PORTLAND 15 OF 15 ALTERNATIVE FUND

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

(as at August 31, 2023)

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

	Series Start Date	Net Asset Value Per Unit (as at August 31, 2023)	PERFORMANCE (as at August 31, 2023)					
			Year to Date	1 Month	3 Months	1 Year	3 Years[4]	Since Inception[4]
Portland 15 of 15 Alternative Fund - Series A	Apr. 20, 2020	$9.4666	19.03%	(1.23%)	2.41%	23.68%	10.76%	11.84%
Portland 15 of 15 Alternative Fund - Series F	Apr. 20, 2020	$10.3852	19.67%	(1.14%)	2.64%	24.80%	11.82%	12.91%
MSCI USA Index CAD*	-	-	18.56%	1.00%	7.85%	19.01%	10.77%	14.81%

FUND FACTS

Fund Net Assets	$28.5 million
CIFSC** Asset Class	Alternative Equity Focused
Risk Tolerance	Medium
Management Fee	Series A: 1.75%, Series F: 0.75%
Performance Fee	Series A, Series F: 10% above high water mark
MER[5]	Series A: 2.54%, Series F: 1.42%

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 Allocation

Australia	33.47%
United States	28.71%
Canada	12.09%
Cash & Cash Equivalents	10.18%
Panama	4.28%
British Virgin Islands	3.79%
South Korea	3.21%
India	2.59%
France	1.82%
Other Net Assets (Liabilities)[1]	(0.14%)

Sector Allocation

Health Care	40.08%
Financials	26.27%
Cash & Cash Equivalents	10.18%
Consumer Discretionary	8.13%
Consumer Staples	3.79%
Exchange Traded Funds	3.54%
Information Technology	3.21%
Industrials	2.59%
Communication Services	2.35%
Other Net Assets (Liabilities)[1]	(0.14%)

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]

Telix Pharmaceuticals Limited	33.47%
Berkshire Hathaway Inc., Class B	16.48%
Cash & Cash Equivalents	10.18%
Danaher Corporation	6.61%
Brookfield Corporation	6.47%
Carnival Corporation	4.28%
Nomad Foods Ltd.	3.79%
Horizons Cash Maximizer ETF	3.54%
Samsung Electronics Co., Ltd.	3.21%
Reliance Industries Ltd.	2.59%
Altice USA, Inc.	2.35%
Brookfield Asset Management Ltd.	2.08%
D.R. Horton, Inc.	2.03%
LVMH Moet Hennessy Louis Vuitton SE, ADR	1.82%
Ares Management Corporation	1.24%

FUND COMMENTARY (As at June 30, 2023)

For the period of March 31, 2023 to June 30, 2023, the Fund's benchmark, the MSCI USA Index (CAD), had a return of 6.18%. For the same period, the Fund's Series F units had a return of 21.63%. Unlike the Index, the Fund's return is after the deduction of its fees and expenses. 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, Carnival Corp. and Berkshire Hathaway Inc., only partly offset by the negative relative contribution of the Fund's investment in Altice USA Inc., Danaher Corp. and Softbank Group Corp.

The Fund's objective is to provide positive long-term total returns by investing primarily in a portfolio of global equities and debtlike 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. The Manager believes quality businesses are led by an owner/operator, have concentrated and easily identifiable ownership, exhibit authoritative 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.

Over the past quarters the U.S. GDP growth has decelerated, with leading indicators suggesting recession may be looming on the horizon. Whereas, up to this point, the U.S. consumer has shown to be more resilient than expected, partly helped by higher wages, tight labor markets and some accumulated pandemic savings, those conditions appear to be reversing. The savings rate has retreated to below pre-pandemic levels, while household credit has seen the most rapid acceleration in a decade. Absent further consumer support, generally accounting for some 70% of U.S. economic growth, there is precious little help to be expected from the other areas of the economy in the medium term. At the moment, forecasts see the U.S. economy expanding at around 1.3% in 2023, followed by 1.0% in 2024.

The economic de-coupling process going on between U.S. and China appears to be an underappreciated and not fully understood development. Although, the process is still in its early stages, it has and it is likely to continue to have the effect of spurring higher structural inflation for longer. As businesses are being forced to diversify their manufacturing footprints and supply chains across multiple markets, it is likely to lead to higher structural costs which need to be passed on to consumers.

Our view is that the risk of structurally higher cost of capital is not currently priced-in. The consensus view appears to be that the central banks are likely to be able to bring inflation down to their target levels without the need for much higher rates relative to the current levels. Equally, not enough credence is being given to the need to maintain the relatively elevated levels of interest for a longer period of time to break the back of inflation. Higher interest rates are starting to affect the valuation of private asset classes, particularly those where high leverage has been used for enhancing returns in the last decade. As such, private equity and infrastructure are facing one of the most difficult fundraising environments in recent memory. Commercial real estate across many metro areas in the U.S. is facing a slow-motion meltdown, with high profile defaults in Los Angeles, San Francisco, and other large metro areas across the U.S. With occupancy at low levels unseen in 20 years, and structural changes in the labor markets, commercial real estate is expected to be a major pain point for the economy in the medium term. It will be important to watch where the exposure to this sector ultimately lies. Regional banks are likely to continue to be negatively impacted by the poor outlook in this segment of the market.

The interest rate outlook has been the key driving factor of public market performance, and this can be observed in the evolution of the market indexes since the interest rate hiking cycle began. Year to date, the rally has been driven mostly by the expectation that the Fed is close to the end of its interest rate increase cycle. Although, the core CPI has been mostly above expectations in 2023, and far from the Fed target levels, the consensus view is that the lag effect will soon start to kick in and bring relief to the central bank.

2022 saw financial markets retrace ~36% of post-COVID market gains, driven by a hawkish U.S. Fed determined to tame inflation. Despite a confluence of negative catalysts pouring in, U.S. equities found support and rallied into H1 2023, reporting ~6% gains as at the end of June, 2023. Notably, over 80% of the 2023 S&P500 returns were driven by seven tech stocks. We are cautious of narrow market breadth, exhibiting similarity with past irrational behavior. Current A.I.-driven (artificial intelligence) equity exuberance seems to be the main driver of today's crowded market, attracting inflows into global tech funds. Earnings of non-technology companies were generally better than expected. However, this is a modest improvement over a steep predicated earnings contraction. U.S. companies continue to navigate through economic uncertainties with better-than-expected operating margins and cash levels.

As learnt over the years, there is a delicate relationship between the timing of open market operations and the subsequent economic impact. In our view, the U.S. Fed is moving through a narrow path with high risks of policy errors. First was the debt ceiling agreement, which required the Treasury Department to replenish the Treasury General Account (TGA). This operation, likely through bill issuance, may push the short-end rates higher and drain liquidity out of the market. Then, the SVB and regional bank crisis fueled the flight from bank deposits to money market funds, which may contribute to tighter lending standards. Finally, strong jobs data and sticky core inflation make further quantitative tightening and more rate hikes a reality. Therefore, a poorly timed Fed decision may trigger a significant liquidity event for risk assets.

Consumers are proving that they are still willing to spend in a high-interest-rate environment. However, this momentum is built on a shaky foundation. We believe strong consumer spending, for now, is incentivized by a low unemployment rate of 3.4%, as well as a surging U.S. labor force participation rate recovering from post-pandemic lows. This represents the tail-end of pent-up, post-COVID demand. We note that the 5.98% personal income growth YoY is met with decreasing real wage growth, and the current consumer strength is funded by depleting pandemic-era savings. Moreover, there has been a renewed increase in consumer credit levels, rising by 7.3%, which implies many consumers have gone beyond their savings and are relying on borrowing to finance inflated purchases. In our view, current spending patterns are not sustainable, and deteriorating consumer balance sheets are highly concerning. Through the lens of the equity market, the dislocation between the gloomy outlook and a charged spirit is also visible. Despite the University of Michigan Sentiment Index remaining within a historically low range, currently at 57.7 index points, equities have disregarded the negative economic outlook and instead responded positively to a slightly better-than-expected earnings contraction in the first half of 2023. Once again, the market's behavior is concerning.

An important development in the first half of 2023 was the move of generative A.I. applications into the market spotlight. Although there was no real technological breakthrough during this time, the ability of the broader user base to access A.I. applications have shifted the market focus towards the implications that this technology will have on the economy long term. Our view is that although it is too early to pick winners and losers based on A.I. exposure, the clear benefit for the broader economy will be higher productivity and innovation in the long run. We expect A.I. impact on prices to be deflationary, though difficult to quantify at this stage in time.

Broader economic activities and business conditions are gradually deteriorating. The inventory-to-shipments ratio remains above its pre-COVID levels, reflecting a continued imbalance between supply and demand in the market. The strong jobs data, the trend of decreasing labor productivity, coupled with the high capacity utilization rate are reminiscent of previous periods preceding crises. Consistent with 2023's first quarter GDP print, the spread between PMI new orders and inventories holds below zero. This highlights that businesses may target leaner inventories as they navigate a complex economic landscape. This notion is further reinforced by reduced CAPEX investments, indicating that companies have adopted a more cautious approach to capital budgeting. After completing a full cycle since 2018, the industrial production growth rate has returned to zero, yet another noticeable sign of an economic slowdown.

Emerging from the COVID-19 crisis, the engine of the global economic recovery shifted from the U.S. to China and EAFE (Europe, Australasia, and Far East) earlier this year. The EAFE region demonstrates a closer relationship with the Chinese economy than the U.S. economic ties to China. EAFE's equities outperformed the U.S. in both USD and local currency terms. According to the DXY index, USD has declined ~10% against a basket of world currencies since the end of 2022. EAFE's strength is underpinned by the better-than-expected European winter, amid the Ukraine war, and China's re-opening. Nonetheless, the EAFE's recent surge is facing a cloud of uncertainty due to discouraging Chinese data, as recent import and export numbers fell short of expectations. The Baltic Dry Index also reacted to China's lower-than-expected import levels. Once again, this reinforces the narrative that global economic expansion may be in jeopardy.

During the quarter, the Fund opportunistically added to its investments in Reliance Industries Ltd, Samsung Electronics Co., Ltd. and Danaher Corporation. The Fund also re-instated an investment in Carnival Corp., the largest global cruise ship operator as the end of the pandemic meant a return to an attractive option for a loyal and growing group of global vacationers. The company's portfolio of global cruise line brands includes Carnival Cruise Line, Princess Cruises, Holland America Line, Seabourn, P&O Cruises (Australia), Costa Cruises, AIDA Cruises, P&O Cruises (UK) and Cunard. Carnival Corp. also operates Holland America Princess Alaska Tours, the leading tour company in Alaska and the Canadian Yukon. Also during the quarter, the Fund exited its investments in Stryker Corp. on valuation concerns and its investments in Pershing Square Holdings Ltd and Softbank Group Corp. on fundamentals concerns.

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The Fund's net asset value at June 30, 2023 was $27.2 million. The asset mix at June 30, 2023 was common equities, 87.41%; and cash and other net assets, 12.59%. The top five sector exposures was constituted by health care 42.04%, financials 25.80%, consumer discretionary 9.45%, information technology 3.62% and industrials 2.85%. 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.

	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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* Since the Fund does not necessarily invest in the same securities as the benchmark or in the same proportion, the performance of the Fund may not be directly comparable to the benchmark. In addition, the Fund's performance returns may reflect the use of leverage. The use of a benchmark is for illustrative purposes only, and is not an indication of performance of the Fund.
** 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.
4. Annualized.
5. MER or management expense ratio is presented excluding performance fees and is after absorptions as at March 31, 2023. MER is updated on a semi-annual basis and the Manager may absorb operating expenses of the Fund at its discretion but is under no obligation to do so. The MER including performance fees and absorptions was 2.54% and 1.42% for Series A and Series F, respectively, as at March 31, 2023.

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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