 13,873 | 1,953,208 | 1,967,081 | 1,387 | 195,321 | 196,708 |
| % of net assets attributable to holders of redeemable units | 0.6% | 82.4% | 83.0% | 0.1% | 8.2% | 8.3% |

| September 30, 2023 | Exposure | | | Impact on net assets attributable to holders of redeemable units | | |
|---|---------------|-------------------|------------------|--|-------------------|----------------|
| | Monetary (\$) | Non-monetary (\$) | Total (\$) | Monetary (\$) | Non-monetary (\$) | Total (\$) |
| British Pound | 1,016 | 208,273 | 209,289 | 102 | 20,827 | 20,929 |
| Danish Krone | - | 84,926 | 84,926 | - | 8,493 | 8,493 |
| Euro | (1) | 64,120 | 64,119 | - | 6,412 | 6,412 |
| Swiss Franc | 2,330 | 166,494 | 168,824 | 233 | 16,649 | 16,882 |
| United States Dollar | 6,869 | 1,396,495 | 1,403,364 | 687 | 139,650 | 140,337 |
| Total | 10,214 | 1,920,308 | 1,930,522 | 1,022 | 192,031 | 193,053 |
| % of net assets attributable to holders of redeemable units | 0.4% | 80.5% | 80.9% | - | 8.1% | 8.1% |

Interest Rate Risk

As at March 31, 2024 and September 30, 2023, the Fund did not have significant direct exposure to interest rate risk.

Credit Risk

As at March 31, 2024 and September 30, 2023, 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.

(b) FAIR VALUE MEASUREMENTS

The following tables illustrate the classifications of the Fund's financial instruments within the fair value hierarchy as at March 31, 2024 and September 30, 2023:

| March 31, 2024 | Assets (Liabilities) | | | Total (\$) |
|-----------------|----------------------|----------------|--------------|------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Equities - Long | 2,048,558 | - | - | 2,048,558 |
| Treasury Bills | - | 123,190 | - | 123,190 |
| Total | 2,048,558 | 123,190 | - | 2,171,748 |

| September 30, 2023 | Assets (Liabilities) | | | Total (\$) |
|--------------------|----------------------|---------------|--------------|------------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Equities - Long | 2,002,092 | - | - | 2,002,092 |
| Treasury Bills | - | 98,690 | - | 98,690 |
| Total | 2,002,092 | 98,690 | - | 2,100,782 |

(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 March 31, 2024 and September 30, 2023 is summarized below.

| March 31, 2024 | Investment at Fair Value (\$) | Net Asset Value (\$ millions) | % of Net Asset Value |
|----------------|-------------------------------|-------------------------------|----------------------|
| | iShares MSCI Japan ETF | 37,209 | 23,060 |

| September 30, 2023 | Investment at Fair Value (\$) | Net Asset Value (\$ millions) | % of Net Asset Value |
|--------------------|-------------------------------|-------------------------------|----------------------|
| | iShares MSCI Japan ETF | 31,527 | 16,930 |

1. GENERAL INFORMATION

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 5, 2024, 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 | October 1, 2012 | October 31, 2012 | October 31, 2012 |
| Portland Global Balanced Fund | 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 May 9, 2024. 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 March 31, 2024 and September 30, 2023. The statements of comprehensive income (loss), changes in net assets attributable to holders of redeemable units, and cash flows of the Funds are for the six-month periods ended March 31, 2024 and March 31, 2023.

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. |

2. BASIS OF PRESENTATION

These financial statements of the Funds have been prepared in accordance with IFRS Accounting Standards as published 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 MATERIAL 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, except for differences in the month end NAV and financial statements date. There is a comparison of the NAV per unit and net assets attributable to holders of redeemable units per unit within note 12.

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 (loss). 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 (loss) 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’ in the statements of comprehensive income (loss).

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’.

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 (loss) 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 (loss) 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 (loss) 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 (loss) 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 (loss) 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 (loss). Realized foreign exchange gains and losses related to investments are recognized when incurred and are presented in the statements of comprehensive income (loss) within 'Net realized gain (loss) on investments'. Realized gains and losses on forward currency contracts are recognized when incurred and are presented in the statements of comprehensive income (loss) 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 (loss).

'Foreign exchange gain (loss) on cash and other net assets' arise from sale of foreign currencies, currency gains or losses realized between trade and settlement dates on securities transactions, and the difference between the recorded amounts of dividend, interest and foreign withholding taxes and the Canadian dollar equivalent of the amounts actually received or paid.

Cash and cash equivalents

The Funds consider highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value to be cash equivalents. Cash is comprised of deposits with financial institutions.

Cost of investments

The cost of investments represents the cost for each security 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.

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 (loss).

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 (loss) 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.

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.

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 six-month periods ended March 31, 2024 and March 31, 2023.

| | March 31, 2024 (\$) | March 31, 2023 (\$) |
|---------------------------------|------------------------|------------------------|
| Portland Canadian Balanced Fund | 316,852 | 137,511 |
| Portland Global Balanced Fund | - | - |

Future accounting changes

There are no new accounting standards effective after January 1, 2024 which affect the accounting policies of the Funds.

Changes in significant accounting policies

The Funds adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2) from January 1, 2024. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The Manager reviewed the accounting policies and noted no material impact on 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.

5. FINANCIAL INSTRUMENTS**(a) Offsetting of Financial Assets and Financial Liabilities**

The Funds may have a master netting or similar arrangements in place with the counterparty 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.

(b) 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.

A Fund may be exposed to credit risk from investments in forward currency contracts. The Fund limits its exposure to credit losses on forward currency contracts by ensuring there are netting arrangements with each counterparty to the forward currency contracts, such that any gains (amounts owing to the Fund) on individual contracts can be set off against any losses (amounts owing to the counterparty) in the event of default 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 below including the effect of master netting or similar arrangements in place with all counterparties.

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.

(c) 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.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

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 six-month periods ended March 31, 2024 and March 31, 2023 were as follows:

| March 31, 2024 | Beginning Balance | Units Issued Including Switches from Other Series | Units Reinvested | Units Redeemed Including Switches to Other Series | Ending Balance | Weighted Average Number of Units |
|---------------------------------|-------------------|---|------------------|---|----------------|--|
| Portland Canadian Balanced Fund | | | | | | |
| Series A Units | 1,098,213 | 53,809 | 36,417 | 98,511 | 1,089,928 | 1,097,401 |
| Series F Units | 1,228,602 | 43,922 | 27,373 | 369,588 | 930,309 | 1,021,714 |
| Portland Global Balanced Fund | | | | | | |
| Series A Units | 235,403 | 788 | 5,702 | 12,453 | 229,440 | 231,991 |
| Series F Units | 70,051 | 676 | 1,464 | 9,922 | 62,269 | 64,686 |

| March 31, 2023 | Beginning Balance | Units Issued Including Switches from Other Series | Units Reinvested | Units Redeemed Including Switches to Other Series | Ending Balance | Weighted Average Number of Units |
|---------------------------------|-------------------|---|------------------|---|----------------|--|
| Portland Canadian Balanced Fund | | | | | | |
| Series A Units | 1,149,665 | 42,860 | 9,621 | 54,933 | 1,147,213 | 1,156,630 |
| Series F Units | 1,680,130 | 78,922 | 28,969 | 503,808 | 1,284,213 | 1,642,402 |
| Portland Global Balanced Fund | | | | | | |
| Series A Units | 254,496 | 2,459 | 6,127 | 7,431 | 255,651 | 253,789 |
| Series F Units | 66,189 | 19,979 | 1,430 | 1,170 | 86,428 | 66,957 |

7. TAXATION

Each Fund qualifies as a mutual fund trust 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 (loss). Withholding taxes are shown as a separate item in the statements of comprehensive income (loss).

The taxation year-end for the Funds is December 15.

The following chart presents the amount of non-capital loss carry forwards and capital loss carry forwards available to the Funds as of December 31, 2023.

| | Non-Capital Loss Carry Forwards (\$) | Capital Loss Carry Forwards (\$) |
|---------------------------------|--|--|
| Portland Canadian Balanced Fund | - | 3,170,852 |
| Portland Global Balanced Fund | - | 23,921,911 |

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.

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 six-month period ended March 31, 2024 was \$5 (March 31, 2023: \$33).

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 March 31, 2024 and March 31, 2023. 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.

| March 31, 2024 | Management Fees (\$) | Operating Expense Reimbursement (\$) | Absorbed Operating Expenses (\$) | Operating Expenses Reimbursed to Affiliates of the Manager (\$) |
|---------------------------------|-------------------------|--|--|---|
| Portland Canadian Balanced Fund | 190,224 | 79,265 | 56,375 | 578 |
| Portland Global Balanced Fund | 15,285 | 5,868 | 83,540 | 578 |

| March 31, 2023 | Management Fees (\$) | Operating Expense Reimbursement (\$) | Absorbed Operating Expenses (\$) | Operating Expenses Reimbursed to Affiliates of the Manager (\$) |
|---------------------------------|-------------------------|--|--|---|
| Portland Canadian Balanced Fund | 230,290 | 104,604 | - | 442 |
| Portland Global Balanced Fund | 17,788 | 6,767 | 86,701 | 442 |

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

| As at March 31, 2024 | Management Fees (\$) | Operating Expense Reimbursement (\$) |
|---------------------------------|-------------------------|---|
| Portland Canadian Balanced Fund | 33,079 | 13,535 |
| Portland Global Balanced Fund | 2,597 | 993 |

| As at September 30, 2023 | Management Fees (\$) | Operating Expense Reimbursement (\$) |
|---------------------------------|-------------------------|---|
| Portland Canadian Balanced Fund | 31,736 | 13,782 |
| Portland Global Balanced Fund | 2,608 | 1,010 |

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.

| | March 31, 2024 | March 31, 2023 |
|---------------------------------|----------------|----------------|
| Portland Canadian Balanced Fund | 654 | 2,798 |
| Portland Global Balanced Fund | 2,554 | 17,128 |

11. BROKERAGE FACILITY

Portland Global Balanced Fund has a Settlement Services Agreement with RBC Dominion Securities Inc. (RBCDS), and may place 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. If applicable, non-cash collateral will be classified separately within the statements of financial position from other assets and identified as 'Investments - pledged as collateral'. Cash collateral will be 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 following table provides a comparison of NAV per unit and net assets attributable to holders of redeemable units of the Funds as of March 31, 2024 and September 30, 2023, as applicable if differences apply.

| March 31, 2024 | NAV per unit (\$) | Net assets attributable to holders of redeemable units per unit (\$) |
|-------------------------------|----------------------|---|
| Portland Global Balanced Fund | | |
| Series A Units | 7.89 | 7.89 |
| Series F Units | 8.99 | 8.99 |
| September 30, 2023 | NAV per unit (\$) | Net assets attributable to holders of redeemable units per unit (\$) |
| Portland Global Balanced Fund | | |
| Series A Units | 7.59 | 7.58 |
| Series F Units | 8.59 | 8.59 |

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