



NEWS RELEASE

FOR IMMEDIATE RELEASE

February 10, 2020

Portland Investment Counsel Inc. Announces Proposed Changes to Certain of Its Mutual Funds

Burlington, Ontario – February 10, 2020 – Portland Investment Counsel Inc. (the “Manager”) announced today its intention to hold special meetings of the unitholders of Portland Canadian Focused Fund, Portland Canadian Balanced Fund, Portland Global Banks Fund, Portland Advantage Fund, Portland Value Fund, Portland 15 of 15 Fund, and Portland Global Dividend Fund (each a “Fund” and collectively the “Funds”) to be held for the purpose of considering the following proposed changes to the Funds.

Proposal One: Merger of Portland Canadian Focused Fund into Portland Canadian Balanced Fund

Portland Canadian Focused Fund will merge into Portland Canadian Balanced Fund, and Portland Canadian Focused Fund will be terminated (“Proposal One”). Under Proposal One, Portland Canadian Balanced Fund will acquire the assets from Portland Canadian Focused Fund resulting in the unitholders of Portland Canadian Focused Fund becoming unitholders in Portland Canadian Balanced Fund.

The Manager believes that the merger contemplated under Proposal One is in the best interest of the relevant Funds as it will provide the following benefits:

- The merger has the potential to lower costs for unitholders as the operating costs and expenses of Portland Canadian Balanced Fund will be spread over a greater pool of assets after the merger, potentially resulting in a lower management expense ratio for Portland Canadian Balanced Fund than may occur otherwise; and
- The merger will result in unitholders of Portland Canadian Focused Fund holding a series of units of Portland Canadian Balanced Fund that has lower management fees.

Proposal Two: Conversion of Portland Global Banks Fund into an Alternative Mutual Fund

Portland will convert Portland Global Banks Fund (“Proposal Two Fund”) from a conventional mutual fund to an alternative mutual fund, to be renamed Portland Global Alternative Fund (“Proposal Two”).

The Manager believes that the conversion contemplated under Proposal Two is in the best interest of the relevant Fund as it will provide the following benefits:

- The conversion will eliminate a specific fund offering that invests in global banks, which is expected to result in a less restrictive investment objective and strategy;
- The Proposal Two Fund unitholders will have access to an alternative mutual fund which permits the Proposal Two Fund to provide positive long-term total returns consisting of both income and capital gains by investing primarily in a portfolio of global equities. Proposal Two Fund may also engage in borrowing for investment purposes;
- The Proposal Two Fund will retain approximately \$160 million of existing tax losses. These losses may permit the Proposal Two Fund to receive a more favourable tax treatment in the hands of its unitholders; and
- The conversion will result in unitholders of the Proposal Two Fund holding a series of units that has lower management fees. The Proposal Two Fund will be subject to a performance fee.

Proposal Three: The Merger of Portland Advantage Fund, Portland Value Fund and Portland 15 of 15 Fund into Portland Global Dividend Fund; and the Conversion of Portland Global Dividend Fund into an Alternative Mutual Fund

Portland Advantage Fund, Portland Value Fund and Portland 15 of 15 Fund will be merged into Portland Global Dividend Fund, which will be converted into an alternative mutual fund and renamed Portland 15 of 15 Alternative Fund (“Proposal Three”).

Under Proposal Three, Portland Global Dividend Fund will acquire the assets of Portland Advantage Fund, Portland Value Fund and Portland 15 of 15 Fund (collectively the “Proposal Three Terminating Funds”), resulting in the unitholders of those funds becoming unitholders in Portland 15 of 15 Alternative Fund (the “Proposal Three Continuing Fund”).

The Manager believes that the restructuring contemplated under Proposal Three is in the best interest of the relevant Funds as it will provide the following benefits:

- The mergers have the potential to lower costs for unitholders as the operating costs and expenses of the Proposal Three Continuing Fund will be spread over a greater pool of assets after the merger, potentially resulting in a lower management expense ratio for the Proposal Three Continuing Fund than may occur otherwise;
- The restructuring will result in unitholders of the Proposal Three Terminating Funds holding a series of units of the Proposal Three Continuing Fund that has lower management fees. The Proposal Three Continuing Fund will be subject to a performance fee; and
- The Proposal Three Continuing Fund will retain approximately \$27 million of existing tax losses. These losses may permit the Proposal Three Continuing Fund to receive a more favourable tax treatment in the hands of its Unitholders.

Unitholder Meetings:

Proposal One is subject to regulatory and unitholder approval. Proposal Two is subject to unitholder approval. Proposal Three is subject to regulatory and unitholder approval. The independent review committee of the Funds has provided its recommendation that Proposal One, Proposal Two, and Proposal Three, as applicable, would achieve a fair and reasonable result for each of the Funds. Special meetings of the unitholders of the Funds will be held on or about March 26, 2020. The record date for the special meetings of unitholders will be February 14, 2020.

A notice and accompanying joint management information circular (the “Information Circular”) shall be distributed to all unitholders eligible to vote at the applicable meetings of unitholders of each Fund, to be held at Portland Investment Counsel Inc., 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7 on March 26, 2020. Further details on Proposal One, Proposal Two, and Proposal Three will be set out in the Information Circular that will be sent in late February to each unitholder who is entitled to vote.

Subject to regulatory approval, if unitholders approve Proposal One, Proposal Two, and Proposal Three at the relevant unitholders’ meeting, it is proposed that the changes will be effective on or about April 17, 2020, or on such other date as may be determined by Portland in its sole discretion.

The Funds will not be responsible for the costs associated with Proposal One, Proposal Two or Proposal Three as such costs will be borne by the Manager.

In addition to the proposals described above, the Manager intends to change the name of Portland Global Income Fund to Portland Global Balanced Fund and to modify its investment objective language to “provide positive long-term total returns, consisting of both income and capital gains by investing primarily in a portfolio of global fixed income and equity securities”. This new wording is consistent with the wording used in other similar funds managed by Portland, and in Portland’s view, does not change the fund’s fundamental investment objectives. The Manager expects that this name-change and new wording will become effective on or about April 17, 2020.

For further information, on Portland and Portland Mutual Funds, please visit www.portlandic.com or contact Client Services at 1-888-710-4242, option #1, or email at clientservices@portlandic.com.