



PORTLAND
INVESTMENT COUNSEL™

PORTLAND GLOBAL BANKS FUND
INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

MARCH 31, 2016

PORTFOLIO
MANAGEMENT TEAM

Christopher Wain-Lowe
Chief Investment Officer, Executive Vice President and Portfolio Manager

Management Discussion of Fund Performance Portland Global Banks Fund

This interim management report of fund performance contains financial highlights, but does not contain either interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-888-710-4242, by writing to us at 1375 Kerns Road, Suite 100, Burlington, ON L7P 4V7 or visiting our website at www.portlandic.com or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

The views of the portfolio management team contained in this report are as of March 31, 2016 and this report is not intended to provide legal, accounting, tax or specific investment advice. Views, portfolio holdings and allocations may have changed subsequent to this date. For current information please contact us using the above methods. All references to performance relate to Series F units. The performance of other units may be different than that of the Series F units due to differing fees or as a result of varying inception dates.

INVESTMENT OBJECTIVE AND STRATEGIES

The investment objectives of the Portland Global Banks Fund (the "Fund") remain as discussed in the Prospectus. The Fund's objectives are to provide positive long-term total returns consisting of both income and capital gain by investing primarily in a portfolio of global bank equities. The investment strategies are to provide income and capital growth while moderating the volatility of equities by investing primarily in a globally diversified portfolio of equities / American Depositary Receipts (ADRs), income securities, preferred shares, options and exchange traded funds (ETFs) of, or that provide exposure to, banks located anywhere in the world.

RISK

The overall risk level has not changed for the Fund and remains as discussed in the Prospectus. Investors should be able to accept a high level of risk and plan to hold for the medium to long term.

RESULTS OF OPERATIONS

For the period September 30, 2015 to March 31, 2016, the Fund's benchmark indices, the MSCI World Banks Total Return Index and the MSCI World Total Return Index (the "Indices") fell -10.8% and rose 1.8% respectively. For the same period, the Series F units of the Fund had a return of -19.9%. For the full period since the launch of the Fund on December 17, 2013 to March 31, 2016, the MSCI World Banks Total Return Index and the MSCI World Total Return Index had annualized returns of 3.7% and 13.0%, respectively. For the same period, the Fund's Series F units had an annualized return of -1.7%. UK-based Barclays PLC, Standard Chartered PLC and Royal Bank of Scotland Group PLC detracted most from recent performance whereas the holding in JPMorgan Chase & Company and divesting earlier in the period from both Credit Suisse Group AG and Crown Capital Partners Inc somewhat alleviated an otherwise miserable performance. Unlike the indices, the Fund's return is after the deduction of its fees and expenses. Currently, the Fund hedges approximately 22% of its non Canadian dollar exposure, predominantly reflecting its exposure to the Euro.

The Fund has a target of a 5% distribution per annum initially based on the opening net asset value of \$10.00 per unit which it has met since inception. Effective January 1, 2016, given the increased net asset value per unit, the Fund increased its targeted monthly distribution by approximately 8% from \$0.0417 to \$0.045. While the paid distributions were higher than the Fund's earnings from dividends, derivatives and net realized gains over the period, the Manager believes this will reverse over time. An indicator that the Fund may continue to reach its 5% distribution target includes the dividend yield (a financial ratio that shows how much a company pays out in dividends relative to its share price) of the equities of the Fund. Sourced from Thomson Reuters, the equity component's trailing weighted average dividend yield as at March 31, 2016 was 2.5%.

During the period, the Fund profitably divested its position in Swiss-based Credit Suisse and profitably reduced its holdings in Netherlands-based ING Groep NV, French bank BNP Paribas SA and US-based Bank of America Corporation, Fifth Third Bancorp, State Street Corporation and Wells Fargo and Company. In volatile markets, the Fund also divested its holdings in Commerzbank AG and Crown Capital Partners Inc. to enable funding the reintroduction of a position in UBS Group AG, the Swiss-based global wealth manager and subsequently reinvesting at lower prices into BNP Paribas, Bank of America Corporation, Fifth Third Bancorp and State Street Corporation. In addition, the Fund lowered its holding in HSBC Holdings PLC and increased its position in Standard Chartered plc, believing the latter now represents the more attractively priced exposure to Asia and China. We believe these switches represent a reallocation of capital to relatively under-appreciated areas and franchises.

In our view, current bank prices reflect little improvement from the extremely harsh operating environment endured during the Great Recession from 2007 to 2012. Financial penalties issued by US regulators are abating but, at least for now, have been replaced by market fears of the risks of contagion from lower energy prices impacting the creditworthiness of bank clients. Sourced from Thomson Reuters, the portfolio's current weighted average price/'book' of the portfolio is 0.6x compared to the historic 15-year average of 1.3x, where 'book' represents the underlying net asset value of each bank. We believe, applying low value multiples to depressed earnings risk significantly underestimating the long term value of quality bank franchises.

The Fund's net assets decreased from \$9.1 million to \$6.4 million during the period. The Manager does not believe the payouts had a material impact upon the management of the Fund and every effort is made to fund payouts in a manner that optimizes the Fund's composition and positions it for the future.

RECENT DEVELOPMENTS

Regarding the market outlook, geopolitical concerns and global economic slowdown overshadow the near-term investment horizon, exacerbated by extremely volatile energy prices. However, we believe the banking industry should be optimistic that the next three years will offer a better operating and trading environment with more regulation being settled and a banking system that is more stable given its higher capital levels. Lower energy prices, akin to a tax cut, have helped stimulate consumer confidence and activity, particularly in the U.S. –

and so we believe should be viewed as a net positive for global banks excluding those with concentrations in energy-based economies, like Canada.

We continue to believe the Central Banks of Europe and Japan are going to do whatever they think is necessary to reflate their economies. The European Central Bank (ECB) and Swiss National Bank 'pay' negative interest rates to banks that deposit with them and the ECB since March has set a central bank lending at minus 0.4%, effectively paying banks 0.4% to borrow from it. The ECB has also implemented Quantitative Easing measures (i.e. buying bonds) to tackle the risks of too prolonged of a period of low inflation. Conversely, the US Federal Reserve and Bank of England have withdrawn their bond buying stimulus efforts with the U.S. having raised rates in December and the U.K. expected to follow. Most of the banks in the Fund are geared to a US and/or UK recovery and are asset sensitive and should experience increased net interest margins as rates rise. At the same time credit issues should remain relatively benign – suggesting we believe a particularly attractive investing opportunity as bank net profit margins widen.

We believe the US and UK are therefore already well on the way through a long-term recovery plan and the economic prospects for the next decade look brighter. For Europe and the Eurozone, the Great Recession marked the beginning of Europe's own painful competitive adjustments (particularly in Greece) with inflation still very low and with the ECB determined to help smooth out economic bumps and create a stable employment backdrop. Similarly Japan is now more rigorously pursuing stimulative measures, whereas China's future growth trajectory remains more of a conundrum. Generally, the World Bank now believes developing countries are facing a 'structural slowdown' likely to last for years and are ceding their role as the world's growth engine to more mature countries such as the U.S. This transition is currently causing global economic weakness and we believe the mature countries now need bolder agendas to assimilate and integrate workforces around large-scale investment and infrastructure and initiate dramatic reforms of education and training. Nonetheless, should we achieve clarity on the recovery of the US and UK economies and European and Japanese economic policy remain accommodative to defeat deflation, then we believe there is ongoing demand for their risk assets. This demand could in particular, push bank equity values higher and so increase the value of the Fund. The withdrawal of stimulus from the US and UK and a strengthening US dollar may engender continued elevated levels of volatility, but for global banks we believe the return of some volatility in financial markets is good.

Overall, we believe that the Fund is currently well positioned to recover its recent losses and meet its investment objective for the medium to long term. We will continue to evaluate opportunities that we believe may generate income, enhance returns and/or reduce risk wherever possible.

On October 19, 2015, the Fund changed custodians from Citibank Canada to CIBC Mellon Trust Company.

RELATED PARTY TRANSACTIONS

The Fund's manager is Portland Investment Counsel Inc. (the "Manager"). The Manager is responsible for the day-to-day operation of and for providing investment management services to the Fund. The Manager receives a fee for providing these services. This is calculated daily based on the net asset value of the Fund and paid monthly. During the period ended March 31, 2016, the Manager received \$70,456 in management fees from the Fund compared to \$90,689 for the period ended March 31, 2015 (net of applicable taxes).

Any administrative services paid for or provided by the Manager are charged to the Fund and are grouped and presented by expense type in the statements of operations. Depending on their nature, some expenditures are allocated to the Fund based upon the net asset value or actual costs incurred. During the period ended March 31, 2016, the Manager was reimbursed \$18,905 for operating expenses incurred on behalf of the Fund, including amounts paid to affiliates, net of applicable taxes. This compares to \$26,029 for period ended March 31, 2015. In addition to the amounts reimbursed, the Manager absorbed \$72,940 of operating expenses during the period ended March 31, 2016 compared to \$61,480 during the period ended March 31, 2015 (net of applicable taxes).

Affiliates of the Manager provide administrative services associated with the day-to-day operations of the Fund. These affiliates of the Manager were reimbursed \$1,450 during the period ended March 31, 2016 by the Fund for such services, compared to \$2,182 during the period ended March 31, 2015.

The Fund, from time to time, entered into security trades with other investment funds managed by the Manager. These trades were executed under prevailing market terms and conditions available to any investor. The Fund relied on standing instructions regarding these related party trades approved by the Independent Review Committee ("IRC") through policies and procedures established by the Manager.

The Manager is required to advise the IRC of any material breach of a condition of the standing instructions. The standing instructions require, among other things, that the investment decision in respect of a related party transaction: (a) is made by the Manager free from any influence by an entity related to the Manager and without taking into account any consideration relevant to the entity related to the Manager; and (b) represents the business judgment of the Manager acting in the best interests of the Fund.

The Manager, its affiliates, officers and directors of the Manager ("Related Parties") may own units of the Fund. Transactions to purchase or redeem units are made at net asset value per unit. Standing instructions from the IRC were not required or obtained for such transactions. As at March 31, 2016, Related Parties owned 1.1% (September 30, 2015: 1.1%) of the Fund.

The Board of Directors of the manager is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities.

Notes

Certain statements included in this Management Discussion of Fund Performance 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.

Summary of Investment Portfolio as at March 31, 2016

Top 25 Investments*

	% of Net Asset Value
JPMorgan Chase & Co.	22.0%
Citigroup Inc.	20.9%
Barclays PLC	11.3%
The Goldman Sachs Group, Inc.	8.2%
Bank of America Corporation	7.3%
Royal Bank of Scotland Group PLC	5.8%
ING Groep N.V.	5.0%
Standard Chartered PLC	3.4%
State Street Corporation	3.3%
Cash	2.6%
Citizens Financial Group Inc.	2.5%
Sumitomo Mitsui Financial Group, Inc.	2.2%
Fifth Third Bancorp	1.7%
BNP Paribas S.A.	1.6%
Morgan Stanley	1.3%
HSBC Holdings PLC	0.6%
UBS Group AG	0.6%
Currency Forwards	0.5%
Wells Fargo & Company	0.1%
Grand Total	100.9%

Total net asset value **\$6,471,112**

* Where the Fund holds less than 25 holdings, all investments have been disclosed. There may be other assets and liabilities which are not included, and therefore the summary does not add up to 100%.

The investment portfolio may change due to ongoing portfolio transactions of the investment fund. Quarterly updates are available within 60 days of each quarter end by visiting www.portlandic.com or contacting us at 1-888-710-4242.

Portfolio Composition

Sector	
Diversified Banks	80.2%
Investment Banking and Brokerage	9.5%
Regional Banks	4.2%
Asset Management and Custody Banks	3.3%
Other Net Assets (Liabilities)	1.8%
Diversified Capital Markets	0.6%
Currency Forwards	0.5%
Short Positions - Derivatives	-0.1%
Geographic Region	
United States	67.2%
United Kingdom	21.0%
Netherlands	5.0%
Japan	2.2%
Other Net Assets (Liabilities)	1.8%
France	1.6%
Switzerland	0.7%
Currency Forwards	0.5%

Other Net Assets (Liabilities) refers to cash on hand plus all other assets and liabilities in the Fund excluding portfolio investments.

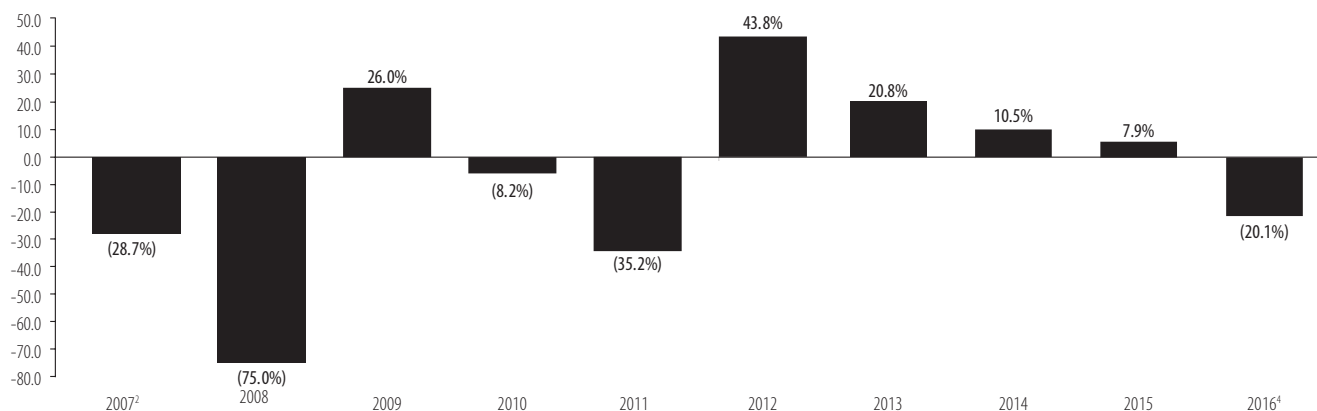
Past Performance

The past performance information shown in this section is calculated using the net asset value per unit and assumes that all distributions made by the investment fund in the periods shown were reinvested in additional securities of the investment fund. The past performance information does not take into account sales, redemptions, distribution or other optional charges or income taxes payable by the unitholder that would have reduced returns or performance. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

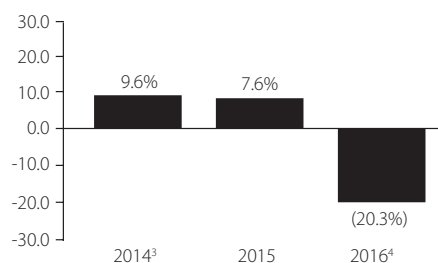
Year-By-Year Returns

The graphs show the annual historical returns of the applicable series of units, which change each year. Annual return is the percentage change in the value of an investment from January 1 to December 31 for 2007 to 2013 and October 1 to September 30 for 2014 and beyond (unless otherwise stated). Note the Fund changed its fiscal year end from December 31 to September 30 in 2013.

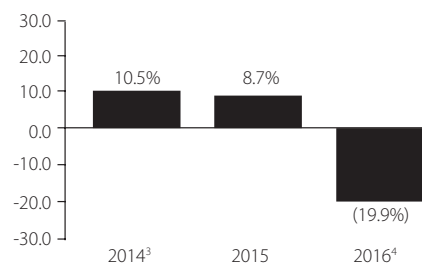
Series A2/Trust Units¹



Series A Units



Series F Units



1. Prior to December 13, 2013 the Fund operated as Copernican British Banks Fund, a closed-end fund listed on the Toronto Stock Exchange under the symbol CBB.UN. On December 13, 2013 CBB.UN was Restructured, became a multi-class open end mutual fund, and changed its investment objectives and strategies. If the Restructuring had not occurred and the investment objectives and strategies had remained the same, 2013 and 2014 performance may have been different.
2. Return for 2007 represents a partial year from July 17, 2007 to December 31, 2007.
3. Return for 2014 represents a partial year starting December 17, 2013 to September 30, 2014.
4. Return for 2016 represents a partial year starting October 1, 2015 to March 31, 2016

Management Fees

The Manager is responsible for the day-to-day management and administration of the Fund. The Manager monitors and evaluates the performance of the Fund, pays for the investment management services of the investment adviser and arranges for the administrative services required to be provided to the Fund. As compensation for its service, the Manager is entitled to receive a fee, payable monthly, calculated based on the daily net asset value of the Fund.

Series of Units	Management Fee (%)	Expenses Paid Out of the Management Fee (%)		
		Dealer compensation	General administration, investment advice and profit	Absorbed expenses
Series A	2.00%	100%	-	-
Series A2	1.75%	57%	-	43%
Series F	1.00%	-	-	100%

Financial Highlights

The following tables show selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past 5 years or, if shorter, the periods since inception of the Fund or a particular series of the Fund. For the current year, information in the table below is for the period from October 1 to March 31, 2016 and for 2015 for the period from October 1 to September 30, 2015. In 2014, per unit information relates to the period outlined in footnote 1(b). In 2013 for Series A2 Units, the information in the table below is for the period from January 1 to September 30 and for all other years is for the period from January 1 to December 31.

Series A Units - Net Assets per unit^{1(a)}

For the periods ended	2016	2015	2014
Net assets, beginning of the period	\$10.78	\$10.48	\$10.00 ^{1(b)}
Increase (decrease) from operations:			
Total revenue	0.09	0.25	0.15
Total expenses	(0.16)	(0.36)	(0.32)
Realized gains (losses)	(0.11)	(0.13)	0.73
Unrealized gains (losses)	(2.72)	(0.65)	0.66
Total increase (decrease) from operations	(2.90)	(0.89)	1.22
Distributions to unitholders:			
From income	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	(0.26)	(0.50)	(0.46)
Total annual distributions ³	(0.26)	(0.50)	(0.46)
Net assets, end of period	\$8.36	\$10.78	\$10.48

Series A Units - Ratios/Supplemental Data

For the periods ended	2016	2015	2014
Total net asset value	\$279,648	\$150,723	\$3,209
Number of units outstanding	33,432	13,981	306
Management expense ratio	2.82% *	2.83%	2.84% *
Management expense ratio before waivers or absorptions	4.79% *	4.24%	3.71% *
Trading expense ratio ⁷	0.14% *	0.08%	0.28% *
Portfolio turnover rate ⁸	13.40%	13.82%	62.02%
Net asset value per unit	\$8.36	\$10.78	\$10.48

Series A2 Units - Net Assets per unit^{1(a)}

For the periods ended	2016	2015	2014	2013	2012	2011
Net assets, beginning of the period	\$10.82	\$10.49	\$2.12 ^(b)	\$1.87	\$1.30	\$2.00
Increase (decrease) from operations:						
Total revenue	0.09	0.22	0.21	0.05	0.05	0.06
Total expenses	(0.14)	(0.31)	(0.34)	(0.05)	(0.05)	(0.06)
Realized gains (losses)	(0.03)	(0.44)	(10.76)	(0.22)	(0.16)	(0.68)
Unrealized gains (losses)	(1.99)	1.45	12.06	0.48	0.73	0.04
Total increase (decrease) from operations	(2.07)	0.92	1.17	0.26	0.57	(0.64)
Distributions to unitholders:						
From income	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	(0.26)	(0.50)	(0.46)	-	-	-
Total annual distributions ³	(0.26)	(0.50)	(0.46)	-	-	-
Net assets, end of period	\$8.42	\$10.82	\$10.49	\$2.12	\$1.87	\$1.30

Series A2 Units - Ratios/Supplemental Data

For the periods ended	2016	2015	2014	2013	2012	2011
Total net asset value	\$5,969,416	\$8,712,264	\$10,944,650	\$25,912,804	\$22,828,506	\$15,859,376
Number of units outstanding	709,227	804,849	1,043,186	12,195,709	12,200,209	12,211,709
Management expense ratio	2.45% *	2.48%	3.04%	3.33% *	3.18%	3.18%
Management expense ratio before waivers or absorptions	4.43% *	3.87%	3.58%	3.33% *	3.18%	3.18%
Trading expense ratio ⁷	0.14% *	0.08%	0.28%	0.11% *	0.03%	0.13%
Portfolio turnover rate ⁸	13.40%	13.82%	62.02%	7.87%	2.81%	10.90%
Net asset value per unit	\$8.42	\$10.82	\$10.49	\$2.12	\$1.87	\$1.30

Series F Units - Net Assets per unit^(a)

For the periods ended	2016	2015	2014
Net assets, beginning of the period	\$10.98	\$10.56	\$10.00 ^{†(b)}
Increase (decrease) from operations:			
Total revenue	0.10	0.22	0.17
Total expenses	(0.11)	(0.22)	(0.24)
Realized gains (losses)	(0.06)	(0.34)	0.48
Unrealized gains (losses)	(2.25)	1.04	0.61
Total increase (decrease) from operations	(2.32)	0.70	1.02
Distributions to unitholders:			
From income	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	(0.26)	(0.50)	(0.46)
Total annual distributions ³	(0.26)	(0.50)	(0.46)
Net assets, end of period	\$8.57	\$10.98	\$10.56

Series F Units - Ratios/Supplemental Data

For the periods ended	2016	2015	2014
Total net asset value	\$222,048	\$232,358	\$84,269
Number of units outstanding	25,899	21,156	7,981
Management expense ratio	1.69%*	1.71%	1.83%*
Management expense ratio before waivers or absorptions	3.67%*	3.11%	2.68%*
Trading expense ratio ⁷	0.14%*	0.08%	0.28%*
Portfolio turnover rate ⁸	13.40%	13.82%	62.02%
Net asset value per unit	\$8.57	\$10.98	\$10.56

[†] Initial offering price

* Annualized

Explanatory Notes

1. a) The information for March 31, 2016 is derived from the Fund's unaudited semi-annual financial statements and for September 30, 2015 and 2014 is derived from the Fund's audited annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). The information for prior years is derived from the Fund's audited annual financial statements prepared based on Canadian GAAP.

b) Copernican British Banks Fund was restructured on December 13, 2013 and became a multi-class open-end mutual fund and changed its name to Portland Global Banks Fund. As part of the restructuring, existing holders of trust units received 0.214028 Series A2 units valued at \$10.00 per unit for each trust unit held. If that occurred at the beginning of the period, the opening net asset value per unit would have been \$9.91. Per unit information in 2014 relates to the following period of each series:

Per unit information in 2014 relates to the following period of each series:

Series A Units	December 13, 2013- September 30, 2014
Series A2 Units	October 1, 2013- September 30, 2014
Series F Units	December 13, 2013- September 30, 2014

2. Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted daily average number of units outstanding over the financial period.

3. Distributions are paid out in cash/reinvested in additional units of the Fund, or both.

4. This is not a reconciliation of the beginning and ending net assets per unit. The information for years prior to September 30, 2014 is derived from the Fund's annual audited financial statements prepared based on Canadian GAAP. Prior to September 30, 2014, for the purpose of processing unitholder transactions, net assets were calculated based on the closing market price, while for financial statement purposes net assets were calculated based on

bid/ask price. For the periods ended March 31, 2016, September 30, 2015 and 2014 the information provided for processing unitholder transactions is consistent with the information provided for reporting purposes.

5. The management expense ratio ("MER") is based on total expenses (excluding foreign withholding taxes, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The Manager may absorb certain expenses otherwise payable by the Fund. The amount of expenses absorbed is determined annually at the discretion of the Manager.

The Fund holds investments in other investment funds ("Underlying Funds") and the MER is calculated taking into consideration the expenses of the Fund allocated to the series including expenses indirectly attributable to its investment in the Underlying Funds divided by the average daily NAV of the series of the Fund during the period.

6. The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the daily average net asset value of the Fund.

The TER is calculated taking into consideration the costs attributable to its investment in Underlying Funds.

7. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Portfolio turnover rate is calculated based on the lesser of the cumulative cost of purchases or cumulative proceeds of sales divided by the average market value of the portfolio, excluding short-term investments.



Historical annual compounded total returns as at March 31, 2016 include changes in unit value and distributions reinvested and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Commissions, service fees, management fees and expenses may be associated with investment funds. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated. Please read the prospectus before investing. PORTLAND, PORTLAND INVESTMENT COUNSEL and the Clock Tower Design are registered trademarks of Portland Holdings Inc. Used under licence by Portland Investment Counsel Inc.

Portland Investment Counsel Inc., 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7 Tel:1-888-710-4242 • Fax: 1-866-722-4242
www.portlandic.com • info@portlandic.com
