Portland Investment Counsel®
Buy. Hold. And Prosper.®

Portland Special Opportunities Fund

Annual Financial Report

June 30, 2022

Portland Special Opportunities Fund

Annual Financial Report

June 30, 2022

- Commentary 3
- Management's Responsibility for Financial Reporting 9
- Independent Auditor's Report 10

FINANCIAL STATEMENTS

- Statements of Financial Position 12
- Statements of Comprehensive Income (Loss) 13
- Statements of Changes in Net Assets Attributable to Holders of Redeemable Units 14
- Statements of Cash Flows 15
- Schedule of Investment Portfolio 16
- Notes to Financial Statements 17

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

Portland Special Opportunities Fund

JUNE 30, 2022

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 (EnTrust) or its affiliates. Portland Investment Counsel Inc. (the Manager) has selected EnTrust as a specialty investment manager. EnTrust 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 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, commencing with the EnTrustPermal Special Opportunities Fund IV Ltd. (EPSO4). Since EPSO4 will seek to invest in the 'best ideas' of EnTrust (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 compared to 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

EnTrustPermal Special Opportunities Fund IV Ltd. (EPSO4), managed by EnTrust Global, raised approximately US$1.08 billion across all its investment vehicles by May 2019. The Fund committed US$8.6 million to EPSO4 as part of the total amount raised.

As at June 30, 2022, EPSO4 has called US$8.6 million for both series (US$8.5 million in Class A units and US$0.1 million in Class D units), which, as at June 30, 2022 was 100% of the Fund.

EPSO4 has invested in 49 opportunities (37 equity investment opportunities, and 12 credit opportunities) of which 15 have been exited. 12 of the 15 exited investments realized positive returns with effective internal rates of return of ranging between 3.37% and 60.97%, and three realized negative returns with effective internal rates of return of (7.83%), (20.35%) and (24.01%).

For the period December 31, 2021 to June 30, 2022, the Fund's Series A units had a return of (8.77%) and Series F units had a return of (8.25%). For the full period since the launch of the Fund on December 14, 2017, the Fund's annualized return was (0.97%) for Series A units and 0.11% for Series F units.

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, entitled to a one-year extension at the discretion of EnTrust, the investment advisor to EPSO4. The initial three-year commitment period of EPSO4 Class A units expired as of March 26, 2021. EnTrust notified the Fund that it extended the commitment period of EPSO4 Class A units for one year, with a revised expiration date of March 26, 2022. The initial three-year commitment period of EPSO4 Class D units were set to expire as of June 2, 2022. EnTrust notified the Fund that it extended the commitment period of EPSO4 Class D units for one year, with a revised expiration date of June 2, 2023.

Now that the commitment period for EPSO4 - Class A units has expired (98.9% of the Fund's commitments are in Class A, with the remaining in Class D – which will expire in June of 2023), proceeds from any exited investments from the Class A units will be distributed to the Fund, rather than being recycled (as is the case during the commitment period). The timing of any such distributions is difficult to predict, especially given the current market environment.

Of EPSO4's equity investments, EnTrust and their respective investment partners are a top-five shareholder in 67% of such positions, have a board seat in almost half, have more than one board seat in approximately 30%, and serve as or have appointed the Chair and/or Vice-Chair of the board in over 30%. Of their credit investments, EnTrust and their respective co-investment partners have had a leading role in the relevant restructuring/capital structure negotiations in almost 80% of such positions.

EnTrust, along with co-investment partners, has demonstrated controlling interests in most of their investments, evidenced by a largely "activist" investment strategy. Accordingly, we believe EnTrust has significant insight into the ability of these businesses to withstand the current environment for maintaining, and more importantly, creating value. Based on this perspective, EnTrust sees many names in the portfolio as being meaningfully depressed on both an absolute and relative basis at end June 2022 price points. This is also in part due to the value-oriented bias of the portfolio, where EnTrust generally targets lower multiple, more defensive securities. In fact, as of the second quarter of 2022 , the median 2023 price-to-earnings multiple across EPSO4's equity positions was 11.4x versus that of the S&P 500, which was at over 15x despite the historic detraction.

As mentioned, EPSO4 has invested in 49 opportunities of which 15 have been exited at a gross multiple on the invested capital of 1.19x.

The eight 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. (NYSE: UBER) (-7.83%) provides ride hailing services. Uber develops applications for road transportation, navigation, ride sharing, and payment processing solutions. Uber serves customers worldwide. The investment was exited through Uber's initial public offering in May of 2019.

2). Sony Group Corporation (NYSE: SONY) (+29.26%) 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.** (NYSE: TGI) (-24.01%) 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, Inc. (NYSE: MED)** (+60.97%) is a leading health and wellness company, specializing in weight loss management. The investment in Medifast was exited after shares reached target valuation levels.

5). **Cardtronics PLC (NASDAQ: CATM)** (+13.16%) operates as a cash machine provider and installs, repairs, maintains, and operates automated teller machines in various stores, service areas, stations, outlets, and other venues in the United Kingdom. It was the subject of competing bids and ultimately acquired by NCR Corporation, the leading U.S. ATM manufacturer.

6). **The Hain Celestial Group, Inc. (NASDAQ: HAIN)** (+30.14%) is a natural and organic beverage, snack, specialty food, and personal care products company, with over 25 different food brands including Earth's Best, Inc., Celestial Seasonings, Inc., Terra, Ella's Kitchen Group Ltd., and BluePrint. The investment in Hain Celestial Group was exited in November 2021, after Hain shares reached target valuation levels. The share appreciation was buoyed by positive earnings and business execution trends resulting from EnTrust's affiliate facilitating Hain's shedding of multiple business lines.

7). **Comcast Corporation (NASDAQ: CMCSA)** (+4.95%) is a global technology and media giant with key cable and media assets in three main segments: (i) Comcast Cable (market leading broadband provider in the U.S.); (ii) NBCUniversal (broadcast, cable, and film studios, along with the "Universal" brand theme parks); and (iii) Sky (leading European television provider). The investment in Comcast was exited during the first quarter of 2022 due to fears of increasing industry competition and rising capex within the company. The decision to exit was made despite Comcast's outperformance of expectations on the bases of both earnings and free cash flow growth since inception.

8). **Prudential PLC (LSE: PRU)** (-20.35%) is an international company which provides a wide assortment of insurance and investment products and services. EnTrust co-invested in Prudential in February 2020, just before the onset of the pandemic. Despite successful efforts in strengthening their balance sheet, the retirement of Prudential's CEO, a challenging macroeconomic backdrop, and uncertainty regarding the Hong Kong/ mainland China border re-opening, made the company's outlook unclear. EnTrust and their co-investment partner decided to exit the investment during the second quarter of 2022.

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

(i) two direct loans to Aston Martin Lagonda Global Holdings PLC (LSE: AML) (+14.28% and +15.71%), the luxury car manufacturer, which upon a successful initial public offering, fully repaid the first loan and subsequently the second loan;

(ii) Thryv Inc. (NASDAQ: THRY)(+11.88%) a dominant provider of lead generation solutions (primarily directories) and local small business management software;

(iii) a corporate loan (+3.37%);

(iv) a municipal debt market investment (+27.51%);

(v) A basis dislocation portfolio (+9.33%); and

(vi) Blue Ocean (+12.67%), a diverse maritime loan portfolio.

RECENT DEVELOPMENTS AND OUTLOOK

Of the remaining unrealized investments through EPSO4, below we have highlighted unrealized investments which are not bound by confidentiality. These investments are summarized in two sections (pre-COVID-19 and post- COVID-19); the first are those made prior to January 1, 2020 (before the onset of COVID-19), when EPSO4 had deployed roughly 75% of its committed capital.

INVESTMENTS BEFORE JANUARY 1ST, 2020

Deutsche Bank AG (NYSE:DB)

The largest bank in Germany and one of the largest in the world, operating in over 60 countries with almost 3,000 retail branch locations; the company provides commercial banking, investment banking, and asset management services. Deutsche 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 expects to experience better financial performance. Some of the company's restructuring efforts since 2019 have come to fruition, resulting from strong performance in the asset management segment. In the first quarter of 2022, the company held an "Investor Day", outlining some key targets to be hit by the end of 2025, including return on tangible equity (ROTE) of over 10%, a 62% cost/income ratio, €30 billion in revenue, and an intention to return up to €8 billion of capital to shareholders. In the second quarter of 2022, Deutsche Bank reported a profit before tax of €1.55 billion (16% above consensus estimates, and 33% up year-on-year), with topline revenue at €6.65 billion; the first half of 2022 presents the highest half year post tax profit since 2011. The company has shown progression towards its 2025 targets, maintaining their post-tax ROTE target of 8% for 2022, and revising their guidance for the cost/income ratio in the mid-to-low 70's for 2022. EnTrust had invested in Deutsche Bank in 2018, prior to the restructuring efforts, and while it was laggard over the past few years, EnTrust believes the restructuring efforts will now benefit financial performance and lead to share appreciation, especially with increased shareholder distributions.

IWG PLC (LSE: IWG)

A global owner and provider of serviced workplaces with over 3,200 locations in 1,090 towns and cities, spanning 110 countries at the time of EnTrust's investment. Following EnTrust's investment in September, 2018, EnTrust's co-investment partner was able to bring their equity stake in the company to 18%. IWG beat its 2021 year end expectations with record demand in the fourth quarter of 2021; comments from the company's CEO in the first quarter of 2022, EnTrust believes, indicate strong momentum through the first half of 2022. In the first quarter of 2022, the company announced it would acquire The Instant Group for €270 million - this would build on the firm's digital assets with the intention to create "the world's leading independent, fully integrated workspace platform", according to EnTrust.

Thyssenkrupp AG (ETR: TKA)

A diversified German industrial conglomerate, with market-leading positions in a variety of attractive industries around the globe. Thyssenkrupp AG (TKA) operates through five main segments: (i) elevator technology, (ii) components technology, (iii) industrial solutions, (iv) materials services, and (v) Steel Europe. EnTrust had invested in Thyssenkrupp in 2018 with its co-investment partner, achieving an ownership stake of 18% at the time of the investment. TKA's earnings improved in the first quarter of 2022, however free cash flow was still negative due to funding needs for working capital. TKA is looking to partially IPO Uhde Chlorine Engineers, a hydrogen electrolysis business shaping up to fetch a €6 billion valuation.

Argo Group International Holdings, Ltd. (NYSE: ARGO)

A global underwriter of specialty property and casualty insurance and reinsurance. The company reported 2021 fourth quarter earnings exceeding expectations, with gross written premiums growing 11.3% during the quarter (+2.3% year-over-year). In February 2022, Argo announced its recognition of a US$132 million reserve charge to its construction defects book, leading to a noticeable decline in the share price. In the second quarter of 2022, Argo announced an adjusted ROE that exceeded the 10% target EnTrust and their co-investment partner laid out.

MGM Resorts International (NYSE: MGM)

A leading globally integrated resort, gaming, and entertainment company with assets in the U.S. and China. MGM is continuing to execute its asset-lite model by monetizing real estate through sales and sale-leasebacks, with four major real-estate transactions between the fourth quarter of 2019 and the fourth quarter of 2021. In February 2022, MGM posted strong 2021 fourth quarter earnings, beating analyst expectations; also, revenue guidance for 2022 was positively re-evaluated from US$1 billion to US$1.3 billion. BetMGM, the groups sports-betting and iGaming segment, is now live in 19 jurisdictions (including D.C.) and is the #2 operator for online sports betting and iGaming across the markets in which it operates, with 24% market share. In the second quarter of 2022, MGM announced an offer to acquire LeoVegas, a Swedish global online gaming company, for US$607 million – EnTrust expects this investment to expand MGM's international online gaming segment.

TEGNA Inc. (NYSE: TGNA)

A broadcasting, digital media, and marketing services company; it is considered the last large, publicly traded local broadcasting company that is not family controlled. In June 2019, EnTrust co-invested in Tegna with Standard General L.P (SG), an American hedgefund. With EnTrust's investment, SG gained over 9% equity in Tegna, making it the third largest shareholder. In the first half of 2021, SG capitalized on the company's strong share price, trimming their ownership to just below 5%. In February 2022, Tegna agreed to be acquired by SG for US$24 per share, representing an equity value of approximately US$5.4 billion and an enterprise value of approximately US$8.6 billion; the acquisition is expected to close in the second half of 2022. Tegna reported strong 2022 first quarter earnings: revenue was US$774 million – up 6% year-over-year, core advertising revenue increased 10% year-over-year, and free cash flow was reported US$182 million, ahead of management's forecast.

Aramark Corporation (NYSE: ARMK)

A provider of food and facilities management services. Aramark Corporation (Aramark) offers uniforms, refreshments, work apparel, and cleanroom services to healthcare institutions, universities, school districts, stadiums, and businesses. It operates through two segments: (i) food and support services, and (ii) uniforms. EnTrust invested in Aramark in 2019 alongside their co-investment partner, summing to a 20% equity stake in the company (second largest shareholder). During the second quarter of 2022, Aramark reported earnings that are 95% of pre-COVID-19 levels. Some segments (especially those outside the U.S.), have outperformed pre-COVID-19 levels. Management announced its plan to spin off the uniforms business, which EnTrust expects, will unlock more value as a standalone business. EnTrust and their co-investment partner believe the company's growth strategy and increased outsourcing opportunities should help re-rate the stock higher as well as bolster future earnings potential.

American Gilsonite Company (AGC)

A private, vertically integrated specialty chemicals producer with key assets in Utah's Uinta Basin. Uinta is the only known source of the natural resource gilsonite, an essential additive to drilling fluids. AGC controls 100% of global gilsonite, and has over 200 years of reserves. EnTrust co-invested in AGC with an American hedgefund, who was able to gain 80% of AGC's equity, one third of its subordinated debt, and four of five board seats. EnTrust's co-investment partner was able to push for price increases and improvements in AGC's product mix, leading to increased margins and free cash flow conversion. EnTrust believes the company is well set to capitalize on the rebound of domestic (U.S.) drilling once markets recover from the pandemic.

The ResCap Liquidating Trust

A Trust established in December 2013 to liquidate and distribute assets of the debtors in the Residential Capital, LLC (ResCap) bankruptcy cases, and pursue litigation claims to maximize unitholders' recoveries. The Trust's assets include future expected recoveries from Retail Mortgage – Backed Security (RMBS) litigations, specifically: (i) claims against the banks/originators that sold mortgages to ResCap during the pre-2007 real estate bubble and (ii) warranties made at the time of such RMBS transactions; the Trustee oversees the pursuit of these litigations. The liquidation process is coming to an end, 69/80 defendants have settled with the Trustee. Outside of the RMBS litigations, there remains one insurance-related matter that is material to recoveries, the resolution of which EnTrust believes will also drive timing of the Trust's ultimate wind down and exit of the investment. In the second quarter of 2022, a hearing for summary judgement on the insurance matter was held, EnTrust believes this will lead to favorable proceedings for the Trust. As of June 30, 2022, EnTrust has been returned approximately 94% of its initial investment.

Grab Holdings Ltd. (NASDAQ: GRAB)

The leading ride-hailing company in Southeast Asia. The company operates in eight countries: Singapore, Indonesia, Malaysia, Philippines, Vietnam, Thailand, Myanmar, and Cambodia. Grab competed with Uber in ride-hailing until March 2018, when Uber sold its local operations to Grab in exchange for equity in the combined company. With EnTrust's investment in August of 2018, EnTrust's co-investment partner purchased pre-IPO equity in Grab in the secondary market. In 2020, Grab expanded into digital banking in a joint venture; in 2021, the firm stepped into EV financing/leasing in partnership with Hyundai Motor Company; the company also made a move into deliveries using the product base from its ride hailing platform. In 2021, Grab listed on the NASDAQ after earlier being acquired by a special purpose acquisition company (SPAC). Grab continues to expand product offerings in its four business units – Mobility, Deliveries, Financial Services, and Enterprise – and its consolidated gross merchandise value (GMV) across the four units reached a new all-time high in the first quarter of 2022.

Quibi Holdings LLC (Quibi)

A short-form content provider (content that is 10 minutes or less) intended to become the "Netflix of short-form, premium content", according to EnTrust. The company was founded by Hollywood veteran Jeffrey Katzenberg, and optimizes its platform for use on mobile devices, capturing the super trend of mobile video consumption. EnTrust invested in Quibi in 2018 (Class A) and in 2019 (Class C), securing a seat on the advisory board. Quibi's launch (April 2020) clashed with the emergence of the Coronavirus, subscription/user growth fell short of expectations, exacerbating capital needs; in October of 2020, Quibi announced that it would wind down operations and return unencumbered cash as well as any proceeds from the potential sale of company assets to investors, in line with the liquidation preference. The last distribution is expected to happen around the end of the second quarter/early third quarter of 2022, making the expected total recovery for Class A shareholders 57%, with Class C recovery looking doubtful. It should be noted the Fund was predominantly invested the in Class A shares.

The J.G. Wentworth Company (JGW)

The market leading purchaser of structured settlements, with over 50% market share. A structured settlement is a contractual agreement to settle a tort claim, whereby a claimant is compensated for damages through a series of payments over time–affording a claimant preferential tax treatment. EnTrust, and their co-investment partner collectively own 80% of JGW's equity; during 2021, JGW distributed US$25.8 million in aggregate dividends. The company recently built a debt settlement business, which EnTrust believes, has demonstrated promising growth in an industry that lacks players with brand recognition. As of the second quarter of 2022, this debt settlement business has more than US$340 million of debt enrolled, approximately 10% of this should convert to EBITDA over the next 12-18 months as the debt becomes resolved, according to EnTrust.

Venezuelan Debt

In 2017, with EnTrust, alongside their co-investment partner, invested in Venezuelan sovereign and quasi-sovereign debt. Despite having some of the largest oil assets/resources in the world, poor economic policies and resource management have led to deterioration in the nation's balance of payments. The investment in Venezuela is based on the belief that the nation's oil reserves will help the country maintain debt obligations, despite market expectations of a credit event in the near term. EnTrust believes investors are looking for action in global sanctions and trade policies, particularly, action to ease sanctions on Venezuela, allowing the country to replace Russia as a key oil trading partner in light of the Ukraine conflict.

Puerto Rico Insurance Claims

In September 2017, Puerto Rico's residential, commercial, and industrial infrastructure were devastated by two hurricanes – Irma and Maria – triggering billions of dollars of insured damages. Carriers either could not, or refused to pay claims. In March of 2019, EnTrust, alongside their co-investment partner, decided to purchase and resolve a critical mass of unpaid commercial insurance claims, with the goal of establishing sufficient scale to leverage negotiations for global settlements with each carrier. EnTrust's co-investment partner assembled a team of professionals to underwrite, execute, and manage the project, including a claims adjustment/estimation team and an insurance litigation team. EnTrust and their co-investment partner continue to believe that the insurance carriers should be highly incentivized to settle given that the operative issue is how much they are required to pay, not whether there is an obligation to pay. EnTrust and their co-investment partner believe the timeline for the investment has extended due to pandemic-driven court closures and other delays.

American Zinc Recycling LLC (AZR)

A specialty zinc and zinc-based product manufacturer, reliant on recycling dust from electric arc furnaces used in steel production. After AZR's bankruptcy in 2016, EnTrust's co-investment partner became the largest equity holder post reorganization (44%). This co-investment partner opportunistically funded and repaired the Rutherford County facility, one of only two zinc refineries in the U.S. This would make AZR a fully integrated producer, with meaningful cost savings. This plan was rolled out but faced some liquidity issues that were eventually bridged by loans from shareholders, and then by a new credit facility. In August of 2021, Befesa, a hazardous waste recycler based in Luxembourg, announced the closing of its US$450 million acquisition of AZR. Befesa also announced its intent to invest US$10 million for a minority stake in the Rutherford County facility – this investment is contingent on the achievement of two major operating milestones. EnTrust believes the achievement of these milestones is being hindered by raw material cost inflation as well as supply chain issues.

Standard Media Group LLC (SMG)

A group formed to pursue a roll-up strategy for broadcasting assets. It was formed by Standard General L.P (SG, a successful investor in the broadcasting space) and Deb McDermott (former Young Broadcasting CEO). SMG capitalizes on the need for industry consolidation, merging with other companies in the space to grow its asset base: (i) WLNE-TV – American Broadcasting Company (ABC) affiliate in Massachusetts and Rhode Island (ii) KLKN-TV – ABC affiliate in Nebraska (iii) two radio stations from Sinclair Broadcasting Group in Kentucky and (iv) Tegna – the 3rd largest U.S. TV broadcaster. EnTrust believes these mergers are evidence of SMG's pursuit and success in consolidating broadcasting assets in an industry that has been historically fragmented.

INVESTMENTS AFTER JANUARY 1ST, 2020

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 the expectation is that these investments will be realized over the medium term.

SeaWorld Entertainment Inc. (NYSE: SEAS)

A theme park and entertainment company. The company has four animal parks, three theme parks, and five water parks. In the second quarter of 2022, SeaWorld reported a record quarter: attendance was up 1.9% over pre-COVID-19 levels, with pricing, revenues, and profitability, all ahead if consensus estimates; notably, within the first four months of 2022, the company repurchased US$250 million worth of its stock, and approved another US$250 million share buyback program. EnTrust believes SeaWorld is underlevered, with a last-12-months net total leverage ratio of 2.4x, and US$745 million of total available liquidity.

Countryside Properties UK Limited (LSE: CSP)

A leading UK property developer specializing in building and regenerating residential communities. Countryside Properties operates through (i) a traditional "Housebuilding" segment, which typically requires upfront capital outlays and land ownership, and (ii) "Partnerships", which regenerates and densifies communities through joint ventures with local, quasi-governmental entities that directly own and provide the land. In January 2021, with EnTrust's investment, the co-investment partner accumulated a 4.6% ownership stake in Countryside, which has increased to over 6% as of February 2022. In July 2021, Countryside announced that particular Housebuilding assets that meet its Partnership's performance targets (i.e., 15% operating margin and 40% ROCE) will be converted into the Partnerships business with surplus assets/developments completed and sold over time. This conversion is expected to generate £60 million EBIT by 2023 plus £450 million of surplus capital to be returned via share buybacks. In May of 2022, an offer was made to acquire the entire company for £2.95 per share – Countryside's board rejected this offer, however the offer inspired the company to initiate a formal sale process (announced June 2022). Share buybacks have been suspended until the end of the formal sale process.

Didi Global Inc. (OTCMKTS: DIDIY)

A Chinese vehicle for hire company headquartered in Beijing with over 550 million users and tens of millions of drivers. Didi provides app-based transportation services, including taxi hailing, private car hailing, social ride-sharing, and bike sharing; on-demand delivery services; and automobile services, including sales, leasing, financing, maintenance, fleet operation, electric vehicle charging, and co-development of vehicles with automakers. Since its public debut on the NYSE in June 2021, Didi has faced scrutiny from the Chinese government on cybersecurity concerns. The investigation from Chinese authorities has materially harmed the company's financial performance, partly resultant of the Chinese government's order to remove Didi's applications from local app stores as part of the investigation. Following pressure from the Chinese government, Didi delisted from the NYSE mid-2022, and is set to list on the Hong Kong stock exchange at some point in the near future – no date has been announced as yet. Despite its issues faced in capital markets, Didi has retained its market dominant position, with the media reporting in the second quarter of 2022 that Didi continues to enjoy more than 70% market share in China's ride-hailing market. Although Didi's stock faced technical pressure in the second quarter of 2022 due to the macro geopolitical dynamics, lack of clarity on timing for the HKSE re-listing, and COVID-19 resurgence in China, EnTrust's co-investment partner believes Didi has a strong cash buffer, and its discounted market price should gradually recover upon completion of regulatory review and the HKSE listing. Notably, Didi's board approved private shares to list directly onto the HKSE, this is the path EnTrust (who owns private pre-IPO shares) plans to pursue in order to streamline its eventual exit.

Stubhub

A leading ticket marketplace in the U.S., acquired by Viagogo (international ticket marketplace) in 2019. The merged company has a leading market share in over 170 countries. EnTrust contributed equity financing to fund Viagogo's acquisition of StubHub, which closed early 2020. Soon after the transaction was completed, the pandemic hit, significantly reducing ticket sales. In the second quarter of 2022, StubHub raised further capital, solidifying its 2021 step-up in valuation. EnTrust believes the company's healthy balance sheet, competitive positioning, and anticipated business/ product upgrades, are expected to result in an increased market share as the entertainment industry and rest of the world recover from the pandemic.

Invesco Ltd. (NYSE: IVZ) and Janus Henderson Group (NYSE: JHG)

Invesco is an American independent investment management company; Janus Henderson is a British global asset management group. EnTrust made the investment alongside Trian Partners, an American hedgefund with experience as an activist shareholder in the asset management industry. Trian has been active in executive decision making in both ventures, upgrading management/directors, and demonstrating improvement in operational performance and capital allocation. In the second quarter of 2022, both companies delivered mixed results following the global retraction in equity markets and the continuing market trend away from active managers and towards passive, low fee investments. For both companies, attention is turning toward capital allocation; Invesco announced a US$200 million share repurchase program and a 10% increase in dividends, and Janus has over US$1 billion of net cash to support a similar US$200 million share buyback as well as a modest dividend increase.

OakNorth Bank

A growing "challenger bank" in the UK created to help fast-growing businesses; a segment that has been turned away by traditional banks. As of the third quarter of 2020, EnTrust, along with their co-investment partner, gained a 7.4% equity stake in the company, making them the 6th largest shareholder. OakNorth has shown strength in managing the credit risk of its loan book with only twelve cases of default since its inception in 2013 (as of the fourth quarter of 2021), six of which have been resolved with 100% recovery. The total expected credit loss on the remaining six cases is £13.6 million. EnTrust understands the company aims to launch an initial public offering of its shares early 2023, with the ongoing possibility of secondary sales.

Centene Corp. (NYSE: CNC)

A leading managed care organization (MCO) that provides fully-integrated services to government- sponsored and commercial healthcare programs. Centene is an industry leader, capitalizing on the growth and developing regulatory framework in the rising MCO industry- the company currently serves over 25.5 million under-insured and uninsured individuals. EnTrust invested alongside Politan Capital Management LP (a U.S. hedgefund with experience in shareholder activism), to acquire 2.2% of Centene, making them a top shareholder. Despite a firm market presence, EnTrust believes Centene trades below peers due to poor management decisions, costly M&A, and depressed margins. Following strong EPS and revenue figures from the second quarter of 2022, the company has increased its full-year 2022 guidance ahead of consensus. Improvements in the medical loss ratio, as well as SG&A expense ratio, EnTrust believes, are signs of better performance to come.

Dollar Tree Inc. (NASDAQ: DLTR)

A discount retailer that operates two banners (i) Dollar Tree – a low price retailer known for pricing items at US$1, and (ii) Family Dollar- a low price retailer with a broader merchandise, pricing from US$1-$10. EnTrust believes cost inflation (with fixed price points) and underperformance relative to peers are responsible for the company's decline in operational metrics. EnTrust's co-investment partner is a top 5 shareholder in the company, who aims to aims to engage in shareholder activism. In early 2022, DLTR rolled out an increased price point of US$1.25 for the Dollar Tree banner, which EnTrust believes, contributed to the second quarter of 2022 being the banner's best quarter to date. The removal of layers of management, along with an upgrade in the board of directors, EnTrust believes, point towards significant operational improvements for both banners in the future.

Bally's Corporation (NYSE: BALY)

An owner and operator of physical gaming assets across the U.S., with a growing presence in online sports betting and iGaming. EnTrust first invested in the company alongside Standard General (SG) in 2016, since then, SG/EnTrust have been the largest shareholder. In October of 2021, the company acquired UK gaming iGaming company, Gamesys, effectively doubling cash flow and building on the intellectual and technological assets of the firm. The company continues to expand its presence globally, as a global omni- channel gaming operator. The company missed 2022 second quarter earnings expectations, which EnTrust believes was caused by COVID-19 resurgences, as well as tightening consumer data protection laws. The company maintained its full-year 2022 guidance of US$1.4-1.5 billion in revenue, and US$560-580 million in adjusted EBITDA.

Hasbro Inc. (NASDAQ: HAS)

A leading global entertainment company, offering variety of consumer products (toys, games, etc.), television programs, movies, digital gaming, and other experiences. The company operates three key business segments (i) "Wizards of the Coast" (WOTC), a gaming business (ii) Consumer Products, a legacy business that makes toys and games, and (iii) eOne, a production studio. EnTrust and their co-investment partner (a top 5 shareholder in the company) added two gaming executives to the Board, and plan to highlight and expand the value potential of WOTC- EnTrust believes this could give way to a tax-free spinoff of the segment.

CITGO Petroleum Corporation

A U.S. energy company, operating three refineries along with a breadth of retail and midstream assets. CITGO holds some of the most complex oil refineries, able to process the heaviest of crude in the market – meaning there is little capable competition to the firm within the U.S. CITGO has had issues accessing capital markets due to the questionable creditworthiness of its owner, Petroleos de Venezuela (PDVSA). EnTrust believes that investors' weariness of the PDVSA ownership has given potential creditors significant power in negotiating attractive terms in debt structurings – following this belief, EnTrust and their co-investment partner committed to a bond refinancing in 2019. During the second quarter of 2022, CITGO announced first quarter earnings that reflected continued improvement in EBITDA, boosting EBITDA guidance for the year by 50%. CITGO assets have been performing strongly, and anticipation that the PDVSA ownership conflict be resolved is likely to contribute to favorable returns on the bonds.

Axonic Capital LLC

A structured credit manager that allocates across various sectors. Market volatility amidst the pandemic created selling pressures across structured credit markets, this created significant discounts to par, that the company believes offered an attractive risk-return profile for investors who have cash. Axonic continues to capitalize on performance lags in structured credit markets, in particular residential and commercial mortgages. Axonic is substantially invested in floating rate securities, as well as hard assets (generating stable cash flow), of which EnTrust believes to be evidence of their intent to protect themselves throughout the interest rate volatility of 2022.

CCS Medical, Inc.

A market-leading, broadline U.S. mail order distributor of medical products and supplies; the company focuses mainly on diabetes testing equipment for Type 1 diabetics. Other key products include glucose testing strips (to measure blood glucose levels), and pumps that administer insulin to patients. CCS has functionality as a liaison between device manufacturers, patients/providers, and insurance companies; the company presents industry leading statistics in conversion/retention rates. EnTrust and their co-investment partner collectively own 75% of the company's equity, and approximately 77% of its first lien notes. EnTrust believes CCS is positioned to benefit from the tailwinds related to Continuous Glucose Monitoring ("CGM"), a newer, wearable, chemically-enabled technology that is quickly becoming the standard of care in diabetes management. As of the second quarter of 2022, the company's CGM revenue is up over 30% year-over-year; EnTrust and their co-investment partner believe CCS to be an attractive target for many acquirers in the near-medium term.

CONCLUSION

Although performance to date has been disappointing, we believe that the Fund has sought to take advantage of the dislocations brought by the initial lockdowns from COVID-19, with divergent outcomes. The Manager is encouraged by the reality that the aggregate performance of all realized investments is significantly better than the total performance since inception, as management continue, actively, to encourage change in the ongoing investments. Seeking changes takes time and can result in sizeable unrealized losses during periods when requested changes are being resisted.

For now, via its leading shareholder stakes and / or proximity to company Boards of Directors, we believe EnTrust has controlling interests in most of its investments, whether that be through board seats, voting power through share ownership, or influential terms as a creditor. We believe these controlling interests give EnTrust significant insight into the ability of these businesses to withstand the current environment for maintaining, and more importantly, creating value.

As such, the Manager believes EPSO4's focus is now entirely upon the company-specific situations it holds, where, in partnership with its managers, it will seek to shape, drive and influence desired outcomes for the benefit of its investors, i.e. the Fund, in a similar way as it has demonstrated with its aggregate performance of realized investment to date.

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.

KPMG LLP is the external auditor of the Fund. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on the financial statements. Their report is attached.

"Michael Lee-Chin"

Michael Lee-Chin
Director
September 30, 2022

"Robert Almeida"

Robert Almeida
Director
September 30, 2022

Independent Auditor's Report

To the Unitholders of Portland Special Opportunities Fund

Opinion

We have audited the financial statements of Portland Special Opportunities Fund (the Entity), which comprise:

- the statement of financial position as at June 30, 2022
- the statement of comprehensive income (loss) for the year then ended
- the statement of changes in net assets attributable to holders of redeemable units for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at June 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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 ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our auditors' report.

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

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

Other Matter – Comparative Information

The financial statements for the year ended June 30, 2021, were audited by another auditor, who expressed an unmodified opinion on those statements on September 15, 2021.

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 International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licenced Public Accountants

Toronto, Ontario
September 30, 2022

Statements of Financial Position

As at June 30,	2022	2021
Assets		
Cash	$ 5,467	$ 80,459
Subscriptions receivable	-	1,600
Investments (note 5)	11,016,104	12,796,110
	11,021,571	12,878,169
Liabilities		
Management fees payable	247,686	115,220
Expenses payable	133,123	61,364
Organization expenses payable (note 8)	27,285	27,285
Redemption notes	24,543	-
	432,637	203,869
Net Assets Attributable to Holders of Redeemable Units	$ 10,588,934	$ 12,674,300
Net Assets Attributable to Holders of Redeemable Units Per Series		
Series A	858,628	936,487
Series F	9,730,306	11,737,813
	$ 10,588,934	$ 12,674,300
Number of Redeemable Units Outstanding (note 6)		
Series A	18,370	18,669
Series F	224,082	225,282
Net Assets Attributable to Holders of Redeemable Units Per Unit		
Series A	$ 46.74	$ 50.16
Series F	$ 43.42	$ 52.10

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)

For the years ended June 30,		2022		2021
Income				
Net gain (loss) on investments				
Securityholder redemption fees	$	3,866	$	4,575
Change in unrealized appreciation (depreciation) on investments		(1,808,277)		1,510,313
		(1,804,411)		1,514,888
Other income				
Foreign exchange gain (loss) on cash and other net assets		445		(12,790)
Total income (net)		(1,803,966)		1,502,098
Expenses				
Management fees (note 8)		132,462		124,947
Securityholder reporting costs		81,776		46,820
Audit fees		16,001		15,743
Independent review committee fees		2,570		3,604
Custodial fees		400		-
Legal fees		89		330
Interest on redemption notes		15		-
Total operating expenses		233,313		191,444
Less: expenses absorbed by Manager		(29,071)		-
Net operating expenses		204,242		191,444
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$	(2,008,208)	$	1,310,654
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series				
Series A	$	(62,901)	$	91,367
Series F	$	(1,945,307)	$	1,219,287
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit				
Series A	$	(3.41)	$	4.03
Series F	$	(8.65)	$	5.49

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,	2022	2021
Net Assets Attributable to Holders of Redeemable Units at Beginning of Year		
Series A	$ 936,487	$ 1,117,921
Series F	11,737,813	10,046,009
	12,674,300	11,163,930
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units		
Series A	(62,901)	91,367
Series F	(1,945,307)	1,219,287
	(2,008,208)	1,310,654
Redeemable Unit Transactions		
Proceeds from redeemable units issued		
Series A	-	15,580
Series F	14,959	523,939
	14,959	539,519
Redemptions of redeemable units		
Series A	(14,958)	(288,381)
Series F	(77,159)	(51,422)
	(92,117)	(339,803)
Net Increase (Decrease) from Redeemable Unit Transactions	(77,158)	199,716
Net Assets Attributable to Holders of Redeemable Units at End of Year		
Series A	858,628	936,487
Series F	9,730,306	11,737,813
	$ 10,588,934	$ 12,674,300

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

Statements of Cash Flows

For the years ended June 30,	2022	2021
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	$ (2,008,208)	$ 1,310,654
Adjustments for:		
Change in unrealized (appreciation) depreciation on investments	1,808,277	(1,510,313)
Unrealized foreign exchange (gain) loss on cash	(1,164)	(4,560)
Increase (decrease) in management fees and expenses payable	204,225	146,430
Increase (decrease) in organization expenses payable	-	(2,641)
Purchase of investments	(3,727)	(271,017)
Net Cash Generated (Used) by Operating Activities	(597)	(331,447)
Cash Flows from Financing Activities		
Proceeds from redeemable units issued (note 3)	16,559	349,864
Amount paid on redemption of redeemable units (note 3)	(92,117)	(130,239)
Net Cash Generated (Used) by Financing Activities	(75,558)	219,625
Net increase (decrease) in cash and cash equivalents	(76,155)	(111,822)
Unrealized foreign exchange gain (loss) on cash	1,163	4,560
Cash and cash equivalents - beginning of year	80,459	187,721
Cash and cash equivalents - end of year	5,467	80,459
From operating activities:		
Securityholder redemption fees	$ 3,866	$ 4,575

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

Schedule of Investment Portfolio
as at June 30, 2022

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	$	10,892,348	102.9%
95	EnTrustPermal Special Opportunities Fund IV Ltd. Class D		132,717		123,756	1.1%
		$	11,469,702		11,016,104	104.0%
	Other assets less liabilities				(427,170)	(4.0%)
	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			$	10,588,934	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 30, 2022.

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, 2022 and June 30, 2021. The statements of comprehensive income (loss), changes in net assets attributable to holders of redeemable units and cash flows of the Fund are for the years ended June 30, 2022 and June 30, 2021.

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. Redemption fees earned by the Fund as detailed under note 6 are presented as 'Securityholder redemption fees' and are recognized upon the redemption date of the units on the statements of comprehensive income.

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.

Redemption notes

In certain circumstances, the Fund may issue promissory notes equal to the redemption proceeds with a term of not more than five years from the date of issue (Redemption Notes). Redemption Notes bear 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. 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 total payable balance of Redemption Notes and applicable interest are included in 'Redemption notes' on the statements of financial position.

Interest on Redemption Notes are recorded on an accrual balance.

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, 2022, $nil of non-cash switches have been excluded from the Fund's operation and financing activities on the statements of cash flows (June 30, 2021: $228,055).

Future accounting changes

There are no new accounting standards effective after January 1, 2022 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.

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 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 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, 2022 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 $1,101,610 (June 30, 2021: $1,279,611). 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 opportunities may not be indicative of prices realized on current opportunities. As at June 30, 2022, approximately 84% of the portfolio of EPSO4 Class A units and 93% in Class D units is held in an equity strategy (June 30, 2021: Class A units 73%, Class D units 80%).

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, 2022, the Fund has invested 100.0% of the net assets attributable to holders of redeemable units into EPSO4 (June 30, 2021: 100.0%).

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 June 30, 2022, unrealized investments and committed capital in Class A units and Class D units of EPSO4 comprised 32 investments and 27 investments, respectively, and approximately 84% was held in an equity strategy and 16% in a credit strategy in various sectors and geographic regions for Class A units and approximately 93% was held in an equity strategy and 7% in a credit strategy for Class D units (June 30, 2021: Class A units 30 investments, 73% equity strategy, 27% credit strategy, Class D units 20 investments, 80% equity strategy, 20% credit strategy).

Interest rate risk

Interest rate risk arises on interest-bearing financial instruments held by the Fund. 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, 2022 and June 30, 2021, 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, 2022 and June 30, 2021, 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, 2022	Monetary ($)	Non-monetary ($)	Total ($)	Monetary ($)	Non-monetary ($)	Total ($)
United States Dollar	5	11,016,104	11,016,109	1	1,101,610	1,101,611
Total	**5**	**11,016,104**	**11,016,109**	**1**	**1,101,610**	**1,101,611**
% of net assets attributable to holders of redeemable units	**-**	**104.0%**	**104.0%**	**-**	**10.4%**	**10.4%**

	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%**

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 Manager monitors the Fund's liquidity positions on an ongoing basis.

The Fund has the option to pay redemptions through the issuance of Redemption Notes. As at June 30, 2022, the Fund had issued redemption notes for trade date March 31, 2022. As at June 30, 2022, the Fund is obligated to pay a balance of $24,543 to satisfy payment of the Redemption Notes.

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, 2022, the Fund's total commitment to EPSO4 was US$8,500,000 for Class A units and US$100,000 for Class D units and commitments are paid in full. 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.

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, 2022 and 2021, 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, 2022, approximately 16% and 7% of the portfolio of EPSO4 Class A and Class D units, respectively, are held in a credit strategy (June 30, 2021: Class A units 27%, Class D units 20%).

(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, 2022 and June 30, 2021.

	Assets (Liabilities)			
June 30, 2022	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Underlying Funds	-	11,016,104	-	11,016,104
Total	**-**	**11,016,104**	**-**	**11,016,104**

	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**

(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, 2022 and June 30, 2021 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, 2022	Investment at Fair Value ($)	Net Asset Value ($)	% of Net Asset Value
EnTrustPermal Special Opportunities Fund IV Ltd. Class A	10,892,348	1,123,780,944	1.0%
EnTrustPermal Special Opportunities Fund IV Ltd. Class D	123,756	44,580,430	0.3%

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%

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, 2022 and June 30, 2021 was as follows:

June 30, 2022	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	18,669	-	-	299	18,370	18,445
Series F Units	225,282	287	-	1,487	224,082	224,882

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

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 $53,492 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 ($)	2040 ($)	2041 ($)	Total ($)
Non-Capital Loss	45	23,674	90,074	12,044	50,740	176,577

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 fee rate of the respective series of units are 1.85% for Series A Units and 0.85% for Series F Units.

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 broker dealers 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 broker 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 broker 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, 2022 and June 30, 2021. 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 ($)
June 30, 2022	117,354	63,579	1,680
June 30, 2021	110,809	58,972	1,125

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, 2022	219,527	118,006	24,146
June 30, 2021	102,173	54,427	24,146

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, 2022, Related Parties held 11,101 units of the Fund (June 30, 2021: 11,014).

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, 2022 and June 30, 2021.

June 30, 2022	NAV per Unit ($)	Net assets attributable to holders of redeemable units per Unit ($)
Series A Units	47.84	46.74
Series F Units	50.26	43.42

June 30, 2021	NAV per Unit ($)	Net assets attributable to holders of redeemable units per Unit ($)
Series A Units	50.87	50.16
Series F Units	52.84	52.10

12. COMMITMENTS

On March 16, 2018, the Fund committed to invest US$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 US$200,000 commitment of EPSO4 as a result of the merger. As at June 30, 2022, 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 US$100,000 in EPSO4 Class D units. As at June 30, 2022, the Fund's total commitment to the EPSO4 Class D units was paid in full.

13. SUBSEQUENT EVENTS

(i) On September 1, 2022, the Fund received a distribution of US$320,903 from EPSO4 Class A units.

(ii) Effective August 31, 2022, the Fund satisfied the balance of the Redemption Notes and payment to unitholders will be made on or about September 15, 2022.

14. 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.

This page is left blank intentionally.

This page is left blank intentionally.

Portland Investment Counsel®
Buy. Hold. And Prosper.®

PORTLAND SPECIAL OPPORTUNITIES FUND (the Fund) is not publicly offered. It is only available under offering memorandum and other exemptions to investors who meet certain eligibility or minimum purchase requirements such as "accredited investors". Information here in pertaining to the Fund is solely for the purpose of providing information and is not to be construed as a public offering in any jurisdiction of Canada. The offering of Units of the Fund is made pursuant to an Offering Memorandum and the information contained herein is a summary only and is qualified by the more detailed information in the Offering Memorandum.

Commissions, service fees, management fees and expenses may be associated with investment funds. The Fund returns are not guaranteed, their value changes frequently and past performance may not be repeated. Please read the Offering Memorandum before investing. Consent is required for any reproduction, in whole or in part, of this piece and/ or of its images and concepts. Portland Investment Counsel is a registered trademark of Portland Holdings Inc. The Unicorn Design is a trademark of Portland Holdings Inc. used under license by Portland Investment Counsel Inc. Buy. Hold. And Prosper. is a registered trademark of AIC Global Holdings Inc. used under license by Portland Investment Counsel Inc.

Portland Investment Counsel Inc., 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7 Tel:1-888-710-4242 • Fax: 905-319-4939 • www.portlandic.com • info@portlandic.com

PIC0088-E(09/22)