Portland Investment Counsel®
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Portland Special Opportunities Fund

Annual Financial Report

June 30, 2021

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

Portland Special Opportunities Fund

JUNE 30, 2021

OVERVIEW

The investment objective of the Portland Special Opportunities Fund (the Fund) is to provide above average risk-adjusted returns over the long term by investing directly or indirectly in strategies managed by EnTrust Global or its affiliates. Portland Investment Counsel Inc. (the Manager) has selected EnTrust Global as a specialty investment manager. EnTrust Global is one of the world's larger hedge fund investors and has cultivated relationships with many active hedge fund managers, investment banks and other institutions providing experience and access to a breadth of alternative investment opportunities. This access enables EnTrust Global to be presented with what are believed to be the 'best idea' investment opportunities, typically in asset classes where market dislocations or other events have created attractive investment opportunities.

The Fund intends to achieve its investment objective by investing in alternative strategies managed by EnTrust Global, commencing with the EnTrustPermal Special Opportunities Fund IV Ltd. (EPSO4). Since EPSO4 will seek to invest in the 'best ideas' of EnTrust Global (rather than in a diversified fund), EPSO4's and so the Fund's results can be expected to be more idiosyncratic. EPSO4 can be expected to be more concentrated than a diversified fund and the success or failure of any one investment may have a more material impact on results than a more diversified portfolio. EPSO4 intends to invest in a range of investments, including but not limited to, distressed corporate securities, activist equities, municipal bonds, high yield bonds, leveraged loans, unsecured debt, collateralized debt obligations, mortgage backed securities, direct lending and sovereign debt, real estate, venture capital and private equity-type structures. The approach is to select investments in less efficient and dislocated markets where a catalyst can be held or controlled to unlock substantial value.

EPSO4 is closed to new subscriptions. The Fund may commit to subsequent products and services offered or managed by EnTrust Global on a direct or indirect basis.

RESULTS OF OPERATIONS

EPSO4 has raised approximately U.S. $1.1 billion across all its investment vehicles. The Fund has committed U.S. $8.6 million which includes a U.S. $200,000 commitment transferred to the Fund as a result of the Portland Value Plus Fund merger on July 31, 2020 and unitholders of the Portland Value Plus Fund became unitholders of the Fund.

As at June 30, 2021, EPSO4 has called U.S. $8.58 million equating to about 99.8% of the U.S. $8.6 million committed, which, as at June 30, 2021, was 100% of the Fund.

For the period of July 1, 2020 to June 30, 2021, the Fund's Series F units had a return of 14.3% while the Fund's broad based benchmark, the MSCI World Total Return Index (the Index), increased 26.4%. For the full period since the launch of the Fund on December 14, 2017, the Fund's annualized return was 0.5% for Series A units and 1.6% for Series F units, while the Index rose 11.9%. Since the Fund does not necessarily invest in the same securities as the Index, the performance of the Fund may not be directly comparable to the Index.

EPSO4 will not invest in any fund or investment vehicle that has an initial lock-up period or term of more than five years and total lock-up period or term, including applicable extensions, of more than eight years. The offering memorandum for EPSO4 provides that the Fund's capital commitments are subject to a commitment period of three years, subject to a one-year extension at the discretion of EnTrust Global, the investment advisor to EPSO4. The initial three-year commitment period of EPSO4 was set to expire as of March 26, 2021. EnTrust Global notified the Fund that it is extending the commitment period of EPSO4 for one year, with a revised expiration date of March 26, 2022.

The impact of COVID-19 has likely lengthened the expected investment time horizons of some investments and we believe in the near-term has suppressed valuations which in part addresses the disappointing performance of the Fund. Also, a single detractor from performance was EPSO4's participation in the $2 billion raised to launch Quibi Holdings LLC, the short-form video streaming start up founded by Jeffrey Katzenburg and Meg Whitman. Quibi launched its marketing with early content in the spring 2020 projecting to attract 5-7 million subscribers but as COVID-19 hit and lockdowns ensued, it struggled to attract the audience it needed and by October with just 500,000 subscribers, announced its closure. Attempts to realize and recover some of the investment are underway.

EPSO4 has invested in 38 opportunities of which eight have been exited at a gross multiple on the invested capital of 1.15x. The four realized equity investments have their gross internal rate of return (IRR) for the transaction listed in brackets and were investments in:

1). Uber Technologies, Inc. (-7.8%) provides ride hailing services. Uber develops applications for road transportation, navigation, ride sharing, and payment processing solutions. Uber serves customers worldwide.

2). Sony Group Corporation (+29.3%) produces televisions, cameras, mobiles, audio and video products, game equipment, and more. Sony also engages in game production, movie production, music production, and other businesses.

3). Triumph Group, Inc. (-16.1%) is an aerospace and defense provider with the following three segments: (i) Integrated Systems (i.e., power and control for landing gear), (ii) Product Support (i.e., repair and maintenance), and (iii) Aerostructures (i.e., plane bodies and interiors).

4). Medifast (+61.0%) is a leading health and wellness company, specializing in weight loss management.

The four realized credit investments have their gross IRR for the transaction listed in brackets and were investments in:

1). Two direct loans to Aston Martin Lagonda Global Holdings PLC (+14.3% and +15.7%), the luxury car manufacturer, which upon a successful IPO, fully repaid the first loan and subsequently the second loan.

2). Thryv Inc. (+11.9%) is the dominant provider of lead generation solutions (primarily directories) and local small business management software.

3). An undisclosed loan (+3.4%).

RECENT DEVELOPMENTS AND OUTLOOK

Since January 1, 2020, EPSO4 called over 25% of committed capital during a period of high volatility at the onset of COVID-19 and so we are looking forward to the opportunities that were then invested being successfully realised over the medium term.

Earlier investments in the Fund, include: (i) Cardtronics, Inc., the largest global independent ATM owner and operator, which was the subject of competing takeover bids. Initially the private equity firm Apollo Global Management, Inc. offered U.S. $35 a share but then in January the leading U.S. ATM maker, NCR Corporation, counter-offered with U.S. $39 per share, all cash, which has closed as of June 22, 2021, according to Bloomberg; (ii) ThyssenKrupp AG, the German conglomerate, is undergoing a comprehensive strategic review where the Fund's holding is a part of a group that is one of the company's largest shareholders with direct board representation and the group is expected to have significant influence in unlocking shareholder value; (iii) Quibi Holdings LLC, the now defunct short-form video start-up has had its global distribution rights acquired by Roku, Inc., the company which has built itself up making global streaming devices. Roku is making the content free on an ad-sponsored basis. The terms of the acquisition were not disclosed publically, but EnTrust Global is seeking a recovery of some of the investment; and (iv) Deutsche Bank AG, the German-based universal bank, suffered a protracted number of years recovering from the Global Financial crisis, but by reducing its leverage and costs and shedding much of its capital intensive businesses, its management now expect to experience better financial performance.

A distinguishing feature of the Fund is focused investing, i.e. holding a limited number of investments. The Manager has long held that the key to wealth creation is owning a few high quality businesses. We share EnTrust Global's belief that a pivot towards 'value' rather than 'growth' criteria is likely to predominate as investors seek businesses that are priced reasonably. Although performance to date has been disappointing, we believe that the Fund has taken advantage of the dislocations wrought by the initial lockdowns regarding COVID-19, and the Manager is encouraged by recent developments mentioned above and so continue to believe the Fund is suitably positioned to meet its investment objective for the medium to long term. Market volatility (both among equity and bonds) serves to emphasize that EPSO4 remains primed to address increased opportunities born out of volatility.

As such, the Manager believes EPSO4 retains the ability to demonstrate the virtues of being active rather than passive allowing them to source and execute upon a diverse pool of idiosyncratic, company-specific situations, where, in partnership with its managers, there is a potential to shape, drive and influence desired outcomes for the benefit of its investors, i.e. the Fund.

Notes

Certain statements included in this Commentary constitute forward looking statements, including those identified by the expressions "anticipate," "believe," "plan," "estimate," "expect," "intend" and similar expressions to the extent they relate to the Fund. These forward-looking statements are not historical facts, but reflect the current expectations of the portfolio management team regarding future results or events of the Fund. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. The portfolio management team has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, except as required by securities legislation.

Certain research and information about specific holdings in the Fund, including any opinion, is based upon various sources believed to be reliable, but it cannot be guaranteed to be current, accurate or complete. It is for information only, and is subject to change without notice.

Management's Responsibility for Financial Reporting

The accompanying financial statements of Portland Special Opportunities Fund (the Fund) have been prepared by Portland Investment Counsel Inc. (the Manager) in its capacity as manager of the Fund. The Manager of the Fund 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 Fund, has approved these financial statements.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and include certain amounts that are based on estimates and judgments. The significant accounting policies which management believes are appropriate for the Fund are described in note 3 to these financial statements.

PricewaterhouseCoopers LLP is the external auditor of the Fund. It has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the unitholders its opinion on the financial statements. Their report is attached.

"Michael Lee-Chin"

Michael Lee-Chin
Director
September 15, 2021

"Robert Almeida"

Robert Almeida
Director
September 15, 2021

Independent Auditor's Report

To the Unitholders and Trustee of
Portland Special Opportunities Fund (the Fund)

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2021 and 2020 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

What we have audited

The Fund's financial statements comprise:

- the statements of financial position as at June 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 the 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. The other information comprises Commentary and the information, other than the financial statements and our auditor's report thereon, included in the annual report.

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

In connection with our audit of the financial statements, 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 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 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 Fund's ability 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 the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

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 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 these financial statements.

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, 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 Fund's internal control.
- 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 Fund's ability 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 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 the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, 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, Licenced Public Accountants

Toronto, Ontario
September 15, 2021

Statements of Financial Position

As at June 30,		2021		2020
Assets				
Current Assets				
Cash and cash equivalents	$	80,459	$	187,721
Investments (note 5)		12,796,110		11,014,780
Subscriptions receivable		1,600		40,000
		12,878,169		11,242,501
Liabilities				
Current Liabilities				
Management fees payable		115,220		19,762
Redemptions payable		-		18,491
Organization expenses payable (note 8)		20,244		12,323
Expenses payable		61,364		10,392
		196,828		60,968
Non-current Liabilities				
Organization expenses payable (note 8)		7,041		17,603
		203,869		78,571
Net Assets Attributable to Holders of Redeemable Units	$	12,674,300	$	11,163,930
Net Assets Attributable to Holders of Redeemable Units Per Series				
Series A		936,487		1,117,921
Series F		11,737,813		10,046,009
	$	12,674,300	$	11,163,930
Number of Redeemable Units Outstanding (note 6)				
Series A		18,669		24,583
Series F		225,282		215,121
Net Assets Attributable to Holders of Redeemable Units Per Unit				
Series A	$	50.16	$	45.48
Series F	$	52.10	$	46.70

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 June 30,		2021		2020
Income				
Net gain (loss) on investments				
Interest for distribution purposes	$	4,575	$	30,287
Change in unrealized appreciation (depreciation) on investments		1,510,313		(416,777)
		1,514,888		(386,490)
Other income				
Foreign exchange gain (loss) on cash and other net assets		(12,790)		124,220
Total income (net)		1,502,098		(262,270)
Expenses				
Management fees (note 8)		124,947		103,758
Securityholder reporting costs		46,820		36,616
Audit fees		15,743		17,572
Independent review committee fees		3,604		2,830
Legal fees		330		609
Custodial fees		-		1,683
Total operating expenses		191,444		163,068
Less: expenses absorbed by Manager (note 8)		-		(5,085)
Net operating expenses		191,444		157,983
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$	1,310,654	$	(420,253)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series				
Series A	$	91,367	$	(83,295)
Series F	$	1,219,287	$	(336,958)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit				
Series A	$	4.03	$	(3.61)
Series F	$	5.49	$	(1.78)

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 June 30,	2021	2020
Net Assets Attributable to Holders of Redeemable Units at Beginning of Year		
Series A	$ 1,117,921	$ 1,102,023
Series F	10,046,009	8,997,992
	11,163,930	10,100,015
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Series A	91,367	(83,295)
Series F	1,219,287	(336,958)
	1,310,654	(420,253)
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	15,580	105,026
Series F	523,939	1,413,767
	539,519	1,518,793
Redemptions of redeemable units		
Series A	(288,381)	(5,833)
Series F	(51,422)	(28,792)
	(339,803)	(34,625)
Net Increase (Decrease) from Redeemable Unit Transactions	199,716	1,484,168
Net Assets Attributable to Holders of Redeemable Units at End of Year		
Series A	936,487	1,117,921
Series F	11,737,813	10,046,009
	$ 12,674,300	$ 11,163,930

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

Statements of Cash Flows

for the years ended June 30,	2021	2020
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ 1,310,654	$ (420,253)
Adjustments for:		
Change in unrealized (appreciation) depreciation on investments	(1,510,313)	416,777
Unrealized foreign exchange (gain) loss on cash	(4,560)	-
Increase (decrease) in management fees and expenses payable	146,430	(9,686)
Increase (decrease) in organization expenses payable	(2,641)	(11,442)
Purchase of investments	(271,017)	(5,125,686)
Net Cash Generated (Used) by Operating Activities	(331,447)	(5,150,290)
Cash Flows from Financing Activities		
Proceeds from redeemable units issued (note 3)	349,864	1,819,214
Amount paid on redemption of redeemable units (note 3)	(130,239)	(10,302)
Net Cash Generated (Used) by Financing Activities	219,625	1,808,912
Net increase (decrease) in cash and cash equivalents	(111,822)	(3,341,378)
Unrealized foreign exchange gain (loss) on cash	4,560	-
Cash and cash equivalents - beginning of year	187,721	3,529,099
Cash and cash equivalents - end of year	80,459	187,721
Cash and cash equivalents comprise:		
Cash at bank	$ 80,459	$ 187,721
From operating activities:		
Interest received, net of withholding tax	$ 4,575	$ 30,287

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

Schedule of Investment Portfolio

as at June 30, 2021

No. of Shares	Security Name		Average Cost		Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
UNDERLYING FUNDS						
Cayman Islands						
8,169	EnTrustPermal Special Opportunities Fund IV Ltd. Class A	$	11,336,985	$	12,680,264	100.0%
77	EnTrustPermal Special Opportunities Fund IV Ltd. Class D		104,447		115,846	1.0%
		$	11,441,432		12,796,110	101.0%
	Other assets less liabilities				(121,810)	(1.0%)
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			$	12,674,300	100.0%

1. GENERAL INFORMATION

Portland Special Opportunities Fund (the Fund) is an open-end investment fund established under the laws of the Province of Ontario pursuant to an amended and restated master declaration of trust dated as of December 13, 2013, as amended thereafter and as may be amended from time to time. The formation date of the Fund was December 5, 2017 and inception date was December 14, 2017. Portland Investment Counsel Inc. (the Manager) is the Investment Fund Manager, Portfolio Manager and Trustee of the Fund. The head office of the Fund is 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7. These financial statements were authorized for issue by the Board of Directors of the Manager on September 15, 2021.

The Fund offers units to the public on a private placement basis under an offering memorandum. The investment objective of the Fund is to provide above average risk-adjusted returns over the long term by investing directly or indirectly, in strategies managed by EnTrust Global or its affiliates.

The statements of financial position of the Fund are as at June 30, 2021 and June 30, 2020. The statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows of the Fund are for the years ended June 30, 2021 and June 30, 2020. The schedule of investment portfolio of the Fund is as at June 30, 2021.

Effective July 31, 2020, Portland Value Plus Fund (the Terminated Fund) was merged into the Fund. The Fund acquired all of the assets and assumed all of the liabilities of the Terminated Fund in exchange for units of the Fund. The financial statements of the 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 Fund and the net asset value acquired are summarized below.

Merging Fund	Exchange Ratio	Continuing Fund	Number of Units Issued	Net Asset Value Acquired ($)
Portland Value Plus Fund		Portland Special Opportunities Fund		261,734
Series A	0.114453	Series A	315	
Series F	0.108036	Series F	5,548	

2. BASIS OF PRESENTATION

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

(a) Classification

The Fund classifies financial assets based on the business model used for managing such financial assets and the contractual cash flow characteristics of those financial assets. The 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 Fund recognizes financial instruments at fair value upon initial recognition, inclusive of transaction costs in the case of financial instruments not measured at fair value. Purchases and sales of financial assets are recognized as at their trade date. The Fund classifies its investment in equities and fixed income securities as financial assets or financial liabilities at FVTPL. The investment in EnTrustPermal Special Opportunities Fund IV Ltd. (EPSO4) or other investment funds (collectively referred to as Underlying Funds) held by the Fund do not meet the SPPI test and therefore have been classified as financial assets at FVTPL.

All other financial assets and liabilities are recognized at amortized cost and are reflected at the amount required to be paid, discounted to reflect the time value of money when appropriate.

The Fund's 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 Fund has elected to classify its obligation for net assets attributable to holders of redeemable units as a financial liability at FVTPL.

The Fund's accounting policies for measuring the fair value of its investments are similar to those used in measuring net asset value (NAV) for unitholder transactions; except for items attributable to a difference in the valuation methodology applied under IFRS for trading purposes and the treatment of organization expenses. Refer to Fair Value Measurement for a description of the methodology applied under IFRS. There is a comparison of the NAV per unit and net assets attributable to holders of redeemable units per unit within note 11.

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 Fund 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 Fund commits 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' 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 Fund has 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.

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.

EPSO4 does not trade on an active market hence its fair value is determined using valuation techniques. The fair value is primarily determined based on the latest available price of EPSO4 as reported by Citco Fund Services (Curacao) B.V. (Citco), its administrator. Adjustments may be made, if necessary, based on considerations such as the value date of the price provided, cash flows (calls/distributions) since the latest value date, the estimated total return reported by the manager of EPSO4 if a price is unavailable, restrictions on redemptions and the basis of accounting, if not at fair value. The Manager will monitor these estimates regularly and update them as necessary if macro or individual fund changes warrant any adjustments.

The manager of the underlying funds held within EPSO4 itself uses valuation techniques to determine the fair value of investments in the underlying fund for which market prices are not readily available. Citco relies on financial data furnished to it by the advisor and/or manager of the underlying fund including but not limited to, valuation of such investments. EPSO4 is audited annually by an independent auditor. There is no guarantee that the value ascribed to EPSO4 or any investment held by EPSO4 will represent the value to be realized in the eventual disposition of such investment or that could be realized upon an immediate disposition of such investment. All security valuation techniques are periodically reviewed and approved by the Manager. The Manager provides administration and oversight of the Fund's valuation policies and procedures. These procedures allow the Fund to utilize the latest net asset value pricing available, estimated total returns and other relevant market sources to determine fair value.

Net changes in fair value of securities at FVTPL are included in the statements of comprehensive income in 'Change in unrealized appreciation (depreciation) on investments'.

Revenue recognition

'Interest for distribution purposes' shown on the statements of comprehensive income represents the stated rate of interest earned by the Fund on fixed income securities accounted for on an accrual basis, as applicable. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities other than zero coupon debt securities which are amortized on a straight line basis. Interest receivable is shown separately in the statements of financial position based on the debt instruments' stated rates of interest. Dividends on equity investments and distributions on investments in Underlying Funds are recognized as income on the ex-dividend date.

Foreign currency translation

The Fund's 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 are recognized when incurred and are presented in the statements of comprehensive income within 'Net realized gain (loss) on investments', as applicable.

Unrealized exchange gains or losses on investments are included in 'Change in unrealized appreciation (depreciation) of investments' in the statements of comprehensive income.

'Foreign exchange gain (loss) on cash and other net assets' arises from sale of foreign currencies, change in foreign currency denominated loans, 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 Fund considers highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value to be cash equivalents. Cash is comprised of deposits with financial institutions.

Cost of investments

The cost of investments represents the cost for each security excluding transaction costs. On the schedule of investment portfolio, transaction costs have been deducted in aggregate from the total cost of individual investments, which includes transaction costs.

Redeemable units

The Fund issues multiple series of redeemable units which are redeemable quarterly upon 60 calendar days' notice. Thereafter, units are redeemable at the holder's option but do not have identical rights. Redeemable units can be put back to the Fund at any redemption date for cash equal to a proportionate share of the Fund's NAV attributable to the unit series.

The redeemable units are carried at the redemption amount that is payable at the statements of financial position date if the holder exercises the right to put the units back to the Fund.

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 Fund's NAV per unit is calculated by dividing the net assets attributable to the holders of each series of redeemable units by the total number of outstanding redeemable units of each respective series.

The Fund's units do not meet the criteria in IAS 32 for classification as equity as the units are redeemable on demand for cash and therefore, have been classified as financial liabilities.

Expenses

Expenses of the Fund 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.

Organization expenses

Organization expenses including legal fees, time spent by the Manager to create the Fund, and registration fees associated with the formation of the Fund are recoverable from the Fund by the Manager and expensed for NAV purposes in equal installments over 60 months commencing March 31, 2018. For financial reporting purposes, these fees were expensed in their entirety in the first fiscal year of the Fund.

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 weighted average units outstanding of that series during the reporting period.

Distributions to 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 Fund will distribute sufficient net income and net realized capital gains to unitholders annually to ensure that the Fund is not liable for ordinary income taxes. All distributions by the Fund 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. The 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 Fund includes only the net cash flow impact and does not include non-cash switches between series of the Fund that occurred during the year in 'Proceeds from redeemable units issued' or 'Amount paid on redemption of redeemable units'. For the year ended June, 30, 2021, $228,055 of non-cash switches have been excluded from the Fund's operation and financing activities on the statements of cash flows (June 30, 2020: $5,833).

Future accounting changes

There are no new accounting standards effective after January 1, 2021 which affect the accounting policies of the Fund.

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 Fund has made in preparing these financial statements.

Fair Value of Underlying Funds

The fair value of Underlying Funds that are not quoted in an active market is determined primarily in reference to the latest available price of such units for each Underlying Fund, as determined by the administrator of such Underlying Fund. The Fund may make adjustments to the reported net asset value of various Underlying Funds based on considerations such as the value date of the price provided, cash flows (calls/distributions) since the latest value date, the estimated total return reported by the manager of the Underlying Fund if a price is unavailable, restrictions on redemptions and the basis of accounting, if not at fair value.

The carrying values of Underlying Funds may be materially different to the values that could be realized as of the financial reporting date or ultimately realized on redemption.

Classification of financial assets and liabilities

Financial assets may be classified as financial assets at amortized cost, financial assets at FVTPL or financial assets at fair value through other comprehensive income. Financial liabilities may be classified as financial liabilities at amortized cost or financial liabilities at FVTPL. In order to classify its financial assets and liabilities in accordance with IFRS 9, the Manager uses judgment to assess the business model of the Fund and the cash flows of its financial assets and liabilities. The classification of financial assets and liabilities of the Fund are outlined in note 3.

COVID-19

While the precise impact of the recent COVID-19 outbreak remains unknown, it has introduced uncertainty and volatility in global markets and economies. 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 investment in EPSO4 and it's underlying investments. No adjustments have been reflected in the financial statements at this time. See the Fund Commentary for specific details on COVID-19.

5. FINANCIAL INSTRUMENTS

(a) Risk management

The Fund's investment activities may be exposed to various financial risks, including market risk (which includes price risk, interest rate risk and currency risk), concentration risk, liquidity risk and credit risk. The Fund has indirect exposure to various financial risks through its investment in the Underlying Funds. The Manager makes investment decisions after due diligence of an Underlying Fund, its strategy and the overall quality of the Underlying Fund's manager. All of the underlying investments in the Underlying Funds are subject to risks inherent in their industries. In the case of the Underlying Funds, established markets may not exist for these holdings, and therefore may be considered illiquid. The Fund is therefore indirectly exposed to each financial risk of the respective underlying investment in proportion to its investments in such Underlying Fund. The Fund's risk management goals are to ensure that the outcome of activities involving risk is consistent with the Fund's investment objectives and risk tolerance per the Fund's offering memorandum. All investments result in a risk of loss of capital.

The Fund invests in EPSO4. EPSO4 seeks to achieve above-average rates of return and long-term capital growth by investing in highly attractive, select investment opportunities through private investment entities and/or separately managed accounts. EPSO4 expects to invest in a broad range of investments and the Fund is indirectly exposed to risks of these investments. EPSO4 makes investment decisions after an extensive assessment of underlying funds, its strategies and the overall quality of underlying fund managers. EPSO4 is presented with "best idea" investment opportunities typically in asset classes where market dislocations or other events have created attractive investment opportunities. Since EPSO4 will seek to invest in the "best ideas" that are presented to it (rather than a diversified portfolio), its results can be expected to be more idiosyncratic. The Manager of the Fund reviews EPSO4 and other EnTrust Global funds' investment decisions, comments, news and performance typically on a monthly basis.

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 Fund are susceptible to market price risk arising from uncertainties about future prices of the instruments.

If the price of investments held by the Fund on June 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 $1,279,611 (June 30, 2020: $1,101,478). Actual results may differ from the above sensitivity analysis and the difference could be material.

The Fund has indirect exposure to price risk through its investment in EPSO4. EPSO4 is susceptible to market price risk caused by increases or decreases in the fair value of its investments arising from uncertainties about future values and events. Previous prices realized on past "best ideas" opportunities may not be indicative of prices realized on current "best ideas" opportunities. As at June 30, 2021, approximately 73% of the invested capital of the portfolio of EPSO4 Class A units and 80% in Class D units is held in an equity strategy (June 30, 2020: Class A units 66% , Class D units 71%).

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. As at June 30, 2021, the Fund has invested 100.0% of the net assets attributable to holders of redeemable units into EPSO4 (June 30, 2020: 98.7%).

The Fund has indirect exposure to concentration risk through its investment in EPSO4. EPSO4 is not restricted in the investment strategies that it may employ and is agnostic in terms of sector, geography, strategy, asset class, theme, etc. No formalized or pre-existing allocation framework with respect to such categories lends itself to diversified exposure. Based on this flexible mandate which is aimed for nimble deployment of capital across a broad range of ideas, EPSO4's asset allocations change over time based on the market environment and the opportunities they believe provide the best risk/reward in each environment. EPSO4 generally targets 3% to 7% for any single idea, and a majority of co-investments are in marketable and/or listed equities and credits. When EPSO4 has exposure to certain pre-IPO/private positions, such opportunities have tended to be sized at or below the low end of the foregoing range at around 2%, upon inception. As at June 30, 2021, unrealized investments in Class A units and Class D units of EPSO4 comprised 30 investments and 20 investments, respectively, and approximately 73% was held in an equity strategy and 27% in a credit strategy in various sectors and geographic regions for Class A units and approximately 80% was held in an equity strategy and 20% in a credit strategy for Class D units (June 30, 2020: Class A units 29 investments, 66% equity strategy, 34% credit strategy, Class D units 17 investments, 71% equity strategy, 29% credit strategy).

Interest rate risk

Interest rate risk arises on interest-bearing financial instruments held by the Fund, such as bonds. The fair value and future cash flows of such instruments held by the Fund will fluctuate due to changes in market interest rates.

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

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 Fund 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 tables below indicate the foreign currencies to which the Fund had significant exposure as at June 30, 2021 and June 30, 2020, in Canadian dollar terms. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant.

	Exposure			Impact on net assets attributable to holders of redeemable units		
June 30, 2021	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
United States Dollar	27,832	12,796,110	12,823,942	2,783	1,279,611	1,282,394
Total	**27,832**	**12,796,110**	**12,823,942**	**2,783**	**1,279,611**	**1,282,394**
% of net assets attributable to holders of redeemable units	**0.2%**	**101.0%**	**101.2%**	**-**	**10.1%**	**10.1%**

	Exposure			Impact on net assets attributable to holders of redeemable units		
June 30, 2020	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
United States Dollar	167,965	11,014,780	11,182,745	8,398	550,739	559,137
Total	**167,965**	**11,014,780**	**11,182,745**	**8,398**	**550,739**	**559,137**
% of net assets attributable to holders of redeemable units	**1.5%**	**98.7%**	**100.2%**	**0.1%**	**4.9%**	**5.0%**

Liquidity risk

Liquidity risk is the risk that the Fund, or the Underlying Fund, will encounter difficulty in meeting their obligations associated with financial liabilities. The Fund is exposed to quarterly cash redemptions and may borrow on margin to make investments. The Fund has the option to pay redemptions through the issuance of promissory notes (Redemption Notes). Redemption Notes will have an interest rate that is equal to the Bank of Canada overnight rate, reset each year as at January 1, simple interest per annum, calculated from the day the Redemption Note is issued and such other commercially reasonable terms as the Manager may prescribe, subject to a maximum term of five (5) years from the date of issue. Redemption Notes may be prepaid in part or full at any time at the option of the issuer prior to maturity, without notice, bonus or penalty, as determined in the sole discretion of the Manager, provided that the applicable interest shall be paid at the end of the term of the Redemption Note. The Manager monitors the Fund's liquidity positions on an ongoing basis.

The Fund is committed and invested in an unlisted Underlying Fund, which does not permit redemptions during the three years following its initial commitment, plus a potential one-year extension. Following this period, the Fund may redeem shares of EPSO4 quarterly upon 95 days' notice. As a result, the Fund may not be able to quickly liquidate its investment in EPSO4 at amounts, which approximate fair value, or be able to respond to specific events such as deterioration of creditworthiness of the issuer. The Fund's capital commitment to EPSO4 can be called within a notice period as outlined in the subscription agreement between the Fund and EPSO4. The Manager manages the capital calls through cash flow management. As at June 30, 2021, the Fund's total commitment to EPSO4 was U.S. $8,500,000 for Class A units and U.S. $100,000 for Class D units. For Class A units, U.S. $8,500,000 has been called and for Class D units, U.S. $77,552 has been called and U.S. $22,448 remains uncalled. The Fund has indirect exposure to liquidity risk through its investment in EPSO4. EPSO4 may invest in Portfolios that may be subject to a lock-up and redemption policies, and may not be able to sell investments quickly or at fair value.

Organization expenses payable is due and payable over a 60-month period. Other obligations of the Fund are due within 3 months from the financial reporting date.

Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. All transactions in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the broker has received the securities. The trade will fail if either party fails to meet its obligation.

As at June 30, 2021 and June 30, 2020, the Fund did not have significant exposure to credit risk. The Fund has indirect exposure to credit risk through its investment in EPSO4 through its direct investments with counterparties or those investments through a portfolio with other counterparties that may not be able to fulfill contractual obligations. As at June 30, 2021, approximately 27% and 20% of the invested capital of EPSO4 Class A and Class D units, respectively, are held in a credit strategy (June 30, 2020: Class A units 34%, Class D units 29%).

(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 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.

The following tables illustrates the classification of the Fund's financial instruments within the fair value hierarchy as at June 30, 2021 and June 30, 2020.

	Assets (Liabilities)			
June 30, 2021	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying Funds	-	12,796,110	-	12,796,110
Total	**-**	**12,796,110**	**-**	**12,796,110**

	Assets (Liabilities)			
June 30, 2020	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying Funds	-	11,014,780	-	11,014,780
Total	**-**	**11,014,780**	**-**	**11,014,780**

(c) 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:

i) restricted activities;

ii) 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;

iii) insufficient equity to permit the structured entity to finance its activities without subordinate financial support; and

iv) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Fund considers its investment in EPSO4 to be an investment in an unconsolidated structured entity. EPSO4 is valued as per above section on Fair Value Measurement. The change in fair value of the structured entity is included in the statements of comprehensive income in 'Change in unrealized appreciation (depreciation) on investments'. The Fund's investment in EPSO4 is subject to the terms and conditions of its offering documents and are susceptible to market price risk arising from uncertainties about future values. The Manager makes investment decisions after extensive due diligence on the strategy and overall quality of the Underlying Fund's manager.

The exposure to investment in EPSO4 at fair value as at June 30, 2021 and June 30, 2020 are presented in the following tables. This investment is included at fair value in financial assets at FVTPL in the statements of financial position. The Manager's best estimate of the maximum exposure to loss from the Fund's investment in EPSO4 (in Canadian dollars) is the fair value below.

June 30, 2021	Investment at Fair Value ($)	Net Asset Value ($)	% of Net Asset Value
EnTrustPermal Special Opportunities Fund IV Ltd. Class A	12,680,264	958,153,363	1.3%
EnTrustPermal Special Opportunities Fund IV Ltd. Class D	115,846	31,337,786	0.4%

June 30, 2020	Investment at Fair Value ($)	Net Asset Value ($)	% of Net Asset Value
EnTrustPermal Special Opportunities Fund IV Ltd. Class A	10,929,968	807,207,832	1.4%
EnTrustPermal Special Opportunities Fund IV Ltd. Class D	84,812	15,959,637	0.5%

6. REDEEMABLE UNITS

The Fund is permitted to issue an unlimited number of redeemable units issuable in Series A, Series F and Series O, having such terms and conditions as the Manager may determine. Additional series may be offered in the future on different terms, including different fee and dealer compensation terms and different minimum subscription levels. Each unit of a series represents an undivided ownership interest in the net assets of the Fund attributable to that series of units.

The Fund's NAV per unit is determined on the last business day of each quarter at the close of regular trading on the Toronto Stock Exchange or on such other date as determined by the Manager (each, a Valuation Date). Unitholders may redeem their units on any Valuation Date by submitting a request for redemption no later than the day that is 60 days prior to the Valuation Date in order for the redemption to be accepted as at that Valuation Date; otherwise, the redemption will be processed as at the next Valuation Date. If a unitholder redeems his or her units within the first 60 months from initial purchase, the Manager may, in its discretion, charge a redemption penalty equal to 5% of the NAV of such units redeemed which will be deducted from the redemption proceeds and retained by the Fund.

The Fund endeavors to invest capital in appropriate investments in conjunction with its investment objectives. The Fund maintains sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments, where necessary.

The principal difference between the series of units relates to the management fee payable to the Manager, minimum investment requirements and the compensation paid to dealers. All units are entitled to participate in the Fund's 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 redemption date, as outlined in the offering memorandum.

Series A Units are available to investors who meet eligibility requirements and who invest a minimum of $10,000.

Series F Units are available to investors who meet eligibility requirements and who invest a minimum of $10,000, 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 Fund does not incur distribution costs, or individual investors approved by the Manager.

Series O Units are available to certain institutional investors making a minimum investment of $500,000. The Fund has not yet issued any Series O Units.

The number of units issued and outstanding for the years ended June 30, 2021 and June 30, 2020 was as follows:

June 30, 2021	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
Series A Units	24,583	347	-	6,261	18,669	22,665
Series F Units	215,121	11,248	-	1,087	225,282	222,009

June 30, 2020	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
Series A Units	22,040	2,676	-	133	24,583	23,075
Series F Units	177,247	38,474	-	600	215,121	189,341

7. TAXATION

The Fund qualifies as a mutual fund trust within the meaning of the Income Tax Act (Canada) (the Tax Act).

The Fund calculates taxable and net capital gains/(losses) in accordance with the Tax Act and intends to distribute sufficient net income and net realized capital gains, if any, to ensure it does not pay ordinary income tax. As a result, the Fund does not record income taxes. Since the Fund does 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 taxation year end of the Fund is December 31.

The Fund has $44,227 of unused capital losses which can be carried forward indefinitely by the Fund. The following chart presents the amount of non-capital loss carry forward available to the Fund by year of expiry:

	2037 ($)	2038 ($)	2039 ($)	2040 ($)	Total ($)
Non-Capital Loss	45	23,674	90,074	12,044	125,837

8. FEES AND EXPENSES

Pursuant to the Fund's offering memorandum, the Fund agrees to pay management fees to the Manager, calculated and accrued on each Valuation Date. The annual management fees rate of the respective series of units are as follows:

Series A Units 1.85%

Series F Units 0.85%

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.

The Manager is reimbursed for any operating expenses it incurs on behalf of the Fund, including regulatory filing fees, custodian fees, legal and audit fees, costs associated with the independent review committee, bank charges, the cost of financial reporting, expenses related to conducting unitholder meetings, costs associated with providing Fundserv access for registered dealers and all related sales taxes. The Manager also provides key management personnel to the Fund. The Manager may charge the Fund for actual time spent by its personnel (or those of its affiliates) in overseeing the day-to-day business affairs of the Fund. 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 waive or absorb management fees and operating expenses at its discretion but is under no obligation to do so.

The Fund is also responsible for all costs associated with its creation and organization of the Fund including but not limited to legal and audit costs, registration and regulatory filing fees, costs associated with due diligence by registered dealers, printing costs, postage and courier costs and time spent by personnel of the Manager at fully allocated costs. The Manager has paid the costs associated with the formation and creation of the Fund and the offering of units and is entitled to reimbursement from the Fund for such costs.

All management fees, operating expenses and organization expenses payable by the Fund 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 Fund 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 Fund or to the Manager at prices which reflect such services (termed proprietary research). The dealers do not provide the Manager with an estimate of the cost of the research, statistical and other similar services (referred to as soft dollars).

The Manager may use third party proprietary research, which is generally also available on a subscription basis, the value of which will be used to approximate the value of research and other similar services received from third parties through commission sharing arrangements with executing brokers. The Fund has not participated in any third party soft dollar arrangements to date.

10. RELATED PARTY TRANSACTIONS

The following table outlines the management fees, operating expenses and organization expenses that were paid to the Manager by the Fund during the years ended June 30, 2021 and June 30, 2020. The table includes the amount of operating expense reimbursement that was paid to affiliates of the Manager. All of the dollar amounts in the tables below exclude applicable GST or HST.

	Management Fees ($)	Operating Expense Reimbursement ($)	Operating Expense Reimbursed to Affiliates of the Manager ($)	Organizational Expenses ($)
June 30, 2021	110,809	58,972	1,125	9,347
June 30, 2020	92,031	48,097	1,735	9,347

The Fund owed the following amounts to the Manager excluding the applicable GST or HST.

As at	Management Fees ($)	Operating Expense Reimbursement ($)	Organizational Expenses ($)
June 30, 2021	102,173	54,427	24,146
June 30, 2020	17,527	9,220	26,483

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 Fund from time to time in the normal course of business. As at June 30, 2021, Related Parties held 11,014 units of the Fund (June 30, 2020: 6,277).

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

The following tables provide a comparison of NAV per unit and net assets attributable to holders of redeemable units of the Fund as at June 30, 2021 and June 30, 2020.

June 30, 2021	NAV per Unit ($)	Net assets attributable to holders of redeemable units per Unit ($)		
		Adjustment for organization expenses	Adjustment for fair value of Underlying Fund	Total
Series A Units	50.87	(0.07)	(0.64)	50.16
Series F Units	52.84	(0.07)	(0.67)	52.10

June 30, 2020	NAV per Unit ($)	Net assets attributable to holders of redeemable units per Unit ($)		
		Adjustment for organization expenses	Adjustment for fair value of Underlying Fund	Total
Series A Units	45.03	(0.11)	0.56	45.48
Series F Units	46.25	(0.12)	0.57	46.70

12. COMMITMENTS

On March 16, 2018, the Fund committed to invest U.S. $8,300,000 in EPSO4 Class A units. Following the close of business on July 31, 2020, Portland Value Plus Fund merged into the Fund and the Fund acquired a U.S. $200,000 commitment of EPSO4 as a result of the merger. As at June 30, 2021, the Fund's total commitment to the EPSO4 Class A units was paid in full.

On May 22, 2019, the Fund committed to invest an additional U.S. $100,000 in EPSO4 Class D units. As at June 30, 2021, the Fund's total commitment to the EPSO4 Class D units was U.S. $100,000, of which U.S. $77,552 has been called and U.S. $22,448 remains uncalled.

Unfunded capital commitments to an Underlying Fund are not presented in the statement of financial position as a liability, as the unfunded capital represents a loan commitment that is not within the scope of IFRS 9.

13. EXEMPTION FROM FILING

The Fund is relying on the exemption contained within National Instrument 81-106, Part 2.11 to not file its financial statements with the applicable securities regulatory authorities.

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