Portland Investment Counsel®
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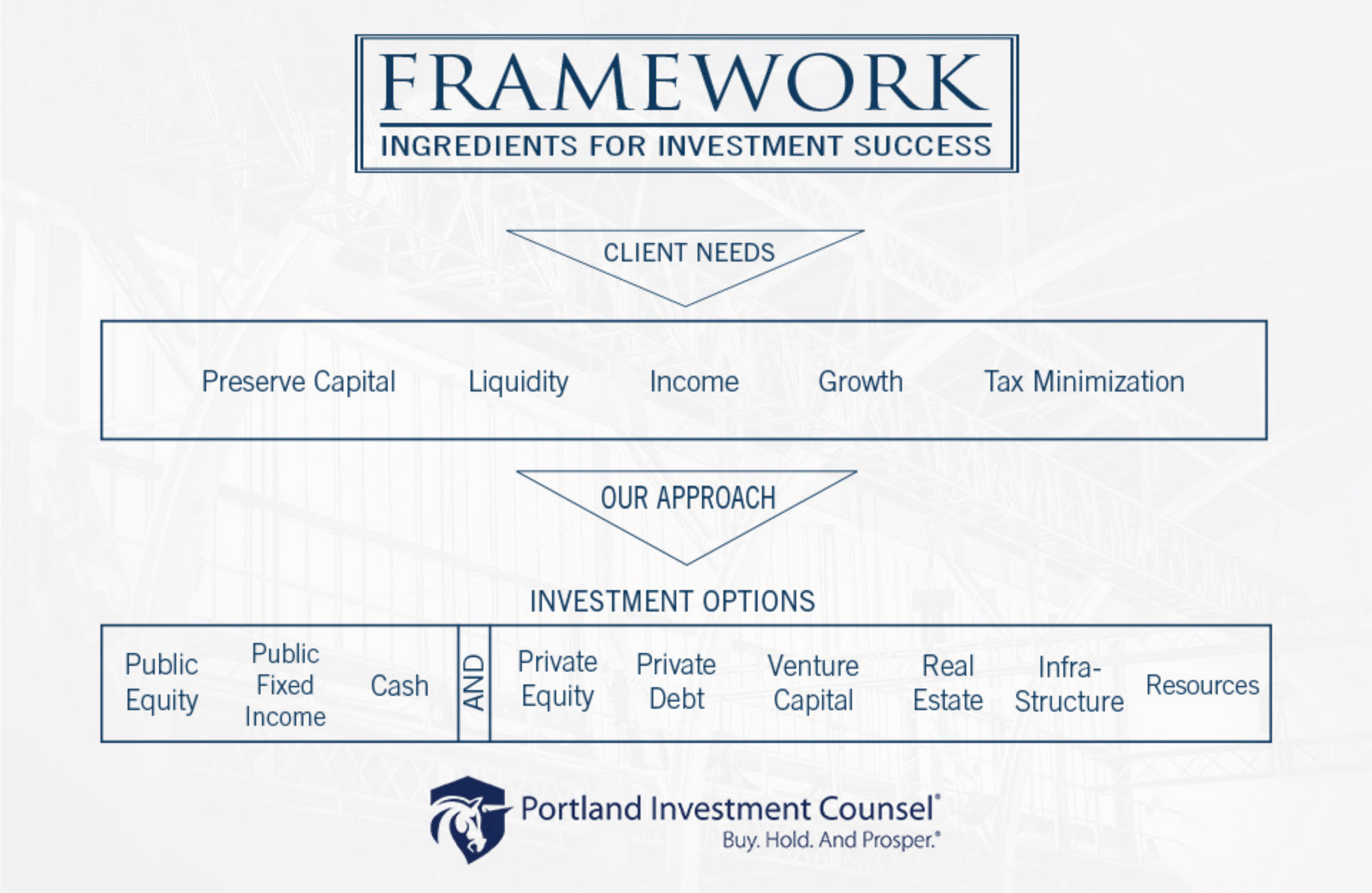
PORTLAND GLOBAL BALANCED FUND

CONVENTIONAL MUTUAL FUND

TRIED AND TESTED INVESTING IN 'ARISTOCRATIC' DIVIDEND PAYING COMPANIES

THE PORTLAND DIFFERENCE

- "I'm a better investor because I'm a businessman, and a better businessman because I'm an investor." –Warren Buffett
- For more than 25 years, Portland has been a steward of investor's assets, as a mutual fund company and a high net worth platform.
- Portland is democratizing access to alternative and private investment opportunities for its clients.



INVESTMENT OBJECTIVE

- The Portland Global Balanced Fund's objective is 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.

KEYS REASONS TO INVEST

Close Adherence to Framework

Five Laws of Wealth Creation

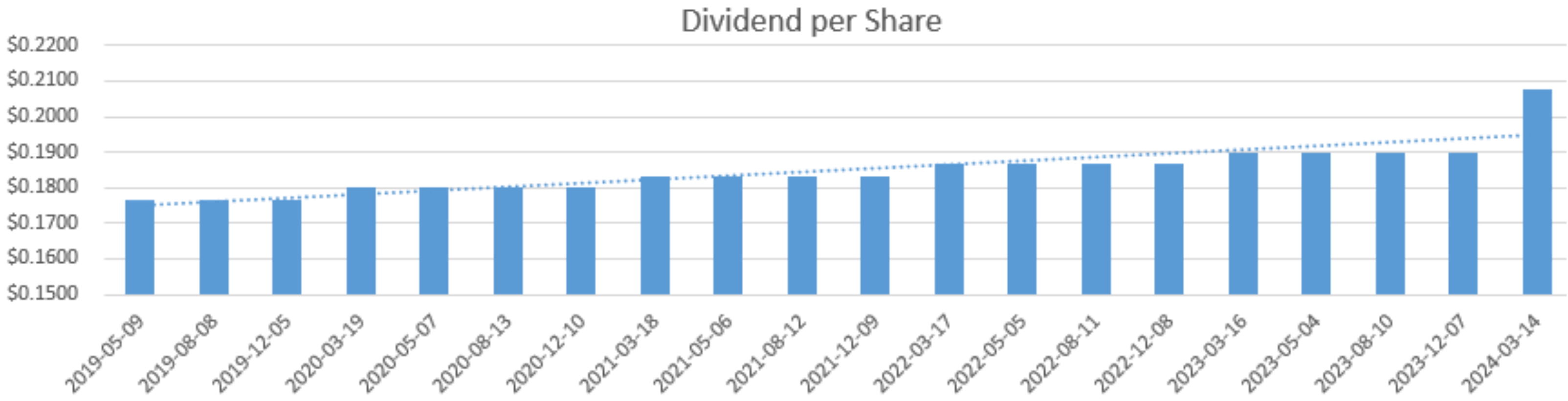
- Own a few high quality businesses
- Thoroughly understand these businesses
- Ensure these businesses are domiciled in strong, long-term growth industries
- Use other people's money prudently
- Hold these businesses for the long run

KEYS REASONS TO INVEST

The Power of Investing through 'Aristocratic' Dividend Paying Companies

- Securities that have consistently increased the amount of dividends paid year over year for a long period of time
- Any year with no dividend growth or with a dividend cut would immediately exclude the equity from being an aristocrat
- On a global basis, we would only consider equities that have increased dividends every year through two economic cycles; and so generally the equities in the portfolio have been tested for a much longer period of time than 10 years

THE POWER OF ARISTOCRATIC DIVIDEND PAYERS – WALMART INC.



For the Past 5 Years

March 31st, 2019 – March 31st, 2024

*Data Source: Bloomberg

KEYS REASONS TO INVEST

Time in the Market

Maximize Future Value by Investing Longer

- The Future Value Formula is central to investing (see Appendix)

The Power of Compounding by Investing in 'Aristocratic' Dividend Payers

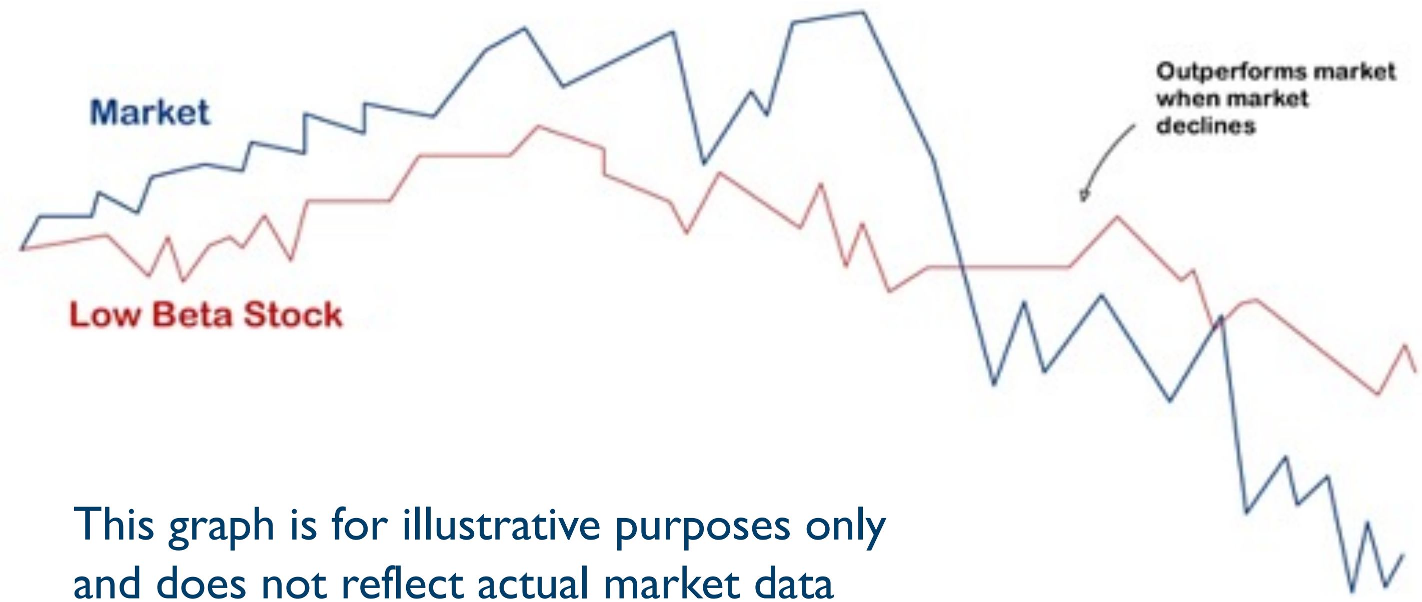
- The dividend discount model applied to aristocratic dividend paying companies, notably 'Dividend Kings', is compelling (see Appendix)

DEFENSIVE INVESTING

- **"Defensive and Dominating"**
  - Earnings remain stable through economic downturns
  - Often produce goods/services whose demand are unaffected by economic conditions
    - Utilities
    - Consumer Staples
    - Healthcare

LOW BETA STOCKS

Low Beta Stocks vs. Market Performance



This graph is for illustrative purposes only and does not reflect actual market data

- Benefits of low beta stocks:
  - More resistant to market downturns
  - More stable earnings permit dividend policies that are sustainable and predictable

INVESTING WITH A BIAS TO FREE-CASH FLOW

"We were always focused on our profit and loss statement. But cash flow was not a regularly discussed topic. It was as if we were driving along, watching only the speedometer, when in fact we were running out of gas."

– Michael Dell, CEO of Dell Technologies

FCFE = **Cash from Operations**

− **Capital Expenditures**

\+ **Net Debt Issued**

Free Cash Flow to Equity ("FCFE") is defined as the cash flow available to equity holders <u>after</u> creditors are paid.

KEYS REASONS TO INVEST

Time in the Market

Investing in a Globally Diversified Portfolio

- The power of dividend investing combined with the benefits of global investing and asset class diversification for the potential to reduce volatility
- Monthly distributions, targeting approximately 5.0% per annum for Series A and F based on the net asset value per unit and updated annually – intended to be fully funded[1]
  - Series A is $0.432 per annum and paid as distribution of $0.036 per month
  - Series F is $0.480 per annum and paid as a distribution of $0.040 per month

KEY REASONS TO INVEST

- The benefits of active and passive management are aligned to help reduce volatility
- Management fee from 0.55% per annum for Series F units
- Tax-efficient structure, currently housing tax losses of approximately $24 million

HOW THE FUND IS MANAGED

- Common shares of large global companies with a history of rising dividends over the long term, selected primarily from the members of the MSCI World Dividend Masters Index
- Preference towards defensive sectors (Utilities and Consumer Staples) and low beta securities in order to minimize volatility and to increase the realized Sharpe Ratio*
- Selective use of options to generate additional returns

*Sharpe Ratio: is a measure for calculating risk-adjusted returns. It is calculated by subtracting the risk-free rate from the return of the portfolio and dividing that result by the standard deviation of the portfolio's excess return.

FUND FEATURES

- The Portland Global Balanced Fund is eligible to be purchased in registered accounts
- The Portland Global Balanced Fund has been risk assessed as Low to Medium risk
- The Portland Global Balanced Fund has been categorized in the Global Equity Balanced category of the Canadian Investment Funds Standards Committee (CIFSC)
  - Funds in the Global Equity Balanced category must invest less than 70% of total assets in a combination of equity securities domiciled in Canada and Canadian dollar-denominated fixed income securities*. In addition, they must invest greater than 60% but less than 90% of their total assets in equity securities.

*Includes Canadian dollar-denominated cash and cash equivalents.

FEES AND FUND CODES

Fund Name	Series	Fund Code - ISC	Fund Code - DSC	Fund Code - LL	Management Fee
Portland Global Balanced Fund	A	PTL531	PTL538	PTL539	1.55%
Portland Global Balanced Fund	F	PTL010	n/a	n/a	0.55%

POTENTIAL RISKS

- Concentration
- Currency
- Equity markets
- Debt Securities

APPENDIX

HISTORY OF THE FUND

2005

- Global Banks Premium Income Trust (GBP) was formed in 2005
- Began its life as a closed end investment fund

2013

- GBP was converted to an open end fund, which was merged with the Portland Global Income Fund (PGIF)
- This conversion changed the investment strategy, and therefore required a unitholder vote to approve

2020

- Portland Global Income Fund was renamed to Portland Global Balanced Fund
- This did not change the fund's fundamental investment objectives (no vote required)

ALTERNATIVE VS. CONVENTIONAL MUTUAL FUNDS

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Investment Restriction*	Alternative Mutual Funds	Conventional Mutual Funds
Concentration Restriction	20% of NAV at time of investment	10% of NAV at time of investment
Illiquid Assets	10% of NAV at time of investment (hard cap at 15%, passively)	10% of NAV at time of investment (hard cap at 15%, passively)
Borrowing	Limited to 50% of NAV	Limited to 5% of NAV + cash cover
Short-selling	Up to 50% of NAV, with a single issuer limited to 10% of NAV with no cash cover requirements	Up to 20% of NAV, with a single issuer limited to 5% of NAV and 150% cash cover required in all cases
Leverage: Total Borrowing, Short-Selling and Derivatives Limits	Limited to 300% of NAV; sum of cash borrowing, short-selling, derivatives (excluding those used for hedging) divided by NAV	Leverage generally prohibited

*As per National Instrument 81-102 - *Investment Funds*

THE FUTURE VALUE FORMULA

$$FV=PV(1+r_{at})^n$$

$$r_{at}=r_{pt}(1-t)$$

r_{at} makes a big difference[2]:

- \$100,000 invested at 4% for 10 years leads to \$148,024
- \$100,000 invested at 8% for 10 years leads to \$215,892
- \$100,000 invested at 12% for 10 years leads to \$310,585

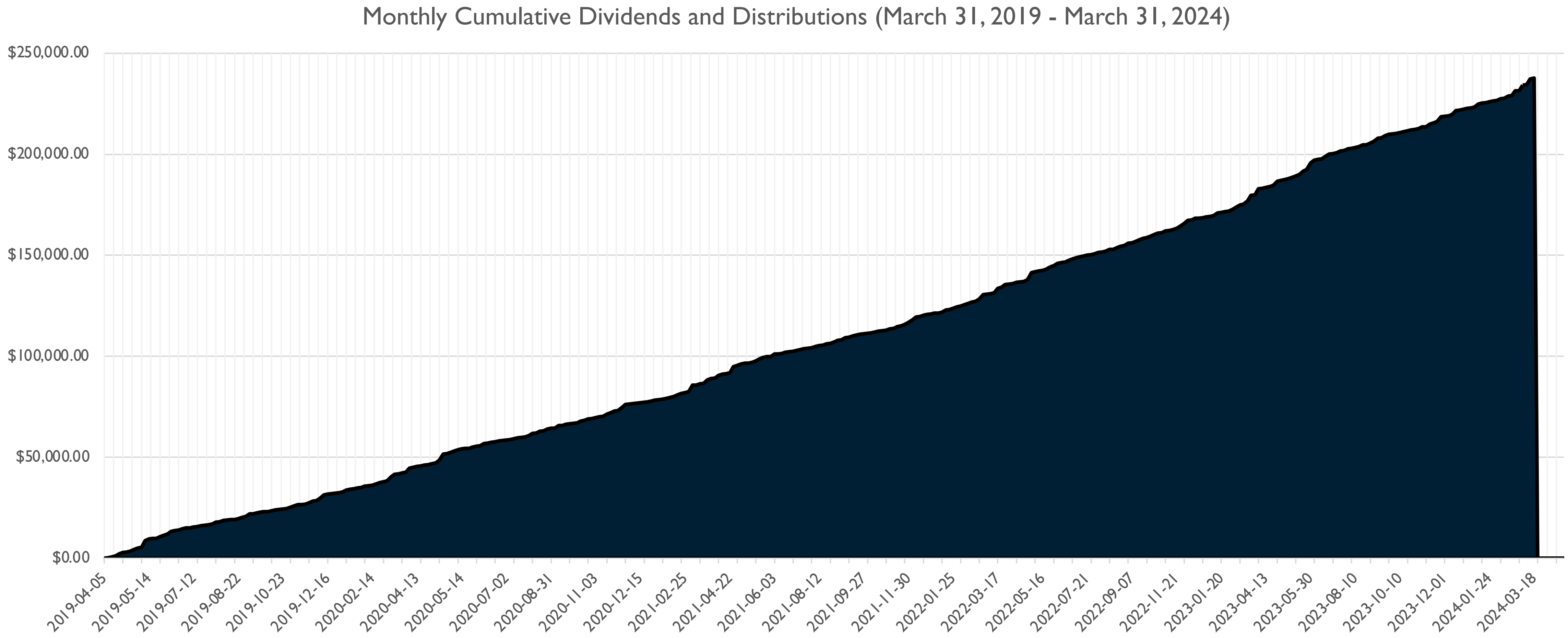
But n makes a bigger difference AND is within your control[2]:

- \$100,000 invested at 4% for 40 years leads to \$480,102
- \$100,000 invested at 8% for 40 years leads to \$2,172,452
- \$100,000 invested at 12% for 40 years leads to \$9,305,097

DIVIDEND KINGS IN OUR PORTFOLIO

Dividend Kings have increased dividends every year for at least 50 years		
Genuine Parts Company	Cincinnati Financial Corporation	SJW Group
Colgate-Palmolive Company	Johnson & Johnson	The Procter & Gamble Company
Hormel Foods Corporation	The Coca-Cola Company	American States Water Company

MONTHLY CUMULATIVE DIVIDENDS AND DISTRIBUTIONS TO THE PORTLAND GLOBAL BALANCED FUND



*Data Source: Bloomberg

DIVIDEND DISCOUNT MODEL

- Valuation theory based on the premise that a stock's value is only worth the present value of all future dividends that will be collected from the stock.
- A stock that pays a $1 dividend every year forever at a 5% discount rate is worth $20*.
- The value of the first 5 years of the $1 dividend at a 5% discount rate is $4.33
  - The value of the first 15 years of the $1 dividend at a 5% discount rate is $10.38
  - The value of the first 50 years of the $1 dividend at a 5% discount rate is $18.26
- Dividend Kings have not only paid dividends every year for 50 years but have increased dividends every year for at least 50 years straight.

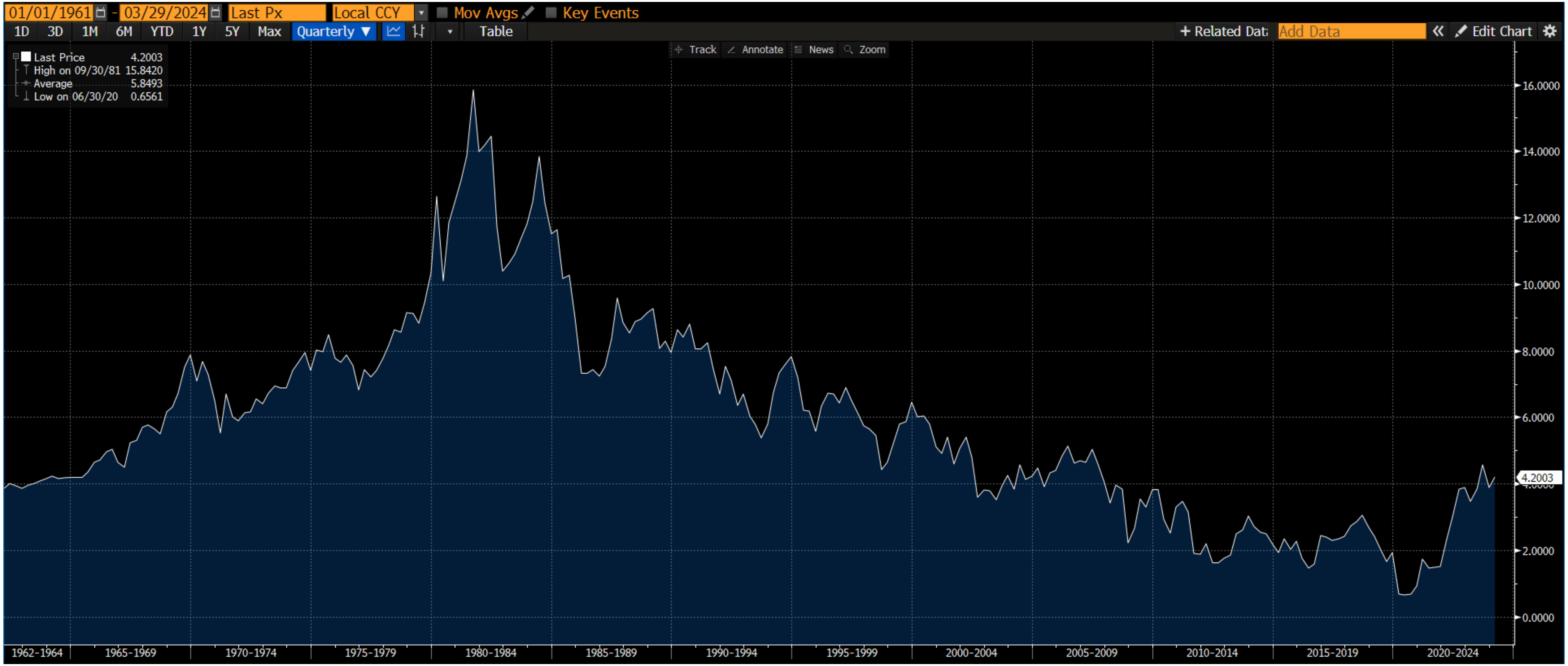
*See formula on slide 28.

DIVIDEND DISCOUNT MODEL

- As an example, after purchasing a stock for $20 from the previous slide, assume two things happen in one year.
  - 1). You collect the $1 dividend and…
  - 2). The risk-free interest rate decreases by 0.5%
- Now, a stock that pays a $1 dividend every year forever at a 4.5% discount rate is worth $22.22*.
- In this example, in one year from now you have collected $1 in dividends and own a stock worth $22.22 amounting to a one year return of 16%[3].
- Discount Rates have tended to decrease over time…

*See formula on slide 28.

10-YEAR US TREASURY YIELD SINCE 1961*



*Source: Bloomberg

DIVIDEND DISCOUNT MODEL

- $S = (D*(1+g))/(r-g)$ where:
  - S = share price
  - D = the current year's dividend
  - g = the expected growth rate for next year's dividend
  - r = cost of equity = $R_f + B*(R_M - R_f)$ where:
  - R_f = Risk-free rate of return[5]
  - B = beta
  - R_M = Market Rate of Return

A CASE STUDY: PEPSICO, INC.

- PepsiCo, Inc. has raised its dividend every year for over 50 consecutive years → $g > 0\%$
- S as at March 28th, 2024 = US$175.01
- D for trailing 12 months as of March 28th, 2024 = US$5.060
- R_f = US 10 Year Treasury = 4.200%
- $(R_M - R_f) = 5\%$
- B = 2 Year Weekly Beta with the MSCI ACWI Index® as at March 28th, 2024 = 0.437
- r = cost of equity = 4.200% + 0.437*5% = 6.385%
- Implied g = 3.396%
- Therefore, US$175.01 = (US$5.060*(1+ 3.396%))/(6.385%- 3.396%)

- Downside risk is with a dividend growth rate less than 3.396%
  - As long as the dividend does not increase year over year at a rate less than 3.396% per annum forever or decrease then there is an opportunity to achieve capital gains on the stock

GLOSSARY

- Beta: is a measure of the volatility, or systematic risk, of an individual stock in comparison to the unsystematic risk of the entire market. In statistical terms, beta represents the slope of the line through a regression of data points from an individual stock's returns against those of the market.
- Implied Growth Rate: within the dividend discount model, this is the increase in the dividend year over year such that it equates the current market price of the security with the value derived from the model using other observable market inputs.
- Risk-free Rate of Return: the rate of return attributed to a hypothetical investment with no risk of loss.

Disclosures

1. The portfolio is expected to generate income from dividends, interest and option writing income , which after deduction of expenses, will be distributed by the Fund to unitholders. The targeted monthly distribution amount is reset at the beginning of each calendar year. Assuming the expected level of income is received, the portfolio would not be required to appreciate. If the level of income is less than the amount necessary to meet the distribution, the Manager may either pay out a lower distribution or supplement the amount needed through net realized capital gains from the portfolio or may return a portion of the capital of the Fund to unitholders in which case the distribution would not have been fully funded as the net asset value would be reduced. Distributions are reinvested automatically in additional units of the Fund. No commissions are payable upon automatic reinvestment of distributions.

2. Future value (FV) - is the amount of present value (PV) invested over a certain period of time (n), which is assumed to compound annually at an after-tax interest rate (r). FV=100,000*(1+0.04)40=480,102, where PV is the present value equal to 100,000, r equal to 4% (or 0.04) represents the after-tax interest rate that is invested within a 40-year time frame; FV=100,000*(1+0.08)40=2,172,452; FV=100,000*(1+0.12)40=9,305,097. V=100,000*(1+0.04)10=480,102, where PV is the present value equal to 100,000, r equal to 4% (or 0.04) represents the after-tax interest rate that is invested within a 10-year time frame; FV=100,000*(1+0.04)10=148,024; FV=100,000*(1+0.08)10=215,892; FV=100,000*(1+0.12)10=310,585

3. The one year return is calculated as (22.22+1-20)/20 = 16%.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The 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 uncertainty 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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Certain statements may contain forward-looking statements which can be identified by the use of words such as "may", "should", "will", "anticipate", "believe", "plan", "predict", "estimate", "expect", "intend", "scheduled" or "continue" or similar expressions to the extent they relate to a security. The forward-looking statements are not historical facts. These forward-looking statements are subject to a number of significant risks, uncertainties assumptions, contingencies and other factors (many of which are outside the control of, and unknown to the Portfolio Manager and its directors, officers, employees, agents or associates), that could cause actual results or performance to be materially different from any future result so performed, expressed or implied by such forward-looking statements. The Portfolio Manager has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise.

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