



**PORTLAND**  
INVESTMENT COUNSEL™

PORTLAND MUTUAL FUNDS  
**ANNUAL FINANCIAL STATEMENTS**

SEPTEMBER 30, 2014

# PORTLAND MUTUAL FUNDS ANNUAL FINANCIAL STATEMENTS

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## Management's Responsibilities for Financial Reporting

The accompanying financial statements have been prepared and approved by Portland Investment Counsel Inc., the manager and trustee (the "Manager") of the Portland Advantage Fund, Portland Canadian Balanced Fund, Portland Canadian Focused Fund, Portland Global Banks Fund and Portland Global Income Fund (the "Funds"). The Manager is responsible for the information and representations contained in these financial statements. The Board of Directors of the Manager is responsible for reviewing and approving the financial statements.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada and include certain amounts that are based on estimates and judgments. The significant accounting policies which management believes are appropriate for the Funds are described in note 2 to the financial statements.

Pricewaterhousecoopers LLP is the external auditor of the Funds. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on the financial statements. Their report is attached.

*"Michael Lee-Chin"*

**Michael Lee-Chin,  
Director  
December 15, 2014**

*"Robert Almeida"*

**Robert Almeida,  
Director  
December 15, 2014**

## Independent Auditors Report

To the Unitholders of:

Portland Advantage Fund  
Portland Canadian Balanced Fund  
Portland Canadian Focused Fund  
Portland Global Banks Fund  
Portland Global Income Fund

*(collectively the Funds)*

We have audited the accompanying financial statements of each of the Funds, which comprise the statement of investment portfolio as at September 30, 2014, and the statements of net assets, operations, changes in net assets and cash flows as at and for the periods indicated in note 1, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements of each of the Funds in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial statements of each of the Funds based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in each of our audits is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements of each of the Funds present fairly, in all material respects, the financial position of each of the Funds, the results of each of their operations, the changes in each of their net assets and cash flows as at and for the periods indicated in note 1 in accordance with Canadian generally accepted accounting principles.

Chartered Professional Accountants, Licensed Public Accountants

*PricewaterhouseCoopers LLP*

December 15, 2014

## Statements of Net Assets

	As at Sept 30, 2014	As at Sept 30, 2013
<b>ASSETS</b>		
Investments, at fair value	\$ 4,028,790	\$ 832,813
Cash and cash equivalents	661,617	295,162
Subscriptions receivable	72,805	-
Accrued investment income	11,124	2,086
	<u>\$ 4,774,336</u>	<u>\$ 1,130,061</u>
<b>LIABILITIES</b>		
Payable for investments purchased	\$ 90,540	\$ -
Redemptions payable	-	25,000
	<u>90,540</u>	<u>25,000</u>
<b>NET ASSETS</b>	<b>\$ 4,683,796</b>	<b>\$ 1,105,061</b>
<b>NET ASSETS</b>		
Series A Units	\$ 2,656,478	\$ 947,272
Series F Units	2,020,516	151,537
Series G Units	6,802	6,252
	<u>\$ 4,683,796</u>	<u>\$ 1,105,061</u>
<b>NUMBER OF UNITS OUTSTANDING (note 6)</b>		
Series A Units	216,622	83,890
Series F Units	161,307	13,288
Series G Units	600	600
<b>NET ASSETS PER UNIT (note 9)</b>		
Series A Units	\$ 12.26	\$ 11.29
Series F Units	\$ 12.53	\$ 11.40
Series G Units	\$ 11.34	\$ 10.42

## Statements of Operations

for the periods ended September 30	2014	2013*
<b>INCOME</b>		
Interest	\$ 2,060	\$ 400
Dividends	71,284	12,284
	<u>73,344</u>	<u>12,684</u>
Foreign withholding taxes	(321)	(77)
Net investment income	<u>73,023</u>	<u>12,607</u>
<b>EXPENSES (note 7)</b>		
Management fees	\$ 46,752	\$ 11,193
Unitholder reporting costs	68,191	101,825
Audit fees	20,211	21,329
Custodial fees	10,513	6,156
Independent review committee fees	5,336	5,111
Legal fees	15,577	3,219
Income tax expense	218	-
Total expenses	<u>166,798</u>	<u>148,833</u>
Less: expenses absorbed by Manager	<u>(105,682)</u>	<u>(134,639)</u>
Net expenses	\$ 61,116	\$ 14,194
<b>NET INVESTMENT INCOME (LOSS) FOR THE PERIOD</b>	<b>\$ 11,907</b>	<b>\$ (1,587)</b>
<b>NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain (loss) on sales of investments and options	\$ 4,622	\$ (399)
Foreign exchange gain (loss) on currencies and other net assets	733	(454)
Transaction costs	(1,032)	(286)
Net change in unrealized appreciation (depreciation) in the value of investments and options	<u>62,814</u>	<u>57,753</u>
<b>NET GAIN (LOSS) ON INVESTMENTS INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>\$ 79,044</b>	<b>\$ 55,027</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
Series A Units	\$ 80,501	\$ 50,432
Series F Units	\$ (2,007)	\$ 4,343
Series G Units	\$ 550	\$ 252
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT</b>		
Series A Units	\$ 0.57	\$ 1.04
Series F Units	\$ (0.04)	\$ 1.15
Series G Units	\$ 0.92	\$ 0.42

\* From October 31, 2012 (commencement of operations) to September 30, 2013

Approved on behalf of the Trustee, Portland Investment Counsel Inc.

*"Michael Lee-Chin"*

Director

*"Robert Almeida"*

Director

The accompanying notes are an integral part of these financial statements.

## Statements of Changes in Net Assets

for the periods ended September 30	2014	2013*
NET ASSETS - BEGINNING OF PERIOD		
Series A Units	\$ 947,272	\$ -
Series F Units	151,537	-
Series G Units	6,252	-
	<u>1,105,061</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Series A Units	\$ 80,501	\$ 50,432
Series F Units	(2,007)	4,343
Series G Units	550	252
	<u>79,044</u>	<u>55,027</u>
CAPITAL UNIT TRANSACTIONS (note 6):		
Proceeds from units issued		
Series A Units	\$ 2,051,875	\$ 982,124
Series F Units	1,953,233	147,194
Series G Units	-	6,000
	<u>4,005,108</u>	<u>1,135,318</u>
Payments for units redeemed		
Series A Units	\$ (423,170)	\$ (85,284)
Series F Units	(82,247)	-
Series G Units	-	-
	<u>(505,417)</u>	<u>(85,284)</u>
Net capital unit transactions	<u>\$ 3,499,691</u>	<u>\$ 1,050,034</u>
INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD		
Series A Units	\$ 1,709,206	\$ 947,272
Series F Units	1,868,979	151,537
Series G Units	550	6,252
	<u>\$ 3,578,735</u>	<u>\$ 1,105,061</u>
NET ASSETS - END OF PERIOD		
Series A Units	\$ 2,656,478	\$ 947,272
Series F Units	2,020,516	151,537
Series G Units	6,802	6,252
	<u>\$ 4,683,796</u>	<u>\$ 1,105,061</u>

\* From October 31, 2012 (commencement of operations) to September 30, 2013

## Statements of Cash Flow

for the periods ended September 30	2014	2013*
Cash flows from operating activities:		
Increase (decrease) in net assets from operations	\$ 79,044	\$ 55,027
Net realized (gain) loss on sales of investments and options	(4,622)	399
Net change in unrealized (appreciation) depreciation in the value of investments and options	<u>(62,814)</u>	<u>(57,753)</u>
	<u>11,608</u>	<u>(2,327)</u>
Adjustments to reconcile net increase (decrease) in net assets from operations to net cash provided by (used in) operating activities:		
Purchase of investments	(3,068,314)	(792,244)
Proceeds from disposition of investments	30,313	16,785
(Increase) decrease in accrued investment income	<u>(9,038)</u>	<u>(2,086)</u>
Net cash provided by (used in) operating activities	<u>(3,035,431)</u>	<u>(779,872)</u>
Cash flows from financing activities:		
Proceeds from units issued	3,932,303	1,135,318
Payments for units redeemed	<u>(530,417)</u>	<u>(60,284)</u>
	<u>3,401,886</u>	<u>1,075,034</u>
Increase (decrease) in cash during the period	\$ 366,455	\$ 295,162
Cash and cash equivalents, beginning of period	\$ 295,162	\$ -
Cash and cash equivalents, end of period	<u>\$ 661,617</u>	<u>\$ 295,162</u>

\* From October 31, 2012 (commencement of operations) to September 30, 2013

The accompanying notes are an integral part of these financial statements.

## Statement of Investment Portfolio

as at September 30, 2014

No. of Shares or Par Value	Security Name	Average Cost	Fair Value	% of Net Assets
<b>EQUITIES</b>				
<b>Bermuda</b>				
4,340	Brookfield Infrastructure Partners Limited Partnership	\$ 175,545	\$ 184,951	
6,325	Brookfield Property Partners Limited Partnership	137,981	148,637	
5,248	Invesco Limited	178,986	232,418	
		<u>492,512</u>	<u>566,006</u>	<u>12.1%</u>
<b>Canada</b>				
4,653	Baytex Energy Corporation	211,633	196,822	
4,160	BCE Inc.	201,935	199,181	
4,632	Brookfield Asset Management Inc. 'A'	215,346	232,758	
10,100	Canadian Oil Sands Limited	236,773	208,666	
4,596	CI Financial Corporation	146,809	155,161	
5,539	Crescent Point Energy Corporation	249,455	223,332	
7,805	Dundee Corporation 'A'	138,939	132,451	
10,000	Element Financial Corporation	121,189	135,800	
5,707	IGM Financial Inc.	283,319	275,363	
9,036	Northland Power Inc.	154,935	155,871	
4,231	Pacific Rubiales Energy Corporation	80,519	79,120	
5,250	Suncor Energy Inc.	216,807	212,415	
2,654	The Bank of Nova Scotia	171,032	183,843	
3,090	The Toronto-Dominion Bank	149,074	170,784	
12,130	TransAlta Renewables Inc.	138,511	140,101	
		<u>2,716,276</u>	<u>2,701,668</u>	<u>57.7%</u>
<b>Colombia</b>				
465	Bancolombia SA ADR	29,247	29,586	
30,170	Grupo Aval Acciones y Valores SA	22,038	22,931	
1,025	Grupo de Inversiones Suramericana	21,923	22,803	
		<u>73,208</u>	<u>75,320</u>	<u>1.6%</u>
<b>Hong Kong</b>				
7,960	Cheung Kong Holdings Limited ADR	140,607	146,081	3.1%
<b>Panama</b>				
678	Copa Holdings SA 'A'	98,751	81,652	1.7%
<b>United States</b>				
577	Affiliated Managers Group Inc.	110,817	129,625	
705	Berkshire Hathaway Inc. 'B'	88,024	109,286	
2,937	Franklin Resources Inc.	161,130	179,918	
1,180	iShares India 50 ETF	28,211	39,234	
	<b>Total Equities</b>	<u>388,182</u>	<u>458,063</u>	<u>9.8%</u>
	Total investment portfolio	3,909,536	4,028,790	86.0%
	Transaction costs	(1,313)	-	-
		<u>\$ 3,908,223</u>	<u>4,028,790</u>	<u>86.0%</u>
	Other assets less liabilities		655,006	14.0%
	<b>TOTAL NET ASSETS</b>		<u>\$ 4,683,796</u>	<u>100.0%</u>

The accompanying notes are an integral part of these financial statements.

## CREDIT RISK

The Fund had no investments in debt securities or derivatives as at September 30, 2014 and September 30, 2013 therefore the Fund was not subject to significant credit risk.

## INTEREST RATE RISK

The Fund had no investments in debt securities as at September 30, 2014 and September 30, 2013 therefore the Fund was not subject to significant interest rate risk.

## CONCENTRATION RISK

The following table present the Fund's exposure as a percentage of its net assets by industry sector as at September 30, 2014 and September 30, 2013.

Sector	September 30, 2014	September 30, 2013
Asset Management and Custody Banks	23.6%	30.1%
Cash and Other Assets	14.2%	24.6%
Oil and Gas Exploration and Production	11.0%	3.2%
Integrated Oil and Gas	8.7%	3.0%
Diversified Banks	8.6%	13.1%
Real Estate Development	7.0%	8.8%
Diversified Real Estate Activity	5.0%	5.3%
Telecom Carriers	4.2%	-
Regulated Power Generation	3.3%	-
Real Estate Operating Companies	3.2%	-
Renewable Energy	3.0%	-
Consumer Finance	2.9%	3.5%
Property and Casual Insurance	2.3%	2.8%
Air Freight Transportation	1.7%	-
Exchange Traded Fund	0.8%	2.4%
Multi-Sector Holdings	0.5%	1.0%
Airlines	-	2.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

## CURRENCY RISK

The tables below show foreign currencies to which the Fund had direct exposure. The amounts are based on the fair value of the Fund's holdings and the underlying principal amounts of any forward contracts.

As at September 30, 2014

	Investments (\$)	Cash (\$)	Foreign exchange forward contracts (\$)	Total (\$)	Percentage of Net Assets (%)
United States Dollar	1,132,751	5,401	-	1,138,152	24.3
Columbian Peso	45,733	-	-	45,733	1.0
<b>Total</b>	<b>1,178,484</b>	<b>5,401</b>	<b>-</b>	<b>1,183,885</b>	<b>25.3</b>

As at September 30, 2013

	Investments (\$)	Cash (\$)	Foreign exchange forward contracts (\$)	Total (\$)	Percentage of Net Assets (%)
United States Dollar	373,698	750	-	374,448	33.9
Columbian Peso	23,882	-	-	23,882	2.2
<b>Total</b>	<b>397,580</b>	<b>750</b>	<b>-</b>	<b>398,330</b>	<b>36.1</b>

The accompanying notes are an integral part of these financial statements.

As at September 30, 2014, if the Canadian dollar strengthened or weakened by 5% in relation to all other currencies, with all other variables held constant, the net assets would be increased or decreased respectively, by approximately \$59,194 (\$19,917 - September 30, 2013). Actual results may differ from this sensitivity analysis and the difference could be material.

## OTHER MARKET RISK

Using a 23 month historical correlation between the Fund's return as compared to its benchmark, the S&P/TSX Composite Total Return Index, the best estimate of the effect on net assets due to a 5% increase or decrease change in the benchmark, with all other variables held constant, is \$154,659 as at September 30, 2014 (\$35,108 using an 11 month historical correlation as at September 30, 2013). Regression analysis was used to estimate the historical correlation. Historical correlation may not be representative of future correlation, and accordingly the impact on net assets could be materially different.

## LIQUIDITY RISK

The Fund manages its liquidity risk by investing substantially all of its assets in securities for which there is an active market.

The Fund may write covered call options and cash secured put options in accordance with its investment objectives and strategies. The Fund had no investments in options as at September 30, 2014 and September 30, 2013.

All liabilities of the Fund mature in one month or less.

## FAIR VALUE HIERARCHY

The tables below show by level the Fund's financial instruments carried at fair value (note 3) as at September 30, 2014 and September 30, 2013.

Assets at fair value as at September 30, 2014 (\$)				
	Level 1	Level 2	Level 3	Total
Equities - Long	4,028,790	-	-	4,028,790
Bonds - Long	-	-	-	-
Short-Term Notes	-	-	-	-
Options - Long	-	-	-	-
Mutual Fund - Long	-	-	-	-
Forward contracts	-	-	-	-
<b>Total</b>	<b>4,028,790</b>	<b>-</b>	<b>-</b>	<b>4,028,790</b>

Liabilities at fair value as at September 30, 2014 (\$)				
	Level 1	Level 2	Level 3	Total
Equities - Short	-	-	-	-
Bonds - Short	-	-	-	-
Options - Short	-	-	-	-
Forward contracts	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Assets at fair value as at September 30, 2013 (\$)				
	Level 1	Level 2	Level 3	Total
Equities - Long	832,813	-	-	832,813
Bonds - Long	-	-	-	-
Short-Term Notes	-	-	-	-
Options - Long	-	-	-	-
Mutual Fund - Long	-	-	-	-
Forward contracts	-	-	-	-
<b>Total</b>	<b>832,813</b>	<b>-</b>	<b>-</b>	<b>832,813</b>



Liabilities at fair value as at September 30, 2013 (\$)				
	Level 1	Level 2	Level 3	Total
Equities - Short	-	-	-	-
Bonds - Short	-	-	-	-
Options - Short	-	-	-	-
Forward contracts	-	-	-	-
<b>Total</b>	-	-	-	-

There were no significant transfers between levels during the periods ending September 30, 2014 and September 30, 2013.

## Statements of Net Assets

	As at Sept 30, 2014	As at Sept 30, 2013
<b>ASSETS</b>		
Investments, at fair value	\$ 1,876,480	\$ 353,628
Cash and cash equivalents	1,930,400	613,731
Subscriptions receivable	350	70,750
Accrued investment income	3,475	875
	<u>\$ 3,810,705</u>	<u>\$ 1,038,984</u>
<b>LIABILITIES</b>		
Payable for investments purchased	\$ 10,245	\$ -
<b>NET ASSETS</b>	<u>\$ 3,800,460</u>	<u>\$ 1,038,984</u>
<b>NET ASSETS</b>		
Series A Units	\$ 2,418,646	\$ 985,242
Series F Units	1,274,950	47,094
Series G Units	106,864	6,648
	<u>\$ 3,800,460</u>	<u>\$ 1,038,984</u>
<b>NUMBER OF UNITS OUTSTANDING (note 6)</b>		
Series A Units	191,592	83,867
Series F Units	99,161	3,969
Series G Units	9,285	622
<b>NET ASSETS PER UNIT (note 9)</b>		
Series A Units	\$ 12.62	\$ 11.75
Series F Units	\$ 12.86	\$ 11.87
Series G Units	\$ 11.51	\$ 10.68

## Statements of Operations

for the periods ended September 30	2014	2013*
<b>INCOME</b>		
Interest	\$ 14,040	\$ 959
Dividends	42,805	7,691
	<u>56,845</u>	<u>8,650</u>
Foreign withholding taxes	(1,210)	(128)
Net investment income	<u>55,635</u>	<u>8,522</u>
<b>EXPENSES (note 7)</b>		
Management fees	\$ 45,155	\$ 6,648
Unitholder reporting costs	70,037	84,536
Audit fees	20,211	21,329
Custodial fees	1,540	6,032
Independent review committee fees	5,336	5,111
Legal fees	16,001	3,103
Total expenses	158,280	126,759
Less: expenses absorbed by Manager	(100,190)	(118,325)
Net expenses	<u>\$ 58,090</u>	<u>\$ 8,434</u>
<b>NET INVESTMENT INCOME (LOSS) FOR THE PERIOD</b>	<u>\$ (2,455)</u>	<u>\$ 88</u>
<b>NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain (loss) on sales of investments and options	\$ 20,929	\$ 19,367
Foreign exchange gain (loss) on currencies and other net assets	(2,092)	181
Transaction costs	(426)	(326)
Net change in unrealized appreciation (depreciation) in the value of investments and options	112,060	15,974
<b>NET GAIN (LOSS) ON INVESTMENTS INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>\$ 128,016</u>	<u>\$ 35,284</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
Series A Units	\$ 103,863	\$ 29,269
Series F Units	\$ 23,937	\$ 5,653
Series G Units	\$ 216	\$ 362
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT</b>		
Series A Units	\$ 0.74	\$ 1.07
Series F Units	\$ 0.57	\$ 1.75
Series G Units	\$ 0.26	\$ 0.69

\* From October 31, 2012 (commencement of operations) to September 30, 2013

Approved on behalf of the Trustee, Portland Investment Counsel Inc.

*"Michael Lee-Chin"*

Director

*"Robert Almeida"*

Director

The accompanying notes are an integral part of these financial statements.

## Statements of Changes in Net Assets

for the periods ended September 30	2014	2013*
NET ASSETS - BEGINNING OF PERIOD		
Series A Units	\$ 985,242	\$ -
Series F Units	47,094	-
Series G Units	6,648	-
	<u>1,038,984</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Series A Units	\$ 103,863	\$ 29,269
Series F Units	23,937	5,653
Series G Units	216	362
	<u>128,016</u>	<u>35,284</u>
DISTRIBUTIONS TO UNITHOLDERS FROM:		
Net investment income		
Series A Units	\$ (1,164)	\$ -
Series F Units	(339)	-
Series G Units	-	-
Total Distributions to Unitholders	<u>(1,503)</u>	<u>-</u>
CAPITAL UNIT TRANSACTIONS (note 6):		
Proceeds from units issued		
Series A Units	\$ 1,537,066	\$ 983,108
Series F Units	1,234,485	41,441
Series G Units	100,000	6,286
	<u>2,871,551</u>	<u>1,030,835</u>
Reinvested distributions		
Series A Units	\$ 1,164	\$ -
Series F Units	339	-
Series G Units	-	-
	<u>1,503</u>	<u>-</u>
Payments for units redeemed		
Series A Units	\$ (207,525)	\$ (27,135)
Series F Units	(30,566)	-
Series G Units	-	-
	<u>(238,091)</u>	<u>(27,135)</u>
Net capital unit transactions	<u>\$ 2,634,963</u>	<u>\$ 1,003,700</u>
INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD		
Series A Units	\$ 1,433,404	\$ 985,242
Series F Units	1,227,856	47,094
Series G Units	100,216	6,648
	<u>\$ 2,761,476</u>	<u>\$ 1,038,984</u>
NET ASSETS - END OF PERIOD		
Series A Units	\$ 2,418,646	\$ 985,242
Series F Units	1,274,950	47,094
Series G Units	106,864	6,648
	<u>\$ 3,800,460</u>	<u>\$ 1,038,984</u>

\* From October 31, 2012 (commencement of operations) to September 30, 2013

## Statements of Cash Flow

for the periods ended September 30	2014	2013*
Cash flows from operating activities:		
Increase (decrease) in net assets from operations	\$ 128,016	\$ 35,284
Net realized (gain) loss on sales of investments and options	(20,929)	(19,367)
Net change in unrealized (appreciation) depreciation in the value of investments and options	<u>(112,060)</u>	<u>(15,974)</u>
	<u>(4,973)</u>	<u>(57)</u>
Adjustments to reconcile net increase (decrease) in net assets from operations to net cash provided by (used in) operating activities:		
Purchase of investments	(1,519,141)	(584,501)
Proceeds from disposition of investments	139,523	266,214
(Increase) decrease in accrued investment income	<u>(2,600)</u>	<u>(875)</u>
Net cash provided by (used in) operating activities	<u>(1,387,191)</u>	<u>(319,219)</u>
Cash flows from financing activities:		
Proceeds from units issued	2,941,951	960,085
Payments for units redeemed	<u>(238,091)</u>	<u>(27,135)</u>
	<u>2,703,860</u>	<u>932,950</u>
Increase (decrease) in cash during the period	\$ 1,316,669	\$ 613,731
Cash and cash equivalents, beginning of period	\$ 613,731	\$ -
Cash and cash equivalents, end of period	<u>\$ 1,930,400</u>	<u>\$ 613,731</u>

\* From October 31, 2012 (commencement of operations) to September 30, 2013

The accompanying notes are an integral part of these financial statements.

## Statement of Investment Portfolio

as at September 30, 2014

No. of Shares or Par Value	Security Name	Average Cost	Fair Value	% of Net Assets
<b>BONDS</b>				
<b>Canada</b>				
200,000	Fortis Inc. 4.000% Convertible Bonds January 9, 2024	\$ 61,000	\$ 91,720	2.4%
	<b>Total Bonds</b>	<u>61,000</u>	<u>91,720</u>	<u>2.4%</u>
<b>EQUITIES</b>				
<b>Canada</b>				
740	Bank of Montreal	45,895	60,880	
8,000	iShares 1-5 Year Laddered Corporate Bond Index ETF	157,951	156,160	
1,000	iShares Canadian Corporate Bond Index ETF	21,239	21,200	
200	iShares Canadian Universe Bond Index ETF	6,087	6,170	
8,000	iShares Core Canadian Short Term Corporate Maple Bond Index ETF	158,873	158,080	
1,000	iShares Core High Quality Canadian Bond Index ETF	20,389	20,480	
3,400	National Bank of Canada	136,335	173,230	
4,200	RioCan Real Estate Investment Trust	100,866	107,604	
2,400	The Bank of Nova Scotia	151,228	166,248	
		<u>798,863</u>	<u>870,052</u>	<u>18.5%</u>
<b>Great Britain</b>				
2,700	Ensco PLC 'A'	164,334	125,087	3.3%
<b>United States</b>				
3,900	Aflac Inc.	254,231	254,835	
4,200	Franklin Resources Inc.	238,306	257,288	
700	International Business Machines Corporation	134,564	149,107	
1,900	JPMorgan Chase & Company	97,734	128,391	
	<b>Total Equities</b>	<u>724,835</u>	<u>789,621</u>	<u>20.8%</u>
		<u>1,688,032</u>	<u>1,784,760</u>	<u>42.7%</u>
	Total investment portfolio	1,749,032	1,876,480	49.4%
	Transaction costs	(586)	-	-
		<u>\$ 1,748,446</u>	<u>1,876,480</u>	<u>49.4%</u>
	Other assets less liabilities		1,923,980	50.6%
	<b>TOTAL NET ASSETS</b>		<u>\$ 3,800,460</u>	<u>100.0%</u>

The accompanying notes are an integral part of these financial statements.

## CREDIT RISK

The Fund had no significant direct investments in debt securities or derivatives as at September 30, 2014 and September 30, 2013 therefore the Fund was not subject to significant credit risk.

The Fund is exposed to indirect credit risk as it holds units of exchange traded funds that invest in debt securities.

## INTEREST RATE RISK

The Fund had no significant direct investments in debt securities as at September 30, 2014 and September 30, 2013 therefore the Fund was not subject to significant interest rate risk.

The Fund is exposed to indirect interest rate risk as it holds units of other exchange traded funds that invest in debt securities.

## CONCENTRATION RISK

The following table present the Fund's exposure as a percentage of its net assets by industry sector as at September 30, 2014 and September 30, 2013.

Sector	September 30, 2014	September 30, 2013
Cash and Other Assets	50.5%	66.0%
Financials	30.3%	16.0%
Exchange Traded Fund	9.6%	9.8%
Information Technology	3.9%	4.9%
Energy	3.3%	1.4%
Corporate Bonds	2.4%	-
Consumer Discretionary	-	1.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

## CURRENCY RISK

The tables below show foreign currencies to which the Fund had direct exposure. The amounts are based on the fair value of the Fund's holdings and the underlying principal amounts of any forward contracts.

As at September 30, 2014

	Investments (\$)	Cash (\$)	Foreign exchange forward contracts (\$)	Total (\$)	Percentage of Net Assets (%)
United States Dollar	914,708	-	-	914,708	24.1
<b>Total</b>	<b>914,708</b>	<b>-</b>	<b>-</b>	<b>914,708</b>	<b>24.1</b>

As at September 30, 2013

	Investments (\$)	Cash (\$)	Foreign exchange forward contracts (\$)	Total (\$)	Percentage of Net Assets (%)
United States Dollar	81,747	-	-	81,747	7.8
<b>Total</b>	<b>81,747</b>	<b>-</b>	<b>-</b>	<b>81,747</b>	<b>7.8</b>

As at September 30, 2014, if the Canadian dollar strengthened or weakened by 5% in relation to all other currencies, with all other variables held constant, the net assets would be increased or decreased respectively, by approximately \$45,735 (\$4,087 - September 30, 2013). Actual results may differ from this sensitivity analysis and the difference could be material. The Fund is exposed to indirect currency risk as it holds units of exchange-traded funds that invest in foreign currencies.

The accompanying notes are an integral part of these financial statements.

## OTHER MARKET RISK

Using a 23 month historical correlation between the Fund's return as compared to its benchmark, the S&P/TSX Composite Total Return Index, the best estimate of the effect on net assets due to a 5% increase or decrease change in the benchmark, with all other variables held constant, is \$59,740 (\$22,854 using an 11 month historical correlation as at September 30, 2013). Regression analysis was used to estimate the historical correlation. Historical correlation may not be representative of future correlation, and accordingly the impact on net assets could be materially different.

## LIQUIDITY RISK

The Fund manages its liquidity risk by investing substantially all of its assets in securities for which there is an active market.

The Fund may write covered call options and cash secured put options in accordance with its investment objectives and strategies. The Fund had no investments in options as at September 30, 2014 and September 30, 2013.

All liabilities of the Fund mature within one month or less.

## FAIR VALUE HIERARCHY

The tables below show by level the Fund's financial instruments carried at fair value (note 3) as at September 30, 2014 and September 30, 2013..

	Assets at fair value as at September 30, 2014 (\$)			
	Level 1	Level 2	Level 3	Total
Equities - Long	1,784,760	-	-	1,784,760
Bonds - Long	-	91,720	-	91,720
Short-Term Notes	-	-	-	-
Options - Long	-	-	-	-
Mutual Fund - Long	-	-	-	-
Forward contracts	-	-	-	-
<b>Total</b>	<b>1,784,760</b>	<b>91,720</b>	<b>-</b>	<b>1,876,480</b>

	Liabilities at fair value as at September 30, 2014 (\$)			
	Level 1	Level 2	Level 3	Total
Equities - Short	-	-	-	-
Bonds - Short	-	-	-	-
Options - Short	-	-	-	-
Forward contracts	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Assets at fair value as at September 30, 2013 (\$)			
	Level 1	Level 2	Level 3	Total
Equities - Long	353,628	-	-	353,628
Bonds - Long	-	-	-	-
Short-Term Notes	-	-	-	-
Options - Long	-	-	-	-
Mutual Fund - Long	-	-	-	-
Forward contracts	-	-	-	-
<b>Total</b>	<b>353,628</b>	<b>-</b>	<b>-</b>	<b>353,628</b>

	Liabilities at fair value as at September 30, 2013 (\$)			
	Level 1	Level 2	Level 3	Total
Equities - Short	-	-	-	-
Bonds - Short	-	-	-	-
Options - Short	-	-	-	-
Forward contracts	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

There were no significant transfers between levels during the periods ending September 30, 2014 and September 30, 2013.

## Statements of Net Assets

	As at Sept 30, 2014	As at Sept 30, 2013
<b>ASSETS</b>		
Investments, at fair value	\$ 3,455,152	\$ 466,684
Cash and cash equivalents	2,223,802	2,951,768
Subscriptions receivable	35,625	20,750
Accrued investment income	8,395	1,563
	<u>\$ 5,722,974</u>	<u>\$ 3,440,765</u>
<b>LIABILITIES</b>		
	\$ -	\$ -
<b>NET ASSETS</b>	<u>\$ 5,722,974</u>	<u>\$ 3,440,765</u>
<b>NET ASSETS</b>		
Series A Units	\$ 2,625,767	\$ 2,426,302
Series F Units	2,978,610	996,918
Series G Units	118,597	17,545
	<u>\$ 5,722,974</u>	<u>\$ 3,440,765</u>
<b>NUMBER OF UNITS OUTSTANDING (note 6)</b>		
Series A Units	212,070	212,435
Series F Units	235,462	86,405
Series G Units	9,984	1,605
<b>NET ASSETS PER UNIT (note 9)</b>		
Series A Units	\$ 12.38	\$ 11.42
Series F Units	\$ 12.65	\$ 11.54
Series G Units	\$ 11.88	\$ 10.93

## Statements of Operations

for the periods ended September 30	2014	2013*
<b>INCOME</b>		
Interest	\$ 25,785	\$ 2,759
Dividends	91,375	6,000
	117,160	8,759
Foreign withholding taxes	(3,106)	(168)
Net investment income	<u>114,054</u>	<u>8,591</u>
<b>EXPENSES (note 7)</b>		
Management fees	\$ 75,282	\$ 12,806
Unitholder reporting costs	86,772	114,764
Audit fees	20,211	21,329
Custodial fees	1,595	6,018
Independent review committee fees	5,336	5,111
Legal fees	9,617	10,541
Income tax expense	565	-
Total expenses	199,378	170,569
Less: expenses absorbed by Manager	(99,953)	(154,226)
Net expenses	<u>\$ 99,425</u>	<u>\$ 16,343</u>
<b>NET INVESTMENT INCOME (LOSS) FOR THE PERIOD</b>	<u>\$ 14,629</u>	<u>\$ (7,752)</u>
<b>NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain (loss) on sales of investments and options	\$ 42,224	\$ 16,865
Foreign exchange gain (loss) on currencies and other net assets	(4,519)	417
Transaction costs	(799)	(402)
Net change in unrealized appreciation (depreciation) in the value of investments and options	279,303	12,687
<b>NET GAIN (LOSS) ON INVESTMENTS INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>\$ 330,838</u>	<u>\$ 21,815</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
Series A Units	\$ 195,533	\$ 16,550
Series F Units	\$ 134,253	\$ 3,951
Series G Units	\$ 1,052	\$ 1,314
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT</b>		
Series A Units	\$ 0.95	\$ 0.33
Series F Units	\$ 0.98	\$ 0.39
Series G Units	\$ 0.58	\$ 0.91

\* From October 31, 2012 (commencement of operations) to September 30, 2013

Approved on behalf of the Trustee, Portland Investment Counsel Inc.

*"Michael Lee-Chin"*

Director

*"Robert Almeida"*

Director

The accompanying notes are an integral part of these financial statements.

## Statements of Changes in Net Assets

for the periods ended September 30	2014	2013*
NET ASSETS - BEGINNING OF PERIOD		
Series A Units	\$ 2,426,302	\$ -
Series F Units	996,918	-
Series G Units	17,545	-
	<u>3,440,765</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Series A Units	\$ 195,533	\$ 16,550
Series F Units	134,253	3,951
Series G Units	1,052	1,314
	<u>330,838</u>	<u>21,815</u>
CAPITAL UNIT TRANSACTIONS (note 6):		
Proceeds from units issued		
Series A Units	\$ 632,332	\$ 2,434,820
Series F Units	2,040,205	992,967
Series G Units	100,000	16,231
	<u>2,772,537</u>	<u>3,444,018</u>
Payments for units redeemed		
Series A Units	\$ (628,400)	\$ (25,068)
Series F Units	(192,766)	-
Series G Units	-	-
	<u>(821,166)</u>	<u>(25,068)</u>
Net capital unit transactions	\$ 1,951,371	\$ 3,418,950
INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD		
Series A Units	\$ 199,465	\$ 2,426,302
Series F Units	1,981,692	996,918
Series G Units	101,052	17,545
	<u>\$ 2,282,209</u>	<u>\$ 3,440,765</u>
NET ASSETS - END OF PERIOD		
Series A Units	\$ 2,625,767	\$ 2,426,302
Series F Units	2,978,610	996,918
Series G Units	118,597	17,545
	<u>\$ 5,722,974</u>	<u>\$ 3,440,765</u>

\* From October 31, 2012 (commencement of operations) to September 30, 2013

## Statements of Cash Flow

for the periods ended September 30	2014	2013*
Cash flows from operating activities:		
Increase (decrease) in net assets from operations	\$ 330,838	\$ 21,815
Net realized (gain) loss on sales of investments and options	(42,224)	(16,865)
Net change in unrealized (appreciation) depreciation in the value of investments and options	(279,303)	(12,687)
	<u>9,311</u>	<u>(7,737)</u>
Adjustments to reconcile net increase (decrease) in net assets from operations to net cash provided by (used in) operating activities:		
Purchase of investments	(3,067,014)	(601,792)
Proceeds from disposition of investments	400,073	164,660
(Increase) decrease in accrued investment income	(6,832)	(1,563)
Net cash provided by (used in) operating activities	<u>(2,664,462)</u>	<u>(446,432)</u>
Cash flows from financing activities:		
Proceeds from units issued	2,757,662	3,423,268
Payments for units redeemed	(821,166)	(25,068)
	<u>1,936,496</u>	<u>3,398,200</u>
Increase (decrease) in cash during the period	\$ (727,966)	\$ 2,951,768
Cash and cash equivalents, beginning of period	\$ 2,951,768	\$ -
Cash and cash equivalents, end of period	<u>\$ 2,223,802</u>	<u>\$ 2,951,768</u>

\* From October 31, 2012 (commencement of operations) to September 30, 2013

The accompanying notes are an integral part of these financial statements.

## Statement of Investment Portfolio

as at September 30, 2014

No. of Shares or Par Value	Security Name	Average Cost	Fair Value	% of Net Assets
<b>BONDS</b>				
<b>Canada</b>				
500,000	Fortis Inc. 4.000% Convertible Bonds January 9, 2024	\$ 152,500	\$ 229,300	4.0%
	<b>Total Bonds</b>	<u>152,500</u>	<u>229,300</u>	<u>4.0%</u>
<b>EQUITIES</b>				
<b>Canada</b>				
410	Bank of Montreal	25,428	33,731	
8,470	National Bank of Canada	348,181	431,546	
14,100	RioCan Real Estate Investment Trust	338,593	361,242	
5,800	The Bank of Nova Scotia	367,661	401,766	
		<u>1,079,863</u>	<u>1,228,285</u>	<u>21.5%</u>
<b>Great Britain</b>				
6,400	Enesco PLC 'A'	398,314	296,502	5.2%
<b>United States</b>				
6,900	Aflac Inc.	449,794	450,862	
7,200	Franklin Resources Inc.	408,524	441,065	
1,800	International Business Machines Corporation	346,037	383,418	
6,300	JPMorgan Chase & Company	329,400	425,720	
		<u>1,533,755</u>	<u>1,701,065</u>	<u>29.7%</u>
	<b>Total Equities</b>	<u>3,011,932</u>	<u>3,225,852</u>	<u>56.4%</u>
	Total investment portfolio	3,164,432	3,455,152	60.4%
	Transaction costs	(1,270)	-	-
		<u>\$ 3,163,162</u>	<u>3,455,152</u>	<u>60.4%</u>
	Other assets less liabilities		2,267,822	39.6%
	<b>TOTAL NET ASSETS</b>		<u>\$ 5,722,974</u>	<u>100.0%</u>

The accompanying notes are an integral part of these financial statements.



## CREDIT RISK

The Fund had no significant investments in debt securities or derivatives as at September 30, 2014 and September 30, 2013 therefore the Fund was not subject to significant credit risk.

## INTEREST RATE RISK

The Fund had no significant investments in debt securities or derivatives as at September 30, 2014 and September 30, 2013 therefore the Fund was not subject to significant interest rate risk.

## CONCENTRATION RISK

The following table present the Fund's exposure as a percentage of its net assets by industry sector as at September 30, 2014 and September 30, 2013.

Sector	September 30, 2014	September 30, 2013
Financials	44.4%	7.5%
Cash and Other Assets	39.7%	86.4%
Information Technology	6.7%	5.0%
Energy	5.2%	0.5%
Corporate Bonds	4.0%	-
Consumer Discretionary	-	0.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

## CURRENCY RISK

The tables below show foreign currencies to which the Fund had direct exposure. The amounts are based on the fair value of the Fund's holdings and the underlying principal amounts of any forward contracts.

As at September 30, 2014

	Investments (\$)	Cash (\$)	Foreign exchange forward contracts (\$)	Total (\$)	Percentage of Net Assets (%)
United States Dollar	1,997,567	-	-	1,997,567	34.9
<b>Total</b>	<b>1,997,567</b>	<b>-</b>	<b>-</b>	<b>1,997,567</b>	<b>34.9</b>

As at September 30, 2013

	Investments (\$)	Cash (\$)	Foreign exchange forward contracts (\$)	Total (\$)	Percentage of Net Assets (%)
United States Dollar	218,296	-	-	218,296	6.4
<b>Total</b>	<b>218,296</b>	<b>-</b>	<b>-</b>	<b>218,296</b>	<b>6.4</b>

As at September 30, 2014, if the Canadian dollar strengthened or weakened by 5% in relation to all other currencies, with all other variables held constant, the net assets would be increased or decreased respectively, by approximately \$99,878 (\$10,915 - September 30, 2013). Actual results may differ from this sensitivity analysis and the difference could be material.

## OTHER MARKET RISK

Using a 23 month historical correlation between the Fund's return as compared to its benchmark, the S&P/TSX Composite Total Return Index, the best estimate of the effect on net assets due to a 5% increase or decrease change in the benchmark, with all other variables held

constant, is \$103,236 (\$22,839 using an 11 month historical correlation as at September 30, 2013). Regression analysis was used to estimate the historical correlation. Historical correlation may not be representative of future correlation, and accordingly the impact on net assets could be materially different.

## LIQUIDITY RISK

The Fund manages its liquidity risk by investing substantially all of its assets in securities for which there is an active market.

The Fund may write covered call options and cash secured put options in accordance with its investment objectives and strategies. The Fund had no investments in options as at September 30, 2014 and September 30, 2013.

The Fund has no liabilities as at September 30, 2014 and September 30, 2013.

## FAIR VALUE HIERARCHY

The tables below show by level the Fund's financial instruments carried at fair value (note 3) as at September 30, 2014 and September 30, 2013.

	Assets at fair value as at September 30, 2014 (\$)			
	Level 1	Level 2	Level 3	Total
Equities - Long	3,225,852	-	-	3,225,852
Bonds - Long	-	229,300	-	229,300
Short-Term Notes	-	-	-	-
Options - Long	-	-	-	-
Mutual Fund - Long	-	-	-	-
Forward contracts	-	-	-	-
<b>Total</b>	<b>3,225,852</b>	<b>229,300</b>	<b>-</b>	<b>3,455,152</b>

	Liabilities at fair value as at September 30, 2014 (\$)			
	Level 1	Level 2	Level 3	Total
Equities - Short	-	-	-	-
Bonds - Short	-	-	-	-
Options - Short	-	-	-	-
Forward contracts	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Assets at fair value as at September 30, 2013 (\$)			
	Level 1	Level 2	Level 3	Total
Equities - Long	466,684	-	-	466,684
Bonds - Long	-	-	-	-
Short-Term Notes	-	-	-	-
Options - Long	-	-	-	-
Mutual Fund - Long	-	-	-	-
Forward contracts	-	-	-	-
<b>Total</b>	<b>466,684</b>	<b>-</b>	<b>-</b>	<b>466,684</b>

	Liabilities at fair value as at September 30, 2013 (\$)			
	Level 1	Level 2	Level 3	Total
Equities - Short	-	-	-	-
Bonds - Short	-	-	-	-
Options - Short	-	-	-	-
Forward contracts	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

There were no significant transfers between levels during the periods ending September 30, 2014 and September 30, 2013.

## Statements of Net Assets

	As at Sept 30, 2014	As at Sept 30, 2013
<b>ASSETS</b>		
Investments, at fair value*	\$ 10,991,615	\$ 25,826,105
Unrealized appreciation of forward currency contracts	-	155,669
Cash and cash equivalents	430	98,308
Cash - restricted	39,213	108,999
Subscriptions receivable	8,400	-
Receivable for investments sold	91,277	-
Accrued investment income	11,910	81,437
	<u>\$ 11,142,845</u>	<u>\$ 26,270,518</u>
<b>LIABILITIES</b>		
Written options, at fair value	\$ 12,786	\$ 44,293
Unrealized depreciation of forward currency contracts	44,253	333,533
Redemptions payable	56,406	-
Distributions payable to Unitholders	1,068	-
	<u>114,513</u>	<u>377,826</u>
<b>NET ASSETS</b>	<u>\$ 11,028,332</u>	<u>\$ 25,892,692</u>
Unitholders Equity (note 6)	\$ -	\$ 123,321,132
Contributed Surplus	-	86,062,936
Retained Earnings (Deficit)	-	(183,491,376)
<b>NET ASSETS REPRESENTING UNITHOLDERS' EQUITY</b>	<u>\$ 11,028,332</u>	<u>\$ 25,892,692</u>
<b>NET ASSETS</b>		
Trust Units	\$ -	\$ 25,892,692
Series A Units	3,208	-
Series A2 Units (note 1b)	10,940,883	-
Series F Units	84,241	-
	<u>\$ 11,028,332</u>	<u>\$ 25,892,692</u>
<b>NUMBER OF UNITS OUTSTANDING (note 6)</b>		
Trust Units	-	12,195,709
Series A Units	306	-
Series A2 Units (note 1b)	1,043,186	-
Series F Units	7,981	-
<b>NET ASSETS PER UNIT (note 9)</b>		
Trust Units	\$ -	\$ 2.12
Series A Units	\$ 10.48	\$ -
Series A2 Units (note 1b)	\$ 10.49	\$ -
Series F Units	\$ 10.55	\$ -

\* Includes \$1,062,414 (September 30, 2013: \$6,404,007) of securities that are pledged as collateral for options.

Approved on behalf of the Trustee, Portland Investment Counsel Inc.

"Michael Lee-Chin"

Director

"Robert Almeida"

Director

## Statements of Operations

for the periods ended September 30	2014	2013**
<b>INCOME</b>		
Interest	\$ 11,343	\$ 538
Dividends	312,991	636,938
	<u>324,334</u>	<u>637,476</u>
Foreign withholding taxes	(30,936)	(64,816)
Net investment income	<u>293,398</u>	<u>572,660</u>
<b>EXPENSES (note 7)</b>		
Management fees	\$ 283,860	\$ 339,255
Unitholder reporting costs	161,639	117,630
Interest expense	3,398	6,532
Audit fees	18,847	25,378
Custodial fees	8,866	5,072
Independent review committee fees	5,207	2,779
Legal fees	13,723	3,321
Service fees	31,529	122,919
Total expenses	527,069	622,886
Less: expenses absorbed by Manager	(83,086)	-
Net expenses	<u>\$ 443,983</u>	<u>\$ 622,886</u>
<b>NET INVESTMENT INCOME (LOSS) FOR THE PERIOD</b>	<u>\$ (150,585)</u>	<u>\$ (50,226)</u>
<b>NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain (loss) on sales of investments and options	\$ (15,208,676)	\$ (2,131,020)
Net realized gain (loss) on forward currency contracts	(986,492)	(484,678)
Foreign exchange gain (loss) on currencies and other net assets	16,833	(19,933)
Transaction costs	(43,717)	(20,339)
Net change in unrealized appreciation (depreciation) in the value of investments and options	18,020,448	5,832,219
Net change in unrealized appreciation (depreciation) in the value of forward currency contracts	133,611	(15,428)
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<u>1,932,007</u>	<u>3,160,821</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>\$ 1,781,422</u>	<u>\$ 3,110,595</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
Trust Units	\$ 274,313	\$ 3,110,595
Series A Units	\$ 208	\$ -
Series A2 Units	\$ 1,499,946	\$ -
Series F Units	\$ 6,955	\$ -
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT</b>		
Trust Units	\$ 0.02	\$ 0.26
Series A Units	\$ 1.21	\$ -
Series A2 Units	\$ 1.17	\$ -
Series F Units	\$ 1.01	\$ -

\*\* From January 1, 2013 to September 30, 2013 (note 1)

The accompanying notes are an integral part of these financial statements.

## Statements of Changes in Net Assets

for the periods ended September 30	2014	2013**
NET ASSETS - BEGINNING OF PERIOD		
Trust Units	\$ 25,892,692	\$ 22,791,156
Series A Units	-	-
Series A2 Units	-	-
Series F Units	-	-
	<u>25,892,692</u>	<u>22,791,156</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Trust Units	\$ 274,313	\$ 3,110,595
Series A Units	208	-
Series A2 Units	1,499,946	-
Series F Units	6,955	-
	<u>1,781,422</u>	<u>3,110,595</u>
DISTRIBUTIONS TO UNITHOLDERS FROM:		
Return of Capital		
Trust Units	\$ -	\$ -
Series A Units	(80)	-
Series A2 Units	(605,418)	-
Series F Units	(3,185)	-
Total Distributions to Unitholders	<u>\$ (608,683)</u>	<u>\$ -</u>
CAPITAL UNIT TRANSACTIONS (note 6):		
Proceeds from units issued		
Trust Units	\$ -	\$ -
Series A Units	3,000	-
Series A2 Units	1,045,002	-
Series F Units	99,506	-
	<u>1,147,508</u>	<u>-</u>
Reinvested distributions		
Trust Units	\$ -	\$ -
Series A Units	80	-
Series A2 Units	598,456	-
Series F Units	3,047	-
	<u>601,583</u>	<u>-</u>
Payments for units redeemed		
Trust Units	\$ (6,245,639)	\$ (9,059)
Series A Units	-	-
Series A2 Units	(11,518,469)	-
Series F Units	(22,082)	-
	<u>(17,786,190)</u>	<u>(9,059)</u>
Conversion of Trust Units		
Trust Units	\$ (19,921,367)	\$ -
Series A Units	-	-
Series A2 Units	19,921,367	-
Series F Units	-	-
	<u>-</u>	<u>-</u>
Net capital unit transactions	<u>\$ (16,037,099)</u>	<u>\$ (9,059)</u>
INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD		
Trust Units	\$ (25,892,692)	\$ 3,101,536
Series A Units	3,208	-
Series A2 Units	10,940,883	-
Series F Units	84,241	-
	<u>\$ (14,864,360)</u>	<u>\$ 3,101,536</u>
NET ASSETS - END OF PERIOD		
Trust Units	\$ -	\$ 25,892,692
Series A Units	3,208	-
Series A2 Units	10,940,883	-
Series F Units	84,241	-
	<u>\$ 11,028,332</u>	<u>\$ 25,892,692</u>

\*\* From January 1, 2013 to September 30, 2013 (note 1)

## Statements of Cash Flow

for the periods ended September 30	2014	2013**
Cash flows from operating activities:		
Increase (decrease) in net assets from operations	\$ 1,781,422	\$ 3,110,595
Net realized (gain) loss on sales of investments and options	15,208,676	2,131,020
Net change in unrealized (appreciation) depreciation in the value of investments and options	(18,020,448)	(5,832,219)
Net change in unrealized (appreciation) depreciation in the value of currency forward contracts	(133,611)	15,428
	<u>(1,163,961)</u>	<u>(575,176)</u>
Adjustments to reconcile net increase (decrease) in net assets from operations to net cash provided by (used in) operating activities:		
Purchase of investments	(9,400,996)	(1,854,782)
Proceeds from disposition of investments	26,924,474	3,255,751
(Increase) decrease in accrued investment income	69,527	(81,437)
Net cash provided by (used in) operating activities	<u>16,441,128</u>	<u>744,356</u>
Cash flows from financing activities:		
Change in net margin loan and borrowing	-	(569,842)
Change in restricted cash	69,786	(67,147)
Proceeds from units issued	1,139,108	-
Distributions to unitholders	(6,032)	-
Payments for units redeemed	(17,729,784)	(9,059)
	<u>(16,526,922)</u>	<u>(646,048)</u>
Increase (decrease) in cash during the period	\$ (97,878)	\$ 98,308
Cash and cash equivalents, beginning of period	\$ 98,308	\$ -
Cash and cash equivalents, end of period	<u>\$ 430</u>	<u>\$ 98,308</u>

\*\* From January 1, 2013 to September 30, 2013 (note 1)

The accompanying notes are an integral part of these financial statements.

## Statement of Investment Portfolio

as at September 30, 2014

No. of Shares or Par Value	Security Name	Average Cost	Fair Value	% of Net Assets
<b>EQUITIES</b>				
<b>Canada</b>				
2,478	Portland Global Energy Efficiency and Renewable Energy Fund LP 'O'	\$ 123,926	\$ 131,941	
1,242	Portland Private Income Fund 'O'	62,248	61,917	
		186,174	193,858	1.8%
<b>France</b>				
14,000	BNP Paribas SA	952,969	1,040,788	9.4%
<b>Germany</b>				
20,000	Commerzbank AG	335,237	336,103	3.0%
<b>Great Britain</b>				
150,000	Barclays PLC	1,618,981	620,452	
50,000	Barclays PLC ADR	1,300,827	830,099	
15,000	HSBC Holdings PLC	237,206	170,802	
11,500	HSBC Holdings PLC ADR	839,399	656,232	
165,000	Lloyds Banking Group PLC	424,820	230,711	
45,000	Royal Bank of Scotland Group PLC ADR	555,376	602,214	
6,000	Standard Chartered PLC	128,682	124,418	
		5,105,291	3,234,928	29.3%
<b>Japan</b>				
18,000	Sumitomo Mitsui Financial Group Inc.	156,162	165,369	1.5%
<b>Netherlands</b>				
45,000	ING Groep NV ADR	619,310	715,792	6.5%
<b>Sweden</b>				
1,000	Nordea Bank AB	13,598	14,586	0.1%
<b>Switzerland</b>				
12,500	Credit Suisse Group AG ADR	397,322	387,286	3.5%
<b>United States</b>				
21,000	Bank of America Corporation	328,746	401,880	
25,000	Citigroup Inc.	1,295,330	1,453,234	
26,500	JPMorgan Chase & Company	1,045,923	1,790,726	
4,500	Morgan Stanley	145,134	174,506	
3,600	State Street Corporation	259,903	297,261	
2,400	The Goldman Sachs Group Inc.	421,456	494,371	
5,000	Wells Fargo & Company	153,491	290,927	
		3,649,983	4,902,905	44.5%
	<b>Total Equities</b>	11,416,046	10,991,615	99.6%
<b>DERIVATIVES - WRITTEN OPTIONS<sup>1</sup></b>				
<b>Written Call Options</b>				
<b>Switzerland</b>				
USD (15)	Credit Suisse Group AG ADR October 2014 @ 31.00 USD	(230)	(252)	(0.0%)
<b>United States</b>				
USD (25)	Bank of America Corporation November 2014 @ 18.00 USD	(274)	(645)	
USD (15)	Morgan Stanley November 2014 @ 38.00 USD	(181)	(337)	
USD (10)	State Street Corporation November 2014 @ 77.50 USD	(580)	(976)	
USD (5)	The Goldman Sachs Group Inc. October 2014 @ 195.00 USD	(228)	(202)	
USD (20)	Wells Fargo & Company October 2014 @ 57.50 USD	(495)	(90)	
		(1,758)	(2,250)	(0.0%)
	<b>Total written call options</b>	(1,988)	(2,502)	(0.0%)

The accompanying notes are an integral part of these financial statements.

## Statement of Investment Portfolio

as at September 30, 2014

No. of Shares or Par Value	Security Name	Average Cost	Fair Value	% of Net Assets
<b>Written Put Options</b>				
<b>France</b>				
EUR (10)	BNP Paribas SA October 2014 @ 48.00 EUR	(755)	(227)	(0.0%)
<b>Germany</b>				
EUR (20)	Commerzbank AG October 2014 @ 10.5 EUR	(1,134)	(283)	
EUR (20)	Commerzbank AG November 2014 @ 10.00 EUR	(634)	(368)	
EUR (5)	Commerzbank AG November 2014 @ 10.50 EUR	(282)	(142)	
EUR (15)	Commerzbank AG December 2014 @ 10.00 EUR	(894)	(403)	
USD (15)	Deutsche Bank ADR October 2014 @ 29.00 USD	(640)	(168)	
USD (15)	Deutsche Bank ADR October 2014 @ 30.00 USD	(476)	(168)	
		(4,060)	(1,532)	(0.0%)
<b>Great Britain</b>				
USD (30)	Royal Bank of Scotland Group PLC ADR October 2014 @ 10.00 USD	(459)	(168)	
USD (225)	Royal Bank of Scotland Group PLC ADR November 2014 @ 10.00 USD	(3,391)	(7,572)	
		(3,850)	(7,740)	(0.1%)
<b>Netherlands</b>				
USD (70)	ING Groep NV ADR October 2014 @ 13.00 USD	(3,216)	(785)	(0.0%)
	<b>Total written put options</b>	(11,881)	(10,284)	(0.1%)
	<b>Total written options</b>	(13,869)	(12,786)	(0.1%)
<b>FORWARD CURRENCY CONTRACTS (Schedule 1)</b>				
	Total unrealized gain on forward currency contracts	-	-	
	Total unrealized loss on forward currency contracts	-	(44,253)	
		-	(44,253)	(0.4%)
	Net investments	11,402,177	10,934,576	99.1%
	Transaction costs	(29,308)	-	-
		\$ 11,372,869	10,934,576	99.1%
	Other assets less liabilities		93,756	0.9%
	<b>TOTAL NET ASSETS</b>		\$ 11,028,332	100.0%

<sup>1</sup> The contract size of all written call options and written put options is 100.

## Schedule 1

Contract Price	Settlement Date	Purchased Currency			Sold Currency			Unrealized gain (loss) (\$)
		Currency	Amount (\$)	Value as at September 30, 2014 (\$)	Currency	Amount (\$)	Value as at September 30, 2014 (\$)	
0.70571	Dec-17-2014	Canadian dollar	1,771,275	1,771,275	Euro	1,250,000	1,774,031	(2,756)
0.91083	Dec-17-2014	Canadian dollar	1,756,640	1,756,640	US dollar	1,600,000	1,798,137	(41,497)
							<b>Unrealized loss</b>	<b>(44,253)</b>

The accompanying notes are an integral part of these financial statements.

## CREDIT RISK

The Fund's exposure to credit risk arises primarily from investments in forward currency contracts. The maximum exposure to credit risk from these contracts is equivalent to the fair value of forward currency contracts by counterparty that are in a net unrealized gain position as of the reporting date.

The Fund uses counterparties that meet or exceed the minimum credit rating thresholds outlined in National Instrument 81-102.

As at September 30, 2014, currency forward contracts were in a net unrealized loss position with the counterparty; therefore, there was no credit risk associated with these contracts.

The table below presents the credit rating for each counterparty in a net unrealized gain position as at September 30, 2013. The remaining counterparties were in a net unrealized loss position.

Counterparty	Credit Rating	Net Unrealized Gain (\$)
The Toronto-Dominion Bank	Aa1 (Moody's)	152,120

The Fund limits its exposure to credit losses on forward currency contracts by ensuring there are netting arrangements with each counterparty to the forward currency contracts, such that any gains (amounts owing to the Fund) on individual contracts can be set off against any losses (amounts owing to the counterparty) in the event of default.

The Fund is exposed to indirect credit risk as it holds units of exchange traded funds that invest in debt securities.

## INTEREST RATE RISK

As at September 30, 2014 and September 30, 2013, the Fund did not have significant direct exposure to interest rate risk.

The Fund is exposed to indirect interest rate risk as it holds units of exchange traded funds that invest in debt securities.

## CONCENTRATION RISK

The following table present the Fund's exposure as a percentage of its net assets by industry sector as at September 30, 2014 and September 30, 2013.

Sector	September 30, 2014	September 30, 2013
Diversified Banks	52.3%	87.9%
Other Diversified Financial Services	33.0%	11.3%
Institutional Brokerage	4.5%	-
Diversified Capital Markets	3.5%	0.5%
Institutional Financial Services	2.7%	-
Investment Banking & Brokerage	1.6%	-
Independent Power Producers and Energy Traders	1.2%	-
Multi-Sector Holdings	0.6%	-
Cash and Other Assets	1.0%	1.0%
Forward Contracts	-0.4%	-0.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

## CURRENCY RISK

As the Fund will invest in securities traded in foreign currencies, the net assets and cash flows, when measured in Canadian dollars, will, to the extent that they have not been fully hedged, be affected by changes in the value of these currencies relative to the Canadian dollar.

The use of currency hedges such as forward contracts involves special risks including the possible default by the counterparty to the

transaction, illiquidity and to the extent the Manager's assessment of certain market movements is incorrect, the risk that the use of hedges could result in losses greater than if hedging had not been used. The hedging arrangements may have the effect of limiting or reducing the total returns of the Fund if the Manager's expectations concerning future events or market conditions prove to be incorrect. In addition, costs associated with the hedging program may outweigh the benefits of the arrangements in some circumstances.

The Manager, may, from time to time, at its sole discretion, hedge all or a portion of the value of the Funds non-Canadian dollar currency exposure or the non-Canadian currency exposure of the issuers whose securities comprise the Fund's portfolio back, directly or indirectly, to the Canadian dollar.

As at September 30, 2014

	Investments (\$)	Cash (\$)	Foreign exchange forward contracts (\$)	Total (\$)	Percentage of Net Assets (%)
United States Dollar	8,248,534	20,474	(1,798,137)	6,470,871	58.67
British Pound	1,146,383	1	-	1,146,384	10.39
Swedish Krona	14,586	-	-	14,586	0.13
Euro	1,375,469	11,822	(1,774,031)	(386,740)	(3.51)
<b>Total</b>	<b>10,784,972</b>	<b>32,297</b>	<b>(3,572,168)</b>	<b>7,245,101</b>	<b>65.68</b>

As at September 30, 2013:

	Investments (\$)	Cash (\$)	Foreign exchange forward contracts (\$)	Total (\$)	Percentage of Net Assets (%)
United States Dollar	11,786,275	(141,982)	(6,211,287)	5,433,006	21.0
British Pound	11,580,853	91,593	(7,007,345)	4,665,101	18.0
Euro Dollar	2,458,977	583	(2,789,751)	(330,191)	(1.3)
<b>Total</b>	<b>25,826,105</b>	<b>(49,806)</b>	<b>(16,008,383)</b>	<b>9,767,916</b>	<b>37.7</b>

As at September 30, 2014, if the Canadian dollar strengthened or weakened by 5% in relation to all other currencies, with all other variables held constant, the net assets would be increased or decreased respectively, by approximately \$362,255 (\$488,396 - September 30, 2013). Actual results may differ from this sensitivity analysis and the difference could be material.

The forward currency hedge amounts in the table above are based on a combination of trading currency of the Fund's holdings and an estimate of the currency to which their operations are exposed. In practice, the actual currency exposure may differ from this hedging program, and the difference could be material.

The Fund is exposed to indirect currency risk as it holds units of exchange traded funds that invest in debt securities.

## OTHER MARKET RISK

Using a nine month historical correlation between the Fund's return as compared to its benchmark, the MSCI World Total Return Index, the best estimate of the effect on net assets due to a 5% increase or decrease change in the benchmark, with all other variables held constant, is \$292,238 (\$2,757,834 using a three year historical correlation to the MSCI UK Total Return Index as at September 30, 2013). Following the conversion (see note 1b), the Fund changed its benchmark and the correlation was reset to the conversion date. Regression analysis was

used to estimate the historical correlation. Historical correlation may not be representative of future correlation, and accordingly the impact on net assets could be materially different.

## LIQUIDITY RISK

The Fund manages its liquidity risk by investing substantially all of its assets in securities for which there is an active market.

The Fund writes covered call options and cash secured put options in accordance with its investment objectives and strategies. The value of the securities and/or cash required to satisfy the written options (see table below), if they were exercised was \$642,075 as at September 30, 2014.

	Less than 1 month	1 to 3 months	Greater than 3 months
Value of securities or cash required to satisfy written options	\$332,696	\$309,380	-

The value of securities and/or cash required to satisfy the written options (see table below) if they were exercised was \$769,357 as at September 30, 2013

	Less than 1 month	1 to 3 months	Greater than 3 months
Value of securities or cash required to satisfy written options	\$345,079	\$424,278	-

Except for written options and unrealized depreciation on currency forwards, all other liabilities of the Fund mature in one month or less.

## FAIR VALUE HIERARCHY

The tables below show by level the Fund's financial investments carried at fair value (note 3) as at September 30, 2014 and September 30, 2013:

Assets at fair value as at September 30, 2014 (\$)				
	Level 1	Level 2	Level 3	Total
Investment Funds	-	61,917	131,941	193,858
Equities - Long	10,797,757	-	-	10,797,757
Bonds - Long	-	-	-	-
Short-Term Notes	-	-	-	-
Options - Long	-	-	-	-
Mutual Fund - Long	-	-	-	-
Forward contracts	-	-	-	-
<b>Total</b>	<b>10,797,757</b>	<b>61,917</b>	<b>131,941</b>	<b>10,991,615</b>

Liabilities at fair value as at September 30, 2014 (\$)				
	Level 1	Level 2	Level 3	Total
Equities - Short	-	-	-	-
Bonds - Short	-	-	-	-
Options - Short	(12,786)	-	-	(12,786)
Forward contracts	-	(44,253)	-	(44,253)
<b>Total</b>	<b>(12,786)</b>	<b>(44,253)</b>	<b>-</b>	<b>(57,039)</b>

Assets at fair value as at September 30, 2013 (\$)				
	Level 1	Level 2	Level 3	Total
Equities - Long	25,826,105	-	-	25,826,105
Bonds - Long	-	-	-	-
Short-Term Notes	-	-	-	-
Options - Long	-	-	-	-
Mutual Fund - Long	-	-	-	-
Forward contracts	-	155,669	-	155,669
<b>Total</b>	<b>25,826,105</b>	<b>155,669</b>	<b>-</b>	<b>25,981,774</b>

Liabilities at fair value as at September 30, 2013 (\$)				
	Level 1	Level 2	Level 3	Total
Equities - Short	-	-	-	-
Bonds - Short	-	-	-	-
Options - Short	(44,293)	-	-	(44,293)
Forward contracts	-	(333,533)	-	(333,533)
<b>Total</b>	<b>(44,293)</b>	<b>(333,533)</b>	<b>-</b>	<b>(377,826)</b>

There were no significant transfers between levels during the periods ending September 30, 2014, and September 30, 2013.

Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

As at September 30, 2014 the Fund held units of Portland Global Energy Efficiency and Renewable Energy Fund LP ("Portland GEEREF"), which is a closed-ended investment fund. This investment is considered Level 3 in the fair value hierarchy because it is a non-redeemable investment fund.

As at September 30, 2014 the Fund held units of Portland Private Income Fund which is an open-ended investment fund that holds private debt securities. The Fund measures the fair value of this holding at the most recently published net asset value per unit because the units are redeemable on a monthly basis and has been classified as Level 2 in the fair value hierarchy.

## RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENT

The following tables reconcile the Fund's Level 3 fair value measurement for the year ended September 30, 2014. The Fund did not have any Level 3 fair value measurements during the period ending September 30, 2013.

	Investment Funds (\$)	Debt Instruments	Total (\$)
Balance at Beginning of Period	-	-	-
Investment purchases during the period	478,023	-	478,023
Proceeds from sales during the period	(517,359)	-	(517,359)
Net transfers in (out) during the period	-	-	-
Net realized gain (loss) on sale of investments	163,262	-	163,262
Change in unrealized appreciation (depreciation) in value of investments	8,015	-	8,015
<b>Balance at End of Period</b>	<b>131,941</b>	<b>-</b>	<b>131,941</b>
<b>Change in unrealized appreciation (depreciation) in value of investments – End of Period</b>	<b>8,015</b>	<b>-</b>	<b>8,015</b>

During the period ended September 30, 2014, the Fund disposed of its Level 3 investment in units of Portland CVBI Holdings LP for \$517,359, realizing a gain of \$163,262.

As at September 30, 2014, if the net asset value per unit had been higher or lower by 5%, the change in unrealized appreciation (depreciation) in the value of Level 3 investments would increase or decrease, respectively, by approximately \$6,597.



## Statements of Net Assets

	As at Sept 30, 2014	As at Sept 30, 2013
<b>ASSETS</b>		
Investments, at fair value*	\$ 7,192,279	\$ 9,091,472
Unrealized appreciation of forward currency contracts	10,890	69,874
Cash and cash equivalents	416,557	3,498
Cash - restricted	25,682	83,483
Subscriptions receivable	315	-
Receivable for investments sold	41,373	-
Accrued investment income	21,709	14,769
	<u>\$ 7,708,805</u>	<u>\$ 9,263,096</u>
<b>LIABILITIES</b>		
Written options, at fair value	\$ 22,437	\$ 25,064
Unrealized depreciation of forward currency contracts	18,712	51,266
Net margin loan and borrowing	-	207,625
Payable for investments purchased	70,797	-
Redemptions payable	25,211	-
Distributions payable to Unitholders	1,346	103,305
	<u>138,503</u>	<u>387,260</u>
<b>NET ASSETS</b>	<u>\$ 7,570,302</u>	<u>\$ 8,875,836</u>
Unitholders Equity (note 6)	\$ -	\$ 16,765,947
Contributed Surplus	-	19,302,997
Retained Earnings (Deficit)	-	(27,193,108)
<b>NET ASSETS REPRESENTING UNITHOLDERS' EQUITY</b>	<u>\$ 7,570,302</u>	<u>\$ 8,875,836</u>
<b>NET ASSETS</b>		
Trust Units	\$ -	\$ 8,875,836
Series A Units	495,599	-
Series A2 Units (note 1b)	5,741,202	-
Series F Units	1,333,501	-
	<u>\$ 7,570,302</u>	<u>\$ 8,875,836</u>
<b>NUMBER OF UNITS OUTSTANDING (note 6)</b>		
Trust Units	-	2,582,626
Series A Units	48,149	-
Series A2 Units (note 1b)	556,822	-
Series F Units	128,390	-
<b>NET ASSETS PER UNIT (note 9)</b>		
Trust Units	\$ -	\$ 3.44
Series A Units	\$ 10.29	\$ -
Series A2 Units (note 1b)	\$ 10.31	\$ -
Series F Units	\$ 10.39	\$ -

\* Includes \$704,135 (September 30, 2013: \$2,453,160) of securities that are pledged as collateral for options.

Approved on behalf of the Trustee, Portland Investment Counsel Inc.

"Michael Lee-Chin"

Director

"Robert Almeida"

Director

## Statements of Operations

for the periods ended September 30	2014	2013**
<b>INCOME</b>		
Interest	\$ 24,254	\$ 59
Dividends	250,358	212,013
	<u>274,612</u>	<u>212,072</u>
Foreign withholding taxes	(21,062)	(16,915)
Net investment income	<u>253,550</u>	<u>195,157</u>
<b>EXPENSES (note 7)</b>		
Management fees	\$ 111,013	\$ 68,310
Unitholder reporting costs	127,477	78,146
Interest expense	1,027	9,475
Audit fees	16,916	25,707
Custodial fees	12,632	5,462
Independent review committee fees	5,286	2,815
Legal fees	13,175	3,282
Service fees	7,763	29,778
Total expenses	<u>295,289</u>	<u>222,975</u>
Less: expenses absorbed by Manager	(64,527)	(11,818)
Net expenses	<u>\$ 230,762</u>	<u>\$ 211,157</u>
<b>NET INVESTMENT INCOME (LOSS) FOR THE PERIOD</b>	<u>\$ 22,788</u>	<u>\$ (16,000)</u>
<b>NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain (loss) on sales of investments and options	\$ 1,294,701	\$ (63,881)
Net realized gain (loss) on forward currency contracts	(269,243)	(255,430)
Foreign exchange gain (loss) on currencies and other net assets	(3,416)	(42,110)
Transaction costs	(19,959)	(8,491)
Net change in unrealized appreciation (depreciation) in the value of investments and options	(276,945)	1,831,722
Net change in unrealized appreciation (depreciation) in the value of forward currency contracts	(26,430)	77,176
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<u>698,708</u>	<u>1,538,986</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>\$ 721,496</u>	<u>\$ 1,522,986</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
Trust Units	\$ 111,804	\$ 1,522,986
Series A Units	\$ 9,898	\$ -
Series A2 Units	\$ 535,945	\$ -
Series F Units	\$ 63,849	\$ -
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT</b>		
Trust Units	\$ 0.05	\$ 0.56
Series A Units	\$ 0.38	\$ -
Series A2 Units	\$ 0.86	\$ -
Series F Units	\$ 0.70	\$ -

\*\* From January 1, 2013 to September 30, 2013 (note 1)

The accompanying notes are an integral part of these financial statements.



## Statements of Changes in Net Assets

for the periods ended September 30	2014	2013**
NET ASSETS - BEGINNING OF PERIOD		
Trust Units	\$ 8,875,836	\$ 8,728,800
Series A Units	-	-
Series A2 Units	-	-
Series F Units	-	-
	<u>8,875,836</u>	<u>8,728,800</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Trust Units	\$ 111,804	\$ 1,522,986
Series A Units	9,898	-
Series A2 Units	535,945	-
Series F Units	63,849	-
	<u>721,496</u>	<u>1,522,986</u>
DISTRIBUTIONS TO UNITHOLDERS FROM:		
Return of Capital		
Trust Units	\$ -	\$ (323,449)
Series A Units	(10,941)	-
Series A2 Units	(290,921)	-
Series F Units	(38,146)	-
Total Distributions to Unitholders	<u>\$ (340,008)</u>	<u>\$ (323,449)</u>
CAPITAL UNIT TRANSACTIONS (note 6):		
Proceeds from units issued		
Trust Units	\$ -	\$ -
Series A Units	486,576	-
Series A2 Units	1,259,408	-
Series F Units	2,346,684	-
	<u>4,092,668</u>	<u>-</u>
Reinvested distributions		
Trust Units	\$ -	\$ -
Series A Units	10,265	-
Series A2 Units	284,361	-
Series F Units	38,146	-
	<u>332,772</u>	<u>-</u>
Payments for units redeemed		
Trust Units	\$ (968,672)	\$ (1,052,501)
Series A Units	(199)	-
Series A2 Units	(4,066,559)	-
Series F Units	(1,077,032)	-
	<u>(6,112,462)</u>	<u>(1,052,501)</u>
Conversion of Trust Units		
Trust Units	\$ (8,018,968)	\$ -
Series A Units	-	-
Series A2 Units	8,018,968	-
Series F Units	-	-
	<u>-</u>	<u>-</u>
Net capital unit transactions	<u>\$ (1,687,022)</u>	<u>\$ (1,052,501)</u>
INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD		
Trust Units	\$ (8,875,836)	\$ 147,036
Series A Units	495,599	-
Series A2 Units	5,741,202	-
Series F Units	1,333,501	-
	<u>\$ (1,305,534)</u>	<u>\$ 147,036</u>
NET ASSETS - END OF PERIOD		
Trust Units	\$ -	\$ 8,875,836
Series A Units	495,599	-
Series A2 Units	5,741,202	-
Series F Units	1,333,501	-
	<u>\$ 7,570,302</u>	<u>\$ 8,875,836</u>

\*\* From January 1, 2013 to September 30, 2013 (note 1)

## Statements of Cash Flow

for the periods ended September 30	2014	2013**
Cash flows from operating activities:		
Increase (decrease) in net assets from operations	\$ 721,496	\$ 1,522,986
Net realized (gain) loss on sales of investments and options	(1,294,701)	63,881
Net change in unrealized (appreciation) depreciation in the value of investments and options	276,945	(1,831,722)
Net change in unrealized (appreciation) depreciation in the value of currency forward contracts	26,430	(77,176)
	<u>(269,830)</u>	<u>(322,031)</u>
Adjustments to reconcile net increase (decrease) in net assets from operations to net cash provided by (used in) operating activities:		
Purchase of investments	(9,947,503)	(128,648)
Proceeds from disposition of investments	12,891,249	2,591,667
(Increase) decrease in accrued investment income	(6,940)	(14,769)
Net cash provided by (used in) operating activities	<u>2,691,657</u>	<u>2,126,219</u>
Cash flows from financing activities:		
Change in net margin loan and borrowing	(207,625)	(657,077)
Change in restricted cash	57,801	(76,160)
Proceeds from units issued	4,092,354	-
Distributions to unitholders	(109,195)	(336,983)
Payments for units redeemed	(6,087,251)	(1,052,501)
	<u>(2,253,917)</u>	<u>(2,122,721)</u>
Increase (decrease) in cash during the period	\$ 413,059	\$ 3,498
Cash and cash equivalents, beginning of period	\$ 3,498	\$ -
Cash and cash equivalents, end of period	<u>\$ 416,557</u>	<u>\$ 3,498</u>

\*\* From January 1, 2013 to September 30, 2013 (note 1)

The accompanying notes are an integral part of these financial statements.

## Statement of Investment Portfolio

as at September 30, 2014

No. of Shares or Par Value	Security Name	Average Cost	Fair Value	% of Net Assets
<b>BOND</b>				
<b>Canada</b>				
100,000	Northland Power Inc. 5.000% Convertible Bonds June 30, 2019	\$ 100,000	\$ 105,290	1.4%
	<b>Total Bonds</b>	100,000	105,290	1.4%
<b>EQUITIES</b>				
<b>Australia</b>				
9,000	Arcor Limited	95,070	99,241	
80,000	AusNet Services	92,123	106,155	
8,500	Coca-Cola Amatil Limited	96,842	72,835	
12,000	GrainCorp Limited	96,209	100,475	
12,500	Super Retail Group Limited	112,914	100,989	
		493,158	479,695	6.3%
<b>Bermuda</b>				
7,000	Brookfield Property Partners Limited Partnership	150,149	164,500	
12,325	Cheung Kong Infrastructure Holdings Limited	86,583	96,597	
2,000	Jardine Matheson Holdings Limited	116,243	133,713	
		352,975	394,810	5.2%
<b>Canada</b>				
3,000	Aimia Inc. 6.250% Preferred Series 3 March 31, 2019	79,080	78,750	
6,000	Bank of Nova Scotia 2.978% Preferred Series 19 October 20, 2014	154,455	154,620	
10,500	Barrick Gold Corporation	198,290	172,789	
10,000	BCE Inc. Preferred Series AE November 6, 2014	216,626	223,000	
2,600	Brookfield Asset Management Inc. Preferred Series 8 October 20, 2014	60,976	63,206	
300	Enbridge Inc.	13,077	16,113	
3,500	Enbridge Inc. 4.400% Preferred Series 11 March 1, 2020	87,500	88,025	
11,500	First National Financial Corporation 4.650% Preferred Series 1 March 31, 2016	186,395	181,700	
1,600	IGM Financial Inc.	78,896	77,200	
10,000	iShares 1-5 Year Laddered Corporate Bond Index ETF	197,516	195,200	
9,000	iShares S&P/TSX Canadian Preferred Share Index ETF	145,796	146,250	
6,000	Northland Power Inc. 5.250% Preferred Series 1 September 30, 2015	137,354	130,680	
1,500	Northland Power Inc. 5.000% Preferred Series 3 December 31, 2017	37,652	37,650	
2,483	Portland Global Energy Efficiency and Renewable Energy Fund LP 'O'	124,200	132,227	
866	Portland Private Income Fund 'O'	43,238	43,178	
3,000	Rogers Communications Inc. 'B'	132,104	125,400	
12,500	Thomson Reuters Corporation Preferred Series B October 22, 2014	225,533	229,375	
7,000	TransAlta Corporation 5.000% Preferred Series E September 30, 2017	168,439	162,400	
		2,287,127	2,257,763	29.8%
<b>France</b>				
2,600	BNP Paribas SA	201,992	193,289	2.6%
<b>Great Britain</b>				
3,000	Aggreko PLC	82,445	84,473	
16,000	Barclays PLC	116,836	66,182	
7,000	Barclays PLC ADR	140,592	116,214	
2,500	BHP Billiton PLC ADR	157,188	155,728	
3,000	Bunzl PLC	70,094	87,856	
1,500	HSBC Holdings PLC ADR	102,728	85,596	
2,000	Johnson Matthey PLC	111,668	106,192	
1,500	National Grid PLC ADR	96,869	120,914	
7,000	Pearson PLC	152,861	157,887	
55,000	Rentokil Initial PLC	120,715	117,751	
1,200	Royal Dutch Shell PLC 'A' ADR	88,200	102,492	
22,000	Serco Group PLC	170,350	114,450	
4,000	SSE PLC	98,181	112,558	
12,500	Tesco PLC	75,802	42,303	
		1,584,529	1,470,596	19.4%
<b>Sweden</b>				
5,000	Nordea Bank AB	41,853	72,928	1.0%
<b>Switzerland</b>				
5,000	ABB Limited ADR	136,078	125,637	
1,500	Nestle SA	115,698	123,602	
200	Novartis AG ADR	16,502	21,118	
300	Roche Holding AG	85,694	99,656	
1,000	Syngenta AG ADR	82,081	71,086	
		436,053	441,099	5.8%
<b>United States</b>				
1,000	Aflac Inc.	65,040	65,342	
8,000	Alcentra Capital Corporation	116,098	117,201	
12,500	Ares Capital Corporation	231,082	226,595	
9,000	BlackRock Kelso Capital Corporation	86,775	86,218	
750	Chevron Corporation	99,577	100,377	

The accompanying notes are an integral part of these financial statements.

## Statement of Investment Portfolio

as at September 30, 2014

No. of Shares or Par Value	Security Name	Average Cost	Fair Value	% of Net Assets
1,600	Consolidated Edison Inc.	93,987	101,694	
40	Emerson Electric Company	2,806	2,808	
500	iShares iBoxx \$ Investment Grade Corporate Bond ETF	59,856	65,954	
6,000	iShares International Select Dividend ETF	236,169	240,751	
700	iShares JP Morgan USD Emerging Markets Bond ETF	80,592	87,953	
4,000	JPMorgan Chase & Company	182,661	270,298	
2,000	PowerShares Fundamental High Yield Corporate Bond Portfolio	40,531	42,694	
500	Walgreen Company	32,981	33,232	
500	Wal-Mart Stores Inc.	40,684	42,896	
1,800	Wells Fargo & Company	56,076	104,734	
3,500	WisdomTree Asia Local Debt Fund	181,848	188,062	
	<b>Total Equities</b>	<b>1,606,763</b>	<b>1,776,809</b>	<b>23.5%</b>
		<b>7,004,450</b>	<b>7,086,989</b>	<b>93.6%</b>
<b>DERIVATIVES - WRITTEN OPTIONS<sup>1</sup></b>				
<b>Written Call Options</b>				
<b>Canada</b>				
USD (22)	Barrick Gold Corporation October 2014 @ 23.00 USD	(446)	(25)	
USD (33)	Barrick Gold Corporation October 2014 @ 24.00 USD	(523)	(37)	
		(969)	(62)	(0.0%)
<b>Great Britain</b>				
USD (8)	National Grid PLC ADR December 2014 @ 80.00 USD	(252)	(179)	(0.0%)
<b>United States</b>				
USD (5)	iShares iBoxx \$ Investment Grade Corporate Bond ETF October 2014 @ 121.00 USD	(103)	(28)	
	<b>Total written call options</b>	<b>(1,324)</b>	<b>(269)</b>	<b>(0.0%)</b>
<b>Written Put Options</b>				
<b>Canada</b>				
USD (25)	Barrick Gold Corporation November 2014 @ 16.00 USD	(608)	(4,487)	
CAD (5)	IGM Financial Inc. October 2014 @ 50.00 CAD	(270)	(950)	
		(878)	(5,437)	(0.1%)
<b>Panama</b>				
USD (4)	Copa Holdings SA 'A' November 2014 @ 115.00 USD	(874)	(4,936)	(0.1%)
<b>Switzerland</b>				
USD (10)	ABB Limited ADR December 2014 @ 21.00 USD	(481)	(449)	
USD (15)	Syngenta AG ADR October 2014 @ 65.00 USD	(558)	(3,533)	
USD (10)	Syngenta AG ADR December 2014 @ 65.00 USD	(920)	(3,590)	
		(1,959)	(7,572)	(0.1%)
<b>United States</b>				
USD (15)	Aflac Inc. November 2014 @ 57.50 USD	(1,117)	(2,406)	
USD (20)	Ares Capital Corporation December 2014 @ 16.00 USD	(1,181)	(1,234)	
USD (5)	Walgreen Company November 2014 @ 55.00 USD	(375)	(342)	
USD (5)	Wal-Mart Stores Inc. November 2014 @ 72.50 USD	(367)	(241)	
		(3,040)	(4,223)	(0.0%)
	<b>Total written put options</b>	<b>(6,751)</b>	<b>(22,168)</b>	<b>(0.3%)</b>
	<b>Total written options</b>	<b>(8,075)</b>	<b>(22,437)</b>	<b>(0.3%)</b>
<b>FORWARD CURRENCY CONTRACTS (Schedule 1)</b>				
	Total unrealized gain on forward currency contracts	-	10,890	
	Total unrealized loss on forward currency contracts	-	(18,712)	
		-	(7,822)	(0.1%)
	Net investments	7,096,375	7,162,020	94.6%
	Transaction costs	(13,392)	-	-
		\$ 7,082,983	7,162,020	94.6%
	Other assets less liabilities		408,282	5.4%
	<b>TOTAL NET ASSETS</b>		<b>\$ 7,570,302</b>	<b>100.0%</b>

<sup>1</sup> The contract size of all written call options and written put options is 100.

## Schedule 1

Contract Price	Settlement Date	Purchased Currency			Sold Currency			Unrealized gain (loss) (\$)
		Currency	Amount (\$)	Value as at September 30, 2014 (\$)	Currency	Amount (\$)	Value as at September 30, 2014 (\$)	
1.00124	Oct-08-2014	Canadian dollar	449,443	449,443	Australian dollar	450,000	440,503	8,940
0.83781	Oct-08-2014	Canadian dollar	119,359	119,359	Swiss franc	100,000	117,409	1,950
							<b>Unrealized gain</b>	<b>10,890</b>
6.4815	Dec-17-2014	Canadian dollar	30,857	30,857	Swiss franc	200,000	31,117	(260)
0.70571	Dec-17-2014	Canadian dollar	191,298	191,298	Euro	135,000	191,595	(297)
0.91083	Dec-17-2014	Canadian dollar	768,530	768,530	US dollar	700,000	786,685	(18,155)
							<b>Unrealized loss</b>	<b>(18,712)</b>

The accompanying notes are an integral part of these financial statements.

## CREDIT RISK

The Fund's direct exposure to credit risk arises primarily from investments in forward currency contracts. The maximum exposure to credit risk from these contracts is equivalent to the fair value of forward currency contracts that are in a net unrealized gain position as of the reporting date.

The Fund uses counterparties that meet or exceed the minimum credit rating thresholds outlined in National Instrument 81-102.

The table below presents the credit rating for each counterparty in a net realized gain position to the Fund's forward currency contracts as at September 30, 2014.

Counterparty	Credit Rating	Net Unrealized Gain (\$)
National Bank of Canada	A-1 (Standard and Poors)	10,890

The table below presents the credit rating for each counterparty in a net unrealized gain position to the Fund's forward currency contracts as at September 30, 2013.

Counterparty	Credit Rating	Net Unrealized Gain (\$)
The Toronto-Dominion Bank	Aa1 (Moody's)	66,352

The Fund limits its exposure to credit losses on forward currency contracts by ensuring there are netting arrangements with each counterparty to the forward currency contracts, such that any gains (amounts owing to the Fund) on individual contracts can be set off against any losses (amounts owing to the counterparty) in the event of default.

The Fund is also exposed to indirect credit risk as it holds units of exchange traded funds that invest in debt securities.

## INTEREST RATE RISK

As at September 30, 2014 and September 30, 2013, the Fund did not have significant direct exposure to interest rate risk.

The Fund is also exposed to indirect interest rate risk as it holds units of exchange traded funds that invest in debt securities.

## CONCENTRATION RISK

The following table present the Fund's exposure as a percentage of its net assets by industry sector as at September 30, 2014 and September 30, 2013.

Sector	September 30, 2014	September 30, 2013
Financials	27.6%	102.4%
Exchange Traded Fund	12.9%	-
Utilities	10.9%	-
Industrials	8.9%	-
Materials	8.0%	-
Energy	7.7%	-
Consumer Discretionary	7.4%	-
Cash and Other Assets	5.1%	-2.4%
Consumer Staples	5.5%	-
Telecommunication Services	4.7%	-
Health Care	1.6%	-
Forward Contracts	-0.1%	0.3%
Short Positions - Derivatives	-0.2%	-0.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

## CURRENCY RISK

As the Fund will invest in securities traded in foreign currencies, the Net Assets and cash flows, when measured in Canadian dollars, will, to the extent that they have not been fully hedged, be affected by changes in the value of these currencies relative to the Canadian dollar.

The use of currency hedges such as forward contracts involves special risks including the possible default by the counterparty to the transaction, illiquidity and to the extent the Manager's assessment of certain market movements is incorrect, the risk that the use of hedges could result in losses greater than if hedging had not been used. The hedging arrangements may have the effect of limiting or reducing the total returns of the Fund if the Manager's expectations concerning future events or market conditions prove to be incorrect. In addition, costs associated with the hedging program may outweigh the benefits of the arrangements in some circumstances.

The Manager, may, from time to time, at its sole discretion, hedge all or a portion of the value of the Fund non-Canadian dollar currency exposure or the non-Canadian currency exposure of the issuers whose securities comprise the Fund's portfolio back, directly or indirectly, to the Canadian dollar.

As at September 30, 2014

	Investments (\$)	Cash (\$)	Foreign exchange forward contracts (\$)	Total (\$)	Percentage of Net Assets (%)
United States Dollar	2,876,722	71,793	(786,685)	2,161,830	28.56
British Pound	889,652	1	-	889,653	11.75
Swiss Franc	223,258	23	(117,410)	105,871	1.40
Hong Kong Dollar	96,597	-	-	96,597	1.28
Swedish Krona	72,928	-	(31,117)	41,811	0.55
Australian Dollar	479,695	2,071	(440,502)	41,264	0.55
Euro	193,289	-	(191,596)	1,693	0.02
<b>Total</b>	<b>4,832,141</b>	<b>73,888</b>	<b>(1,567,310)</b>	<b>3,338,719</b>	<b>44.11</b>

As at September 30, 2013

	Investments (\$)	Cash (\$)	Foreign exchange forward contracts (\$)	Total (\$)	Percentage of Net Assets (%)
United States Dollar	6,075,932	(142,363)	(2,801,450)	3,132,119	35.3
British Pound	1,457,144	5,166	(833,904)	628,406	7.1
Swedish Krone	509,945	2,061	(402,085)	109,921	1.2
Australian Dollar	187,533	-	(95,977)	91,556	1.0
Swiss Franc	57,131	22	(278,907)	(221,754)	(2.5)
Euro Dollar	803,787	10,996	(1,119,136)	(304,353)	(3.4)
<b>Total</b>	<b>9,091,472</b>	<b>(124,118)</b>	<b>(5,531,459)</b>	<b>3,435,895</b>	<b>38.7</b>

As at September 30, 2014, if the Canadian dollar strengthened or weakened by 5% in relation to all other currencies, with all other variables held constant, the net assets would be increased or decreased respectively, by approximately \$166,936 (\$171,795 - September 30, 2013). Actual results may differ from this sensitivity analysis and the difference could be material.

The forward currency hedge amounts in the table above are based on a combination of trading currency of the Fund's holdings and an estimate of the currency to which their operations are exposed. In practice, the actual currency exposure may differ from this hedging program, and the difference could be material.

The Fund is also exposed to indirect currency risk as it holds units of exchange traded funds that invest in debt securities.

## OTHER MARKET RISK

Using a nine month historical correlation between the Fund's return as compared to its benchmark, the JP Morgan US Aggregate Bond Index, the best estimate of the effect on net assets due to a 5% increase or decrease change in the benchmark, with all other variables held constant, is \$135,840 (\$1,194,634 using a three year historical correlation to the MSCI World Total Return Index as at September 30, 2013). Following the conversion (see note 1b), the Fund changed its benchmark and the correlation was reset to the conversion date. Regression analysis was used to estimate the historical correlation. Historical correlation may not be representative of future correlation, and accordingly the impact on net assets could be materially different.

## LIQUIDITY RISK

The Fund writes covered call options and cash secured put options in accordance with its investment objectives and strategies. The value of the securities and/or cash required to satisfy the written options (see table below), if they were exercised was \$531,473 as at September 30, 2014.

	Less than 1 month	1 to 3 months	Greater than 3 months
Value of securities or cash required to satisfy written options	\$134,371	\$397,101	-

The value of securities and/or cash required to satisfy the written options (see table below) if they were exercised was \$270,509 as at September 30, 2013.

	Less than 1 month	1 to 3 months	Greater than 3 months
Value of securities or cash required to satisfy written options	\$193,368	\$77,141	-

Except for written options and unrealized depreciation on currency forwards, all other liabilities of the Fund mature in one month or less.

## FAIR VALUE HIERARCHY

The tables below show by level the Fund's financial instruments carried at fair value (note 3) as at September 30, 2014 and September 30, 2013:

Assets at fair value as at September 30, 2014 (\$)				
	Level 1	Level 2	Level 3	Total
Investment Funds	-	43,178	132,227	175,405
Equities - Long	6,911,584	-	-	6,911,584
Bonds - Long	-	105,290	-	105,290
Short-Term Notes	-	-	-	-
Options - Long	-	-	-	-
Mutual Fund - Long	-	-	-	-
Forward contracts	-	10,890	-	10,890
<b>Total</b>	<b>6,911,584</b>	<b>159,358</b>	<b>132,227</b>	<b>7,203,169</b>

Liabilities at fair value as at September 30, 2014 (\$)				
	Level 1	Level 2	Level 3	Total
Equities - Short	-	-	-	-
Bonds - Short	-	-	-	-
Options - Short	(22,437)	-	-	(22,437)
Forward contracts	-	(18,712)	-	(18,712)
<b>Total</b>	<b>(22,437)</b>	<b>(18,712)</b>	<b>-</b>	<b>(41,149)</b>

Assets at fair value as at September 30, 2013 (\$)				
	Level 1	Level 2	Level 3	Total
Equities - Long	9,091,472	-	-	9,091,472
Bonds - Long	-	-	-	-
Short-Term Notes	-	-	-	-
Options - Long	-	-	-	-
Mutual Fund - Long	-	-	-	-
Forward contracts	-	69,874	-	69,874
<b>Total</b>	<b>9,091,472</b>	<b>69,874</b>	<b>-</b>	<b>9,161,346</b>

Liabilities at fair value as at September 30, 2013 (\$)				
	Level 1	Level 2	Level 3	Total
Equities - Short	-	-	-	-
Bonds - Short	-	-	-	-
Options - Short	(25,064)	-	-	(25,064)
Forward contracts	-	(51,266)	-	(51,266)
<b>Total</b>	<b>(25,064)</b>	<b>(51,266)</b>	<b>-</b>	<b>(76,330)</b>

There were no significant transfers between the levels during the periods ended September 30, 2014 and September 30, 2013.

Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

As at September 30, 2014 the Fund held units of Portland Global Energy Efficiency and Renewable Energy Fund LP ("Portland GEEREF"), which is a closed-ended investment fund. This investment is considered Level 3 in the fair value hierarchy because it is a non-redeemable investment fund.

As at September 30, 2014 the Fund held units of Portland Private Income Fund which is an open-ended investment fund that holds private debt securities. The Fund measures the fair value of this holding at the most recently published net asset value per unit because the units are redeemable on a monthly basis and has been classified as Level 2 in the fair value hierarchy.

## RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENT

The following tables reconcile the Fund's Level 3 fair value measurement for the year ended September 30, 2014. The Fund did not have any Level 3 fair value measurements during the period ending September 30, 2013.

	Investment Funds (\$)	Debt Instruments	Total (\$)
Balance at Beginning of Period	-	-	-
Investment purchases during the period	621,772	-	621,772
Proceeds from sales during the period	(751,678)	-	(751,678)
Net transfers in (out) during the period	-	-	-
Net realized gain (loss) on sale of investments	254,106	-	254,106
Change in unrealized appreciation (depreciation) in value of investments	8,027	-	8,027
<b>Balance at End of Period</b>	<b>132,227</b>	<b>-</b>	<b>132,227</b>
<b>Change in unrealized appreciation (depreciation) in value of investments – End of Period</b>	<b>8,027</b>	<b>-</b>	<b>8,027</b>

During the period ended September 30, 2014, the Fund disposed on its Level 3 investment in units of Portland CVBI Holdings LP for \$751,678, realizing a gain of \$254,106.

As at September 30, 2014, if the net asset value per unit had been higher or lower by 5%, the change in unrealized appreciation (depreciation) in the value of Level 3 investments would increase or decrease, respectively, by approximately \$6,611.

## Notes to Financial Statements

### 1. ESTABLISHMENT OF THE FUNDS

a) The following funds (the "Funds") are open-ended trusts created and governed by a master declaration of trust under the laws of Ontario. Portland Investment Counsel Inc. (the "Manager") is the Manager and Trustee of the Funds. The Funds were formed and related series commenced operations on the following dates:

Name of Fund	Formation Date of Trust	Commencement of Operations		
		Series A, Series F	Series A2 (note 1b)	Series G
Portland Advantage Fund	October 1, 2012	October 31, 2012	n/a	March 14, 2013
Portland Canadian Balanced Fund	October 1, 2012	October 31, 2012	n/a	March 14, 2013
Portland Canadian Focused Fund	October 1, 2012	October 31, 2012	n/a	January 24, 2013
Portland Global Banks Fund (formerly Copernican British Banks Fund)	January 25, 2007	December 17, 2013	December 17, 2013	n/a
Portland Global Income Fund (formerly Global Banks Premium Income Trust)	January 25, 2005	December 17, 2013	December 17, 2013	n/a

b) Fund Merger and Fund Restructuring

Global Banks Premium Income Trust (the "Continuing Fund") was restructured on December 13, 2013 and became a multi-class, open end mutual fund. Prior to that date, the Continuing Fund was a closed-end investment fund which traded on the Toronto Stock Exchange ("TSX") under the symbol GBP.UN. On December 13, 2013 the Continuing Fund merged with Portland Global Income Fund (the "Terminating Fund") and subsequently changed its name to Portland Global Income Fund. Existing unitholders of the Continuing Fund were issued 0.347759 Series A2 Units for each existing trust unit. The net asset value of the Series A2 Units was \$10.00 per unit immediately following the conversion such that the net asset value of issued trust units did not change as a result of the restructuring. The Continuing Fund acquired all the assets and liabilities of the Terminating Fund in exchange for units of the Continuing Fund. Unitholders of the Terminating Fund exchanged their units for units of the Continuing Fund based on an exchange ratio. The purchase method was used to account for the merger and the Continuing Fund was identified as the acquirer. The financial statements of the Continuing Fund include the results of operations of the Terminating Fund from the date of the merger.

The exchange ratios (representing the number of units issued by the Continuing Fund in exchange for each unit of the Merging Fund), total number of units issued by the Continuing Fund and the Net Asset Value acquired are presented below:

Terminating Fund	Continuing Fund	Exchange Ratio	Number of Units Issued by Continuing Fund	Net Asset Value Acquired
Series A Units - Initial Sales Charge	Series A	1.017604	1,276.249	\$ 12,762
Series A - Deferred Sales Charge	Series A2	1.017604	16,763.237	\$ 167,632
Series G	Series A2	0.951217	592.772	\$ 5,927
Series T	Series A2	1.019498	1,056.357	\$ 10,564
Series F	Series F	1.015559	4,306.523	\$ 43,065

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. Prior to that date, Copernican British Banks Fund was a closed end investment fund traded on the TSX under the symbol CBB.UN. Existing unitholders were issued 0.214028 Series A2 Units for each existing trust unit. The net asset value of Series A2 Units was \$10.00 per unit immediately following the conversion, such that the net asset value of issued trust units did not change as a result of the restructuring.

c) Reporting Periods

The Statement of Investment Portfolio of each of the Funds is as at September 30, 2014.

The Statements of Net Assets of each of the Funds are as at September 30, 2014 and September 30, 2013.

The Statements of Operations, Statements of Changes in Net Assets and Statements of Cash Flows of Portland Advantage Fund, Portland Canadian Balanced Fund and Portland Canadian Focused Fund are for the year ended September 30, 2014 and for the period from October 31, 2012 (date of commencement of operations) to September 30, 2013.

The Statements of Operations, Statements of Changes in Net Assets and Statements of Cash Flows of Portland Global Banks Fund and Portland Global Income Fund are for the year ended September 30, 2014 and for the period from January 1, 2013 to September 30, 2013.

d) Definitions of Net Asset Value and Net Assets

Net Asset Value and Net Asset Value per unit are terms used to refer to the value of units for unitholder transactions (i.e. for pricing purposes). Net Assets and Net Assets per unit are terms used to describe the value determined solely for the purposes of the financial statements. Please refer to note 2 for the difference in valuation techniques used in the calculation of Net Asset Value and Net Assets. A comparison of Net Assets per unit and Net Asset Value per unit is contained in Note 9.



The Net Asset Value per unit is determined for each business day at the close of regular trading on the TSX (each a "Valuation Date"). The Net Asset Value is calculated as the value of a Fund's assets, less its liabilities. The Net Asset Value per unit of each series is computed by dividing the net asset value of the series by the total number of units outstanding at the time. For calculation of the Funds' Net Asset Values, including for purposes of the subscription for and redemption of units, investments are generally valued based on the closing price for the Valuation Date.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Funds have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") as defined by the Chartered Professional Accountants of Canada ("CPA") Handbook. These financial statements include estimates and assumptions made by the Manager that may affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could differ from these estimates. The following is a summary of significant accounting policies followed by the Funds.

### Financial instruments

The Funds' financial instruments may include equity instruments (including ETFs), underlying funds, bonds, and short-term investments (collectively referred to as "investments"), cash and cash equivalents, accrued investment income, subscriptions receivable and redemptions payable, receivables for investments sold, payables for investments purchased, distributions payable and accrued liabilities. Investments are classified as held for trading and fair valued based on the accounting policies described herein. All other financial instruments are classified as loans and receivables or financial liabilities, as applicable, and recorded at amortized cost equal which approximates fair value due to their short-term maturities.

### Cash and cash equivalents

The Funds consider highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value to be cash equivalents.

### Valuation of investments

For financial statement purposes, the fair value of investments is determined as follows:

- a) Investments are recorded at fair value, established by the closing bid price (the amount someone has offered to pay for a security) for long positions and the closing asking price (the amount someone has offered to take for a security) for short positions (including options) on the recognized exchange on which the investments are principally traded. Should the quoted value for a security, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value of the security is estimated based on valuation techniques on such basis and in such manner as may be approved by the Manager;
- b) Bonds (and other debt securities with a term to maturity greater than one year) are valued by taking the bid price;
- c) Units of investment funds are valued using the last published net asset value per unit, as adjusted by the Manager to reflect fair value if applicable; and
- d) Securities not listed on any exchange are valued in the same manner as above, based upon any available public quotation in common use or at a price estimated to be the fair value thereof on such basis and in such manner as may be approved by the Manager.

For pricing purposes, the fair value of investments is determined as follows:

- a) The value of any security which is listed or dealt with upon a stock exchange or traded on an over-the-counter market is determined by taking the exchange specific closing price published by the exchange as of the Valuation Date. If there has been no trade, the mid price (average bid and asking price) as of the close of the business on the Valuation Date is used to value the security;
- b) Bonds (and other debt securities with a term to maturity greater than one year) are valued by taking the bid price;
- c) Units of investment funds are valued using the last published net asset value per unit, as adjusted by the Manager to reflect fair value; and
- d) The value of any security which is not listed or traded on a stock exchange or the resale of which is restricted by reason, is determined on the basis of such price as the Manager reasonably determines best reflects fair value.

### Transaction costs

Transaction costs are incremental costs directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges and transfer taxes and duties. Transaction costs are expensed and included in "Transaction costs" in the Statements of Operations.

### Cost of investments

The cost of investments represents the amount paid for each security, and is determined on an average cost basis excluding transaction costs. On the Statement of Investment Portfolio, transaction costs have been deducted in aggregate from the total cost of individual investments which include transaction costs. The premium received on a written put option is added to the cost of investments acquired when the written put option is exercised.

### Investment transactions and income and expenses

Investment transactions are accounted for on the trade date. Realized gains and losses on sales of investments and unrealized appreciation or depreciation in the value of investments are calculated on an average cost basis.

Realized gains and losses relating to written options may arise from:

- (i) Expiration of options whereby realized gains are equivalent to the premium received;
- (ii) Exercise of covered call options whereby realized gains or losses are equivalent to the premium received in addition to the realized gain or loss from disposition of the related investments at the exercise price of the option; and
- (iii) Closing of options whereby realized gains or losses are equivalent to the cost of purchasing options to close the positions, net of any premium received.

Realized gains and losses related to written options are included in "Realized gain (loss) on options" in the Statements of Operations. Outstanding options are presented at fair value as liabilities on the statement of net assets. Any difference resulting from valuation is included in "Change in unrealized appreciation (depreciation) in value of investments and options" in the Statements of Operations.

Dividend income and distributions from investment funds are recorded on the ex-dividend date. Interest income and expenses are accrued daily on each Valuation Date.

#### **Foreign currency translation**

Portfolio investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars based on the exchange rate of such currencies against Canadian dollars on each Valuation Date.

Unrealized exchange gains or losses on investments are included in "Net change in unrealized appreciation (depreciation) in the value of investments and options" in the Statements of Operations.

Purchases and sales of securities and income items denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect on the transaction date.

Foreign exchange gain (loss) on currencies and other net assets arise from sale of foreign currencies, currency gains or losses realized between trade and settlement dates on securities transactions, and the difference between the recorded amounts of dividend, interest and foreign withholding taxes and the Canadian dollar equivalent of the amounts actually received or paid.

#### **Forward contracts**

Forward contracts are agreements to purchase or sell financial instruments at a specified future date. Forward currency contracts manage exposure to foreign currency gains and losses arising from short and long term investment in foreign currencies. As forward contracts are not traded on an exchange, the agreements between counterparties are not standardized. Changes in value of forward contracts are settled only on termination of the contract. Open forward contracts are revalued to fair value in the statements of comprehensive income based on the difference between the contract rate and the applicable forward rate. Gains and losses associated with the valuation of open forward contracts are recorded in the Statements of Operations as "Change in unrealized appreciation (depreciation) in the value of forward currency contracts". The cumulative change in value upon settlement is included in the Statements of Operations as "Realized gain (loss) on forward currency contracts".

#### **Increase (decrease) in net assets from operations per unit**

"Increase (decrease) in net assets from operations per unit" in the Statements of Operations represents the increase (decrease) in net assets from operations per Series, divided by the weighted average units outstanding of that Series during the financial period.

#### **Adoption of International Financial Reporting Standards**

On February 13, 2008, the Accounting Standards Board ("AcSB") confirmed that publicly accountable enterprises would be required to adopt International Financial Reporting Standards ("IFRS"), as published by the International Accounting Standards Board, on January 1, 2011. However, the AcSB deferred the mandatory IFRS changeover date for Canadian investment funds to periods beginning on or after January 1, 2014. Consequently, the Fund will publish its first annual audited financial statements in accordance with IFRS for the year ending September 30, 2015, with comparatives for the year ended September 30, 2014, and prepare an opening IFRS statement of net assets as at October 1, 2013.

Based on the Manager's current evaluation of the significant differences between Canadian GAAP and IFRS, the adoption of IFRS is expected to have the following impact:

- i) IAS 32, "Financial Instruments: Disclosure and Presentation", requires unitholders' equity to be classified as a liability unless certain conditions are met. The Manager is currently of the opinion that unitholders' equity will be classified as a liability, which will result in adjustment to the presentation in the financial statements of the Funds.
- ii) IFRS 13, "Fair Value Measurements", provides guidance on the measurements of fair value and allows for the possibility of using closing prices to value instruments. The Manager intends to use closing prices to value certain investments that are currently required to use bid or ask prices, the result of which will be the use of similar valuation framework to that used in the determination of net asset value.

The Manager has presently determined that the impact of IFRS will be limited to additional note disclosure and modifications to existing presentation, with the exception of implementation of IFRS 13, which may impact net assets. The Manager expects that the changes associated with adoption of IFRS will have an impact on the net assets of the Fund due to IFRS 13. The dollar impact of this change on the fair value of investments included in the opening Statement of Financial Position as of October 1, 2013 and the Statement of Financial Position as at September 30, 2014 is detailed below. This will also result in an increase to the change in unrealized gain/loss of investments at fair value in the Statement of Comprehensive Income for the year ended September 30, 2014. The Manager has not identified any other changes that will impact net asset value per unit as a result of the changeover to IFRS. Such assessments may change as a result of issuance of new standards. The Manager expects to meet the timetable published by the CPA for changeover to IFRS.



Name of Fund	Impact on Fair Value of Investments		Change in Unrealized Gain/ Loss on Financial Assets for the year ended September 30, 2014 (\$)
	As at September 30, 2014 (\$)	As at October 1, 2013 (\$)	
Portland Advantage Fund	4,238	898	3,340
Portland Canadian Balanced Fund	1,360	154	1,206
Portland Canadian Focused Fund	2,099	(48)	2,147
Portland Global Banks Fund	4,869	20,112	(15,243)
Portland Global Income Fund	12,748	6,538	6,210

#### Distribution to the Unitholders

Distributions will be made to the Unitholders only at such times and in such amounts as may be determined in the discretion of the Manager. Each Fund intends to distribute enough of its net income and net realized capital gains so that it does not have to pay ordinary income tax. All distributions by the Funds on Series A Units, Series A2 Units, Series F Units and Series G Units will be automatically reinvested in additional units of the same series of the Funds held by the investor at the Net Asset Value thereof, unless the investor notifies the Manager in writing that cash distributions are preferred.

#### Allocation of income and expense, and realized and unrealized gains and losses.

Management fees and other costs directly attributable to a series are charged to that series. The Funds' shared operating expenses, income, and realized and unrealized gains and losses are generally allocated proportionately to each series based upon the relative net asset value of each series.

### 3. FAIR VALUE HIERARCHY

Financial instruments measured at fair value are classified according to a fair value hierarchy that reflects the importance of the inputs used to perform each valuation. The fair value hierarchy is made up of the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on data corresponding to quoted prices for similar instruments in active markets; to quoted prices for identical or similar instruments in non-active markets; to data other than quoted prices used in a valuation model, that are observable for the instrument evaluated and to data derived from mainly observable data or that is corroborated by market data by correlation or other link;

Level 3 - valuation techniques based on significant unobservable market parameters.

The fair value hierarchy requires the use of observable data on the market each time such data exists. A financial instrument is classified at the lowest level of the hierarchy for which significant input has been considered in measuring fair value.

Refer to Discussion of Financial Risk Management for fund specific fair value disclosures.

### 4. RISK MANAGEMENT

The Funds' investment activities may be exposed to various financial risks, including market risk (which includes currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Funds' risk management goals are to ensure that the outcome of activities involving risk is consistent with the Funds' investment objectives and risk tolerance per the Funds' offering documents.

#### Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Funds. All transactions in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Where a Fund invests in debt instruments or enters into derivatives (such as forward contracts), these represent the main concentration of credit risk. The fair value of debt instruments and derivatives includes consideration of the credit worthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the fund.

#### Interest rate risk

Interest rate risk arises on interest-bearing financial instruments held in the investment portfolio such as bonds. The income of the Funds may be affected by changes to interest rates relevant to particular securities or as a result of management being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movement in the future.

#### Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Securities held by the Funds may be valued in or have exposure to currencies other than the Canadian dollar, the functional currency of the Funds, and when measured in Canadian dollars, be affected by fluctuations in the value of such currencies relative to the Canadian dollar.

## Other Market risk

Other market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk). Financial instruments held by the Funds are susceptible to market price risk arising from uncertainties about future prices of the instruments.

## Liquidity risk

Liquidity risk is the risk that a Fund may not be able to settle or meet its obligations on time or at a reasonable price. The Funds' exposure to liquidity risk is concentrated in the daily cash redemption of units. As a result, the Funds invest the majority of assets in investments that are traded in an active market and can be readily disposed of. There can be no assurance that an active trading market for the investments will exist at all times, or that the prices at which the securities trade accurately reflect their values. In accordance with securities regulations, each fund must maintain at least 90% of assets in liquid investments at time of purchase. In addition, each fund has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions and settling portfolio transactions.

Refer to Discussion of Financial Risk Management for fund specific risk disclosure.

## 5. INCOME TAXES

Portland Global Income Fund and Portland Global Banks Fund are mutual fund trusts per the *Income Tax Act* (Canada). Portland Advantage Fund, Portland Canadian Balanced Fund and Portland Canadian Focused Fund became mutual fund trusts during 2014 and have each registered investment status per the *Income Tax Act* (Canada).

The Funds calculate taxable income and net capital gains/(losses) in accordance with the *Income Tax Act* (Canada). Each Fund intends to distribute enough of its net income and net realized capital gains, if any, to ensure it does not have to pay ordinary income tax. Portland Advantage Fund and Portland Canadian Focused Fund paid \$218 and \$565, respectively, to the CRA for Alternative Minimum Tax ("AMT") for the tax year ended December 31, 2013 as the Funds were still considered unit trusts.

The taxation year-end for the Funds is December 15.

Net capital losses can be carried forward indefinitely and may be used to reduce future capital gains. Non-capital losses can be carried forward for 20 years and may be used to offset future income.

The following chart presents the amount of non-capital loss carry forwards available to the Funds by year of expiry.

	2029 (\$)	2032 (\$)	2033 (\$)	Total (\$)
Portland Advantage Fund	-	63	-	63
Portland Canadian Balanced Fund	-	139	-	139
Portland Canadian Focused Fund	-	544	-	544
Portland Global Banks Fund	279,354	1,913	336,358	617,625
Portland Global Income Fund	279,952	-	-	279,952

The following chart presents the amount of unused capital losses which can be carried forward indefinitely by the Funds.

	Total (\$)
Portland Advantage Fund	99
Portland Canadian Balanced Fund	2
Portland Canadian Focused Fund	2
Portland Global Banks Fund	158,706,097
Portland Global Income Fund	23,666,836

## 6. UNITHOLDERS' EQUITY

The Funds are permitted to have an unlimited number of series of units, having such terms and conditions as the Manager may determine. Additional series may be offered in future on different terms, including different fee and dealer compensation terms and different minimum subscription levels. Each unit of a series represents an undivided ownership interest in the net assets of the Fund attributable to that series of units.

The Funds endeavor to invest capital in appropriate investments in conjunction with their investment objectives. The Funds maintain sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments, where necessary.

Units of the Funds are available in multiple series as outlined below. The principal difference between the series of units relates to the management fee payable to the Manager, the compensation paid to dealers, distributions and the expenses payable by the series. All units are entitled to participate in a Fund's assets on liquidation on a series basis. Units are issued as fully paid and non-assessable and are redeemable at their net asset value.

Series A Units and Series A2 Units are available to all investors.

Series G Units are similar to Series A Units but are only available to investors resident for tax purposes in a province or territory of Canada that has not adopted or has eliminated the harmonized sales tax (HST). Expenses in Series G only attract goods and services tax (GST).

Series F Units are available to investors who participate in fee-based programs through their dealer and whose dealer has signed a Series F Agreement with the Manager, investors for whom the Funds do not incur distribution costs, or individual investors approved by the Manager.

The number of units issued and outstanding for the period ended September 30, 2014 were as follows:

Year ended September 30, 2014	Balance, Beginning of Period	Units Issued	Units Reinvested	Units Redeemed	Balance, End of Period
<b>Portland Advantage Fund</b>					
Series A Units	83,890	167,292	-	34,560	216,622
Series F Units	13,288	154,651	-	6,632	161,307
Series G Units	600	-	-	-	600
<b>Portland Canadian Balanced Fund</b>					
Series A Units	83,867	124,919	96	17,290	191,592
Series F Units	3,969	97,696	28	2,532	99,161
Series G Units	622	8,663	-	-	9,285
<b>Portland Canadian Focused Fund</b>					
Series A Units	212,435	52,861	-	53,226	212,070
Series F Units	86,405	164,577	-	15,520	235,462
Series G Units	1,605	8,379	-	-	9,984

Year ended September 30, 2014	Balance, Beginning of Period	Units redeemed preconversion	Units converted December 13, 2013 (note 1(b))	Units issued post conversion (note 1(b))	Units Reinvested post conversion (note 1(b))	Units Redeemed post conversion (note 1(b))	Balance, End of Period
<b>Portland Global Banks Fund</b>							
Trust Units (note 1b)	12,195,709	2,887,890	9,307,819	-	-	-	-
Series A Units	-	-	-	298	8	-	306
Series A2 Units	-	-	1,992,134	100,888	58,256	1,108,092	1,043,186
Series F Units	-	-	-	9,742	297	2,058	7,981
<b>Portland Global Income Fund</b>							
Trust Units (note 1b)	2,582,626	276,728	2,305,898	-	-	-	-
Series A Units	-	-	1,276	45,851	1,041	19	48,149
Series A2 Units	-	-	820,309 <sup>1</sup>	102,405	28,318	394,210	556,822
Series F Units	-	-	4,307	222,119	3,903	101,939	128,390

<sup>1</sup>Includes 18,412 units issued as a result of the merger outlined in note 1(a)

The number of units issued and outstanding for the periods ended September 30, 2013 were as follows:

Period ended September 30, 2013 (note 1c)	Balance, Beginning of Period	Units Issued	Units Reinvested	Units Redeemed	Balance, End of Period
<b>Portland Advantage Fund</b>					
Series A Units	-	91,469	-	7,578	83,890
Series F Units	-	13,288	-	-	13,288
Series G Units	-	600	-	-	600
<b>Portland Canadian Balanced Fund</b>					
Series A Units	-	86,354	-	2,487	83,867
Series F Units	-	3,969	-	-	3,969
Series G Units	-	622	-	-	622
<b>Portland Canadian Focused Fund</b>					
Series A Units	-	214,785	-	2,350	212,435
Series F Units	-	86,405	-	-	86,405
Series G Units	-	1,605	-	-	1,605
<b>Portland Global Banks Fund</b>					
Trust Units (note 1b)	12,200,209	-	-	4,500	12,195,709
<b>Portland Global Income Fund</b>					
Trust Units (note 1b)	2,920,964	-	-	338,338	2,582,626

## 7. MANAGEMENT FEES AND EXPENSES

Pursuant to the Funds' prospectus, the Funds agree to pay management fees to the Manager, calculated and accrued on each Valuation Date and paid monthly.

The annual management fees rate of the respective series of units are as follows:

	Series A Units	Series A2 Units	Series F Units	Series G Units
Portland Advantage Fund	2.00%	n/a	1.00%	2.00%
Portland Canadian Balanced Fund	2.00%	n/a	1.00%	2.00%
Portland Canadian Focused Fund	2.00%	n/a	1.00%	2.00%
Portland Global Banks Fund	2.00%	1.75%	1.00%	2.00%
Portland Global Income Fund	1.85%	1.65%	0.85%	1.85%

Some of the Funds invest in Exchange Traded Funds (ETF's). When a Fund invests in an ETF, the ETF may pay a management fee and other expenses in addition to the expenses payable by the Fund. However, the Fund will not pay a management fee on the portion of its assets that it invests in the ETF that, to a reasonable person, would duplicate a management fee payable by the ETF for the same service.

In addition, the Manager will be reimbursed for any operating expenses it incurs on behalf of the Funds, including regulatory filing fees, custodian fees, legal and audit fees, bank charges, the cost of financial reporting, and all related sales taxes. GST and HST paid by the Fund on its expenses is not recoverable. The Manager may charge the Funds for actual time spent by its personnel (or those of its affiliates) in overseeing the day-to-day business affairs of the Funds. The amount charged for time spent by personnel is determined based on fully allocated costs and does not include a mark up or administration fee. The Manager may absorb future fund operating expenses at its discretion but is under no obligation to do so.

Prior to conversion (see note 1b), Portland Global Banks Fund and Portland Global Income Fund paid service fees to registered dealers at a rate of 0.60% and 0.40%, respectively, of the daily Net Asset Value of the Fund. Service fees were accrued on each Valuation date and were paid quarterly to the Manager who in turn, paid the registered dealer.

## 8. SOFT DOLLARS

A portion of the brokerage commissions (referred to as "soft dollars") paid by the Funds on securities purchases and sales to dealers (generally "full service" dealers) represents fees for goods and services, in the form of proprietary research, provided to the Manager by the dealer which are in addition to order execution services. The Manager may choose to affect portfolio transactions with dealers who provide research, statistical and other similar services to the Funds or to the Manager at prices which reflect such services. The Manager may direct trades to a dealer in exchange for 'in-house' proprietary research. The dealers do not provide the Manager with an estimate of the cost of the research, statistical and other similar services.

## 9. COMPARISON OF NET ASSET VALUE

The comparison between the Net Asset Value per Unit and the Net Assets per unit presented in the financial statements is as follows:

	September 30, 2014		September 30, 2013	
	Net Asset Value Per Unit (\$)	Net Assets Per Unit (\$)	Net Asset Value Per Unit (\$)	Net Assets Per Unit (\$)
<b>Portland Advantage Fund</b>				
Series A Units	12.27	12.26	11.30	11.29
Series F Units	12.54	12.53	11.41	11.40
Series G Units	11.35	11.34	10.43	10.42
<b>Portland Canadian Balanced Fund</b>				
Series A Units	12.63	12.62	11.75	11.75
Series F Units	12.86	12.86	11.87	11.87
Series G Units	11.51	11.51	10.68	10.68
<b>Portland Canadian Focused Fund</b>				
Series A Units	12.39	12.38	11.42	11.42
Series F Units	12.65	12.65	11.54	11.54
Series G Units	11.88	11.88	10.93	10.93
<b>Portland Global Banks Fund</b>				
Trust Units (note 1b)	n/a	n/a	2.12	2.12
Series A Units	10.48	10.48	n/a	n/a
Series A2 Units	10.49	10.49	n/a	n/a
Series F Units	10.56	10.55	n/a	n/a
<b>Portland Global Income Fund</b>				
Trust Units (note 1b)	n/a	n/a	3.44	3.44
Series A Units	10.31	10.29	n/a	n/a
Series A2 Units	10.33	10.31	n/a	n/a
Series F Units	10.40	10.39	n/a	n/a

## 10. RELATED PARTY TRANSACTIONS

The following table outlines the management fees and operating expense reimbursements that were paid to the Manager by the Funds during the periods ended September 30, 2014 and September 30, 2013. The table includes amount of operating expense reimbursement that was paid to affiliates of the Manager and the amount of additional absorbed operating expenses that the Manager chose not to charge to the Funds. All of the dollar amounts in the table below exclude applicable GST or HST.

Year ended September 30, 2014	Management Fees (\$)	Operating Expense Reimbursement (\$)	Service Fee (\$)	Absorbed Operating Expenses (\$)	Operating Expenses Reimbursed to Affiliates of the Manager (\$)
Portland Advantage Fund	41,383	12,169	-	93,521	2,826
Portland Canadian Balanced Fund	40,011	11,456	-	88,658	2,826
Portland Canadian Focused Fund	66,667	20,870	-	88,449	2,826
Portland Global Banks Fund	257,209	113,543	28,653	75,352	4,084
Portland Global Income Fund	99,045	99,128	6,940	57,647	4,165

Period ended September 30, 2013 (note 1c)	Management Fees (\$)	Operating Expense Reimbursement (\$)	Service Fee (\$)	Absorbed Operating Expenses (\$)	Operating Expenses Reimbursed to Affiliates of the Manager (\$)
Portland Advantage Fund	9,906	2,610	-	119,150	1,385
Portland Canadian Balanced Fund	5,888	1,581	-	104,710	1,385
Portland Canadian Focused Fund	11,344	3,096	-	136,470	1,385
Portland Global Banks Fund	308,191	140,087	111,665	-	131
Portland Global Income Fund	61,355	92,920	26,775	10,600	131

During the year, the Manager paid \$12,084 to Portland Global Banks Fund and and \$24,681 to Portland Global Income Fund. The amount was used by each Fund to compensate unitholders who redeemed units at a net asset value per unit that was originally too low as a result of a net asset value error. The amount paid by the Manager to each of the Funds has been included in "Proceeds for units issued" on the respective Statements of Changes in Net Assets.

The Manager and its affiliates hold units of the Funds. The tables below outline the number of units held at the end of the period.

As at September 30, 2014	Series A Units	Series F Units	As at September 30, 2013	Series A Units	Series F Units
Portland Global Banks Fund	306	209	Portland Advantage Fund	12,500	2,500
Portland Global Income Fund	105	-	Portland Canadian Balanced Fund	12,500	2,500
			Portland Canadian Focused Fund	12,500	2,500

The Manager, its officers and directors ("Related Parties") may invest in units of the Funds from time to time in the normal course of business. All such transactions are measured at net asset value per unit. As at September 30, 2014, less than 10 Related Parties owned approximately 4.0% of Portland Advantage Fund, 3.0% of Portland Canadian Balanced Fund, 2.5% of Portland Canadian Focused Fund, 0.9% of Portland Global Banks Fund and 1.9% of Portland Global Income Fund.

As at September 30, 2014, Portland Global Income Fund held 2,483 units of Portland Global Energy Efficiency and Renewable Energy Fund LP (September 2013: nil) and 866 units of Portland Private Income Fund (September 2013: nil), each of which have the same Manager as the Funds.

As at September 30, 2014, Portland Global Banks Fund held 2,478 units of Portland Global Energy Efficiency and Renewable Energy Fund LP (September 2013: nil) and 1,242 units of Portland Private Income Fund (September 2013: nil), each of which have the same Manager as the Funds.

During the period ending September 30, 2014, Portland Global Banks Fund and Portland Global Income Fund held 3,175 and 4,613, respectively, of Portland CVBI Holdings LP (September 30, 2013: nil) which had the same Manager as the Funds. During the period, the Funds disposed the holdings of Portland CVBI Holdings LP.

## 11. PRIME BROKERAGE FACILITY

Portland Global Banks Fund and Portland Global Income Fund have a prime brokerage agreement with the Royal Bank of Canada. The rate of interest payable on borrowed money is the Royal Bank of Canada overnight rate + 1% and the facility is repayable on demand. Prior to restructuring (see note 1b), as allowed under their offering memorandum, the following funds borrowed under this prime brokerage facility in the period.

Name of Fund	Period Ending September 30, 2013		Period Ending September 30, 2014	
	Maximum Borrowing	Minimum Borrowing	Maximum Borrowing	Minimum Borrowing
Portland Global Banks Fund (note 1b)	\$1,070,100	-	\$2,605,553	-
Portland Global Income Fund (note 1b)	\$1,350,228	\$207,625	\$487,621	-

## 12. COMPARATIVE INFORMATION

Certain comparative amounts have been re-formatted to conform to current year presentation.

### Statement of Corporate Governance Practices

Canadian securities law requires certain reporting issuers to publish specific disclosure concerning their corporate governance practices. The Manager has established an Independent Review Committee consisting of three members appointed to provide independent advice to assist the Manager in performing its services and to consider and provide recommendations to the Manager on conflicts of interest to which the Manager is subject when managing each Fund.

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