PORTLAND 15 OF 15 ALTERNATIVE FUND

PORTLAND INVESTMENT COUNSEL®

BUY. HOLD. AND PROSPER.®

(as at September 30, 2020)

"I'm a better investor because I'm a businessman, and a better businessman because I'm an investor."
Warren Buffett

FUND FACTS

Fund Net Assets	$7.7 million
CIFSC* Asset Class	Alternative Equity Focused
Risk Tolerance	Medium

INVESTMENT OBJECTIVE

- The Fund's objective is to provide positive long-term total returns by investing primarily in a portfolio of global equities and debt-like securities. In selecting its investment, the Fund considers 15 principles/attributes which the Manager believes will result in successful wealth creation.
- The Fund may also engage in borrowing for investment purposes.

KEY REASONS TO INVEST

- Close adherence to Framework:

  Five Laws of Wealth Creation:
  - Own a few high quality businesses
  - Thoroughly understand these businesses
  - Ensure these businesses are domiciled in strong, long-term growth industries
  - Use other people's money prudently
  - Hold these businesses for the long run

HOW THE FUND IS MANAGED

- The investable universe, primarily U.S. listed equity securities, is screened for adherence to the 15 investment criteria.
- Investment decisions incorporate fundamental analysis and adhere to a value discipline.
- Investments are managed with a long term focus.
- The result is a low turnover, concentrated portfolio.
- The Fund's holdings are what we believe to be quality companies which are growing, profitable, stable and shareholder friendly.
- The Fund's investments are concentrated in, but not limited to, the financial services, healthcare and technology sectors

Geographic Mix

Cash & Other Net Assets (Liabilities)[1]	47.9%
United States	31.1%
Australia	6.2%
Japan	3.5%
Canada	2.9%
Spain	2.3%
British Virgin Islands	2.2%
Guernsey	2.0%
India	1.9%

Sector Mix

Cash & Other Net Assets (Liabilities)[1]	47.9%
Financials	20.6%
Health Care	12.9%
Communication Services	7.6%
Consumer Discretionary	3.8%
Information Technology	3.1%
Consumer Staples	2.2%
Industrials	1.9%

PORTFOLIO MANAGERS

Michael Lee-Chin, B.Eng., LLD (Honorary)
Executive Chairman, Chief Executive Officer and Portfolio Manager

Dragos Berbecel, BComm., MBA, CFA
Portfolio Manager

Dragos Stefanescu, CFA, MBA
Portfolio Manager

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Top Holdings[2]

Cash & Cash Equivalents	47.7%
Berkshire Hathaway Inc.	13.9%
Telix Pharmaceuticals Limited	6.2%
Danaher Corporation	4.3%
SoftBank Group Corp.	3.5%
Oracle Corporation	3.1%
Brookfield Asset Management Inc.	2.9%
Stryker Corporation	2.4%
Industria de Diseno Textil, S.A.	2.3%
Nomad Foods Ltd.	2.2%
Facebook, Inc.	2.1%
Altice USA, Inc.	2.0%
Pershing Square Holdings Ltd.	2.0%
Reliance Industries Ltd.	1.9%
Ares Management Corporation	1.8%
D.R. Horton, Inc.	1.5%

FUND COMMENTARY (As at September 30, 2020)

The Fund launched on April 17, 2020. Securities industry regulations state that performance data may not be shown until a year after inception.

The Fund's objective is to provide positive long-term total returns by investing primarily in a portfolio of global equities and debt-like securities. In selecting its investments, the Fund considers 15 principles (attributes) which the Manager believes will result in successful wealth creation. The 15 criteria are used to drive the Manager's investment behaviour (the five laws of wealth creation) and the Manager's security selection process (the ten traits of successful private and private-like businesses). To detail, the Manager believes that wealth is being created by owning a few businesses, which are well understood, reside in long-term growth industries, use other people's money prudently and which are held for the long-term. Quality businesses are led by an owner/operator, have concentrated and easily identifiable ownership, exhibit autocratic and entrepreneurial management and board which are focused on growth, allow low turnover in its managerial ranks, have risks and rewards which are symmetrically distributed and focus on long-term goals and business fundamentals.

The Fund may also engage in borrowing for investment purposes. In particular, the Fund may borrow up to 50% of its net assets in order to finance long securities purchases. The Fund may purchase individual securities to weights of up to 20% of the Fund's net assets.

We have chosen to maintain a significant allocation to cash during the quarter, as the overall and individual company valuation levels appeared full and significant uncertainty was surrounding the real economy under the impact of the greatest pandemic the world has seen in over a hundred years. Our views have not meaningfully changed since and we will be seeking to deploy the available purchasing power selectively in the coming quarters.

As expected, given the Fund's focused mandate, the performance is mainly driven by company specific developments. During the quarter, key relative performance contributors were Telix Pharmaceuticals Limited, D.R. Horton, Inc. and Danaher Corporation, whereas the key relative performance detractors were Brookfield Asset Management Inc., Industria de Diseno Textil, S.A. (Inditex SA) and Ares Management Corporation.

The lockdown restrictions caused by the COVID-19 pandemic globally have placed the world economy, including the U.S., where most of the Fund's investments reside, in a severe recession, which now appears likely to be a more protracted affair than originally anticipated, under the threat of a return to lockdowns triggered by the looming 'second wave' of coronavirus infections. We factor in a larger than 5% GDP contraction in the U.S. for 2020 and a relatively modest recovery in 2021 with economic activities only gradually reopening through the next few quarters. Having said that, we believe there is a relatively low likelihood of an accelerated process towards the identification and production scale-up of effective vaccines. Even so, the U.S. stock market was quick to draw a V-shaped recovery, spurred largely, we believe, by the largesse of the U.S. government, and even more so on the side of the U.S. Fed. U.S. credit markets, not surprisingly given the magnitude of the dislocation, are no longer in rude health, with the lending standards tightening markedly since March 2020. The overall financing need from U.S. non-financial corporations was significantly reduced by lower acquisition and investment activity, nonetheless, the corresponding debt levels spiked in the first two quarters of the year as corporations rushed to draw down their credit lines in an attempt to ensure liquidity.

The all-important U.S. consumer sector, however, is showing serious cracks. The U.S. consumer confidence index dropped significantly from about 140 in December 2019 to mid 80s before rebounding modestly to around 100 index points towards the end of the quarter. U.S. Household debt at 88% of disposable income currently is, thankfully, significantly off of the 135% level before the financial crisis. Of note, U.S. consumer credit growth has decelerated markedly since the start of the COVID-19 crisis. Most strikingly, so far during the COVID-19 pandemic, savings rate jumped to around 30%, accompanied by the reduced retail consumption. On a background of reduced goods and services availability and combined with a spike in average hourly earnings, this could be the spark that may ignite the inflationary trend.

Spurred by historically low mortgage rates, likely coupled with the abovementioned historic high savings rate, housing activity in the U.S. (as well as Canada) has seen a pronounced acceleration, with inventories of both new and existing homes at historic lows. Existing home sales are at historic high levels in the U.S. and the S&P CoreLogic Case-Shiller U.S. National Home Price Index is testing new highs. Offsetting the otherwise upbeat tone in the sector is a spike in residential mortgage loan delinquencies to over 8%.

Since January, both the export and import activities slowed down for the U.S. due to the COVID-19 effect and only partly recovered through the summer months. On the other hand, despite the U.S. administration's mighty efforts on the trade front, the trade deficit has stubbornly remained at roughly same levels. The outcome of the U.S. trade negotiations remains a key risk factor for U.S. and global growth, in particular as it relates to America's relationship with China. Technological, political and geo-strategic undertones have been weaved into the process and hardened the positions. For the time being, it is anyone's guess as to who is going to blink first. Some argue that China has a lot more to lose given the ongoing trade surplus with the U.S., whereas the U.S. seems to be more vulnerable due to the vulnerability and limitations of its democratically governed institutions. We believe it is hard for the two largest economies in the world to isolate from each other. Competition and cooperation will coexist for a long term.

Global economic outlook remains highly uncertain. The COVID-19 disruption is likely to accelerate structural changes in the economy, with difficult to predict consequences in the short to medium term.

An important risk factor is the higher rate of unemployment, which could persist beyond the current market expectations. There is significant uncertainty about corporate earnings in the next 12 months. The current economic statistics are significantly distorted by the cash infusion associated with economic stimulus, worker and business support payments. A period of soft economic recovery is possible if and when the stimulus runs out later this year.

During the quarter, the Fund reduced its investments in Reliance Industries Ltd. and D.R. Horton, Inc. taking advantage of the strong performance and increased its investment in Berkshire Hathaway Inc. Also during the quarter, the Fund exited its investment in LVMH Moet Hennessy Louis Vuitton SE on concerns related to the China-related trade disruptions and currency controls and initiated an investment in Inditex SA, one of the world's largest fashion retailers, controlled by Amancio Ortega.

The Fund's net asset value at September 30, 2020 was $7.7 million. Asset mix at September 30, 2020 was common equities, 52.1%; and cash and other net assets, 47.9%. The top 5 sector exposure was constituted by financials 20.6%, healthcare 12.9%, communication services 7.6%, consumer discretionary 3.8% and information technology 3.1%. Going forward, we believe the Fund is well positioned to meet its investment objectives, which are to provide positive long-term total returns, with a focused investment, primarily in a limited number of long security positions.

POTENTIAL RISKS

The Manager believes the following risks may impact the performance of the Fund: concentration risk, currency risk, equity risk and leverage risk. Please read the "What are the risks of investing in the Fund?" section in the Simplified Prospectus for a more detailed description of all the relevant risks.

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(as at September 30, 2020)

	SERIES A			SERIES F[3]
Fund Name	Code - Initial Sales Charge	Code - DSC	Code - LL	
Portland 15 of 15 Alternative Fund	PTL524	PTL522	PTL523	PTL009

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* Canadian Investment Funds Standards Committee

1. Other Net Assets (Liabilities) refers to all other assets and liabilities in the Fund excluding portfolio investments.
2. Where the Fund holds less than 25 long and short 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%.
3. Generally available through dealers who have entered into a Portland Series F Dealer Agreement.

On April 17, 2020, Portland Advantage Fund, Portland Value Fund and Portland 15 of 15 Fund merged into Portland Global Dividend Fund which was then converted into an alternative mutual fund and renamed Portland 15 of 15 Alternative Fund.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Any indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions [dividends] and does not take into account sales, redemptions, distributions or optional charges or income taxes payable by any securityholder in respect of a participating fund that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Risk tolerance measures the degree of uncertainly that an investor can handle regarding fluctuations in the value of their portfolio. The amount of risk associated with any particular investment depends largely on your own personal circumstances including your time horizon, liquidity needs, portfolio size, income, investment knowledge and attitude toward price fluctuations. Investors should consult their Financial Advisor before making a decision as to whether this Fund is a suitable investment for them.

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