Portland Private Income Fund – March 31, 2020 Valuation Update

April 13, 2020

This bulletin is available for advisors and investors.

We have today published the Portland Private Income Fund (the “Fund”) NAV per unit (“NAVPU”) as at March 31, 2020.

Series	NAVPU	MTD%	YTD%	Since Inception %
Series A	$46.2146	(2.2%)	(1.2%)	7.1%
Series F	$47.481	(2.1%)	(0.9%)	8.4%

As the Manager, we have been closely monitoring developments related to the novel coronavirus (COVID-19). As an investor in the Fund, we want take this opportunity to assure we have taken measures to protect the health and safety of our employees, and to update on how we and our portfolio companies are minimizing the impact on the Fund’s underlying investments. All of our relationships with Specialty Investment Managers and Mortgage Administrator (MarshallZehr Group Inc. Mortgage Administration #11955) and their businesses go back about a decade or more and so we believe our partners have proven capability to manage through downturns.

Across the 4 pillars of assets which make up the portfolio of the Fund (mortgages, commercial loans, maritime and infrastructure), we believe those assets are well diversified and resilient., While we should expect some near term softness in volumes which underpin the global activities across maritime shipping and container terminals, and minor delays of equipment, we do not expect the overall impact on these areas to be material. Due to the declaration by the World Health Organization of a global pandemic, we are monitoring the situation closely as it continues to evolve.

We believe the Fund’s underlying investments are well diversified and resilient, and while we expect some near-term softness in volumes mostly from investments in container terminals and minor delays in investments in Chinese solar development, we do not currently expect the overall impact to be material but are monitoring closely as the situation continues to evolve.

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We understand from among the Fund's underlying portfolio of companies that they are prepared with essential materials, including business continuity/action plans that address potential situations caused by COVID-19.

In ports operations around the world we understand quarantine periods for all vessel crews coming from Asia are being implemented with procedures at the dock level to ensure minimal direct interaction between ship and shore crews. There has been a slowdown in container volumes but we expect these impacts will recover through April and May. Conversely, the tanker market has performed decently in the early part of the year as the collapse of the OPEC+ talks and Saudi Arabia's subsequent decision to increase its oil production caused the crude tanker market to see increased demand for long haulages and for vessels used for floating storage. The week-end agreement by OPEC producers and its allies to reduce global output should once again reduce demand for long haul voyages, although should reduced oil prices persist, it will help lower fuel costs across all investments in maritime assets.

There have been some minor supply chain disruptions relating to sourcing cabling and electronic equipment. This may result in some minor delays on the buildouts underway in our underlying investments in portfolios of renewable energy projects and data centres ... as an example commercial operation dates are likely being pushed back by a few months due to delays in receipt of spare parts and certain battery components from China. We haven't been advised of any delays to date, but we believe there should be some impact to the various operations and maintenance programs over time in the event of an extended disruption to supply chains.

Across the Fund's energy efficiency and renewable energy portfolio, the impact of the virus to date has been limited. Nonetheless, power demand throughout February was naturally lower – not least given reduced business activity following the Chinese New Year holiday and untypical disruptions to travel. However, as renewable power is typically dispatched in priority, and with power demand largely driven by industrial activity, the bulk of the renewable energy portfolio is relatively more defensive. Solar installations have experienced delays due to supply chain issues, as most of the modules are being sourced from China. However, this disruption appears to be largely resolved.

Currently, the impact on the Fund's investments in Ontario mortgage and Canadian commercial loan portfolios are believed to be manageable – our focus in the earlier part of 2020 for those parts of the portfolio had been more centered on the impact of the Wet'suwet'en protests and their claims over the unceded land the 670 km Coastal GasLink pipeline will pass through and the impact of the rallies in solidarity that have resulted in blocking rails, streets, bridges and ports therefore causing disruptions to deliveries. Our understanding is that developers and project managers are accommodating the additional challenges brought on by COVID-19. On April 3, 2020, the Ontario government changed its definition of 'essential services' with respect to the impact on construction sites. Such impacts are more on equity values whereas the Fund is predominantly invested in debt and so should be better shielded. However, we will need to monitor the impact on, and valuations of, our projects.

The longer the lockdowns, the larger the impacts will be but we believe all our mortgage administrator and specialty investment managers are responding appropriately to manage through this challenging time and to safeguard the value created.

For more information, please contact:

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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. Information presented in this material should be considered for background information only and should not be construed as investment or financial advice. Please consult a Financial Advisor.