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PORTLAND LIFE SCIENCES ALTERNATIVE FUND
INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

MARCH 31, 2023

PORTFOLIO
MANAGEMENT TEAM

Michael Lee-Chin
Executive Chairman, Chief Executive
Officer and Portfolio Manager

Dragos Berbecel
Portfolio Manager

Management Discussion of Fund Performance Portland Life Sciences Alternative Fund

This interim management report of fund performance contains financial highlights, but does not contain either interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-888-710-4242, by writing to us at info@portlandic.com or 1375 Kerns Road, Suite 100, Burlington, ON L7P 4V7 or visiting our website at www.portlandic.com or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

The views of Portland Investment Counsel Inc. (the Manager) contained in this report are as of March 31, 2023, and this report is not intended to provide legal, accounting, tax or specific investment advice. Views, portfolio holdings and allocations may have changed subsequent to this date. For current information, please contact us using the above methods.

INVESTMENT OBJECTIVE AND STRATEGIES

The investment objective of the Portland Life Sciences Alternative Fund (the Fund) is to provide positive long-term total returns by investing primarily in a portfolio of securities focused on companies active in the healthcare sector. The Fund seeks to provide capital growth by primarily investing in a portfolio of equities/American Depository Receipts and may also invest in exchange traded funds (ETFs). The Fund's investments currently focus on the area of precision oncology. The Fund may also engage in borrowing for investment purposes.

The Fund is considered an "alternative mutual fund" according to National Instrument 81-102, meaning it is permitted to use strategies generally prohibited by conventional mutual funds, such as the ability to invest up to 20% of its net asset value in securities of a single issuer (rather than 10% for conventional mutual funds); the ability to invest up to 100% or more of its net asset value in physical commodities either directly or through the use of specified derivatives; borrow, up to 50% of its net asset value, cash to use for investment purposes; sell, up to 50% of its net asset value, securities short (the combined level of cash borrowing and short selling is limited to 50% in aggregate); and aggregate exposure up to 300% of its net asset value.

RISK

The overall risk level has not changed for the Fund. Investors should be able to accept a medium level of risk and plan to hold for the medium to long term.

RESULTS OF OPERATIONS

For the six-months ended March 31, 2023, the Fund's Series F units had a return of 6.04%. The Fund's broad-based market benchmark index, the MSCI World Pharmaceuticals, Biotechnology and Life Sciences Index returned 11.13% over the same period. Unlike the Index, the Fund's return is after the deduction of its fees and expenses.

The Fund's net asset value at March 31, 2023 was \$1.9 million. The asset mix as at March 31, 2023, was common equities, 60.5%; cash and cash equivalents, 39.3%; and other net assets (liabilities) 0.2%. By geography, assets were invested in cash and other net assets (liabilities), 39.5%,

United States, 36.5%; Australia, 24.0%. There has been no borrowing in the Fund since its inception date on April 14, 2021.

As expected, given the Fund's focused mandate, the performance is mainly driven by company specific developments. During the last six-month period, key relative performance contributors were Telix Pharmaceuticals Limited, Lantheus Holdings, Inc. and RadNet, Inc., whereas the key relative performance detractors were Fate Therapeutics, Inc., Guardant Health, Inc. and Relay Therapeutics, Inc.

RECENT DEVELOPMENTS

The investable universe is global, with a focus on innovative healthcare companies active in the area of precision oncology or supporting the broader effort towards improving cancer care. The Manager leverages its existing track record of private placements in companies active in precision oncology as well as its network of industry contacts in making its investment selection. Investment decisions incorporate fundamental analysis and apply to a value discipline. Investments are managed with a long-term focus.

An aging population (driven by baby boomers demographic trends) is more susceptible to cancer and requires better care and better access. At the same time, nations are straining under the burden of increased healthcare costs. Major recent advances in healthcare-related technology bear the promise of better efficacy, better quality of life and lower costs through precision/personalized medicine. Companies central to the development of precision oncology solutions, therefore, stand to benefit commercially and attract investor interest. The Manager is leveraging its private investment experience and its industry network in the sector in its investment decision making process. The Fund is a transparent, liquid and focused investment fund with the goal to invest in companies that work towards improving outcomes for both patients and investors.

In pursuing potential investee companies, the Manager seeks companies that place patient benefits first. An unrelenting focus on medical outcomes needs to be the starting point of any successful oncology company. The company will seek to satisfy well-defined medical needs effectively, humanely, economically and socially responsible. In other words, the company needs to be "seeking a solution to a defined problem/indication, rather than finding the problem/indication for a solution/asset it owns." The Manager also seeks companies where there is a meaningful concentration of ownership or "skin in the game" and where the founder(s) is still active in running the business. Yet, another trait that the Manager finds as potentially indicative of future success is the investee company's ability to leverage core competencies (e.g. engineering, operations, logistics, mergers and acquisitions, relevant clinical development expertise, and so on) beyond single assets and into the realm of reliably repeatable commercial success for adjacent indications and technologies, i.e. the ability to deliver "platform value." Equally important, the Manager believes, is the investee company's ability to leverage its network connections in accelerating development of its oncology solutions towards a first-in-class and/or best-in-class commercially successful therapeutic or diagnostic.

During the six-months ended March 31, 2023, the Fund increased its investments in POINT Biopharma Global Inc., a Canadian late-stage clinical precision oncology company; Clarity Pharmaceuticals Limited, an Australia-based clinical stage company focused on developing

products to address the growing need for radiopharmaceuticals in oncology using its proprietary technology in conjunction with copper radioisotopes for diagnosis and therapy; Lantheus Holdings, Inc., a U.S. provider of imaging diagnostics and targeted therapeutics; and RadNet, Inc., a U.S. national provider of freestanding and fixed-site outpatient diagnostic imaging services.

LEVERAGE

When a Fund makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on equities or other portfolio assets, leverage may be introduced into the Fund. Leverage occurs when the Fund's notional exposure to underlying assets is greater than the amount invested. It is an investment technique that magnifies gains and losses. Consequently, any adverse change in the value or level of the underlying asset, rate or index may amplify losses compared to those that would have been incurred if the underlying asset had been directly held by the Fund and may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair the Fund's liquidity and may cause the Fund to liquidate positions at unfavorable times.

The Fund did not use leverage during the six-month period ended March 31, 2023 (March 31, 2022: \$nil).

RELATED PARTY TRANSACTIONS

The Manager is responsible for the day-to-day operation of and for providing investment management services to the Fund. The Manager receives a fee for providing these services. This is calculated daily based on the net asset value of the Fund and paid monthly. During the six-month period ended March 31, 2023, the Manager received \$13,857 in management fees from the Fund, net of applicable taxes (March 31, 2022: \$5,675).

The Manager is entitled to receive a performance fee, calculated and accrued on each business day and paid monthly. During the six-month period ended March 31, 2023, the Manager received \$8,269 in performance fees from the Fund, net of applicable taxes (March 31, 2022: \$nil).

Any administrative services paid for or provided by the Manager are charged to the Fund and are grouped and presented by expense type in the statements of comprehensive income (loss). Depending on their nature, some expenditures are allocated to the Fund based on a variety of methods including net asset value or actual costs incurred. During the six-month period ended March 31, 2023, the Manager was reimbursed \$4,399 for operating expenses incurred on behalf of the Fund, including amounts paid to affiliates, net of applicable taxes (March 31, 2022: \$1,879). The Manager absorbed \$79,473 of operating expenses during the six-month period ended March 31, 2023, net of applicable taxes (March 31, 2022: \$55,955). Affiliates of the Manager provide administrative services associated with the day-to-day operations of the Fund. These affiliates of the Manager were reimbursed \$446 during the six-month period ended March 31, 2023 by the Fund for such services (March 31, 2022: \$464).

The Manager and/or its affiliates and key management personnel of the Manager and their family (collectively referred to as Related Parties) may invest in units of the Fund from time to time in the normal course of business. Transactions to purchase or redeem units are made at net asset value per unit. Standing instructions from the independent review committee (IRC), as described below, were not required or obtained for such transactions. As at March 31, 2023, Related Parties owned 337 shares of the Fund (March 31, 2022: 15,000).

The Fund has received standing instructions from the Fund's IRC. The standing instructions constitutes a written recommendation from the

IRC that permits the Manager to proceed with specific action(s) set out in the standing instructions on an ongoing basis as detailed in the annual IRC Report to Securityholders. The standing instructions are designed to ensure that the Manager's actions are carried out in accordance with National Instrument 81-107 - Independent Review Committee for Investment Funds and the Manager's policies and procedures in order to achieve a fair and reasonable result for the Fund. The IRC reviews reports periodically, at least annually, which assess compliance with applicable conflicts of interest policies and standing instructions.

Except as otherwise noted above, the Fund was not a party to any related party transactions during the six-month period ended March 31, 2023.

The Board of Directors of the Manager is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities.

Notes

Certain statements included in this Management Discussion of Fund Performance constitute forward-looking statements, including those identified by the expressions "may," "should," "will," "anticipate," "believe," "plan," "predict," "estimate," "expect," "intend" and similar expressions to the extent they relate to the Fund. These forward-looking statements are not historical facts, but reflect the current expectations of the portfolio management team regarding future results or events that may impact the Fund. These forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that could cause actual results or events to differ materially from current expectations. The portfolio management team has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, except as required by securities legislation.

Certain research and information about specific holdings in the Fund, including any opinion, is based upon various sources believed to be reliable, but it cannot be guaranteed to be current, accurate or complete. It is for information only, and is subject to change without notice.

Summary of Investment Portfolio as at March 31, 2023

Top 25 Investments*

	% of Net Asset Value
Cash & Cash Equivalents	39.3%
Telix Pharmaceuticals Limited	19.2%
POINT Biopharma Global Inc.	7.2%
Lantheus Holdings, Inc.	6.6%
RadNet, Inc.	5.5%
Clarity Pharmaceuticals Limited	4.9%
Amgen Inc.	4.4%
BridgeBio Pharma, Inc.	4.2%
Relay Therapeutics, Inc.	3.0%
Schrodinger, Inc.	2.1%
Guardant Health, Inc.	1.5%
IGM Biosciences, Inc.	1.3%
Fate Therapeutics, Inc.	0.7%
Grand Total	99.9%
Total net asset value	\$1,852,818

* Where the Fund holds less than 25 holdings, all investments have been disclosed. There may be other assets and liabilities which are not included, and therefore the summary may not add up to 100%.

The investment portfolio may change due to ongoing portfolio transactions of the investment fund. Quarterly updates are available within 60 days of each quarter end by visiting www.portlandic.com or contacting us at 1-888-710-4242.

Portfolio Composition

Sector	
Biotechnology	39.9%
Cash & Cash Equivalents	39.3%
Health Care Services	7.0%
Health Care Supplies	6.6%
Pharmaceuticals	4.9%
Health Care Technology	2.1%
Other Net Assets (Liabilities)	0.2%

Geographic Region	
Cash & Cash Equivalents	39.3%
United States	36.5%
Australia	24.0%
Other Net Assets (Liabilities)	0.2%

Other Net Assets (Liabilities) refers to all other assets and liabilities in the Fund excluding portfolio investments and cash.

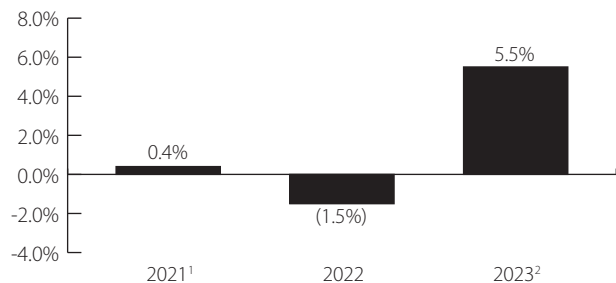
Past Performance

The past performance information shown in this section is calculated using the net asset value per unit and assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. The past performance information does not take into account sales, redemptions, distribution or other optional charges or income taxes payable by the unitholder that would have reduced returns or performance. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

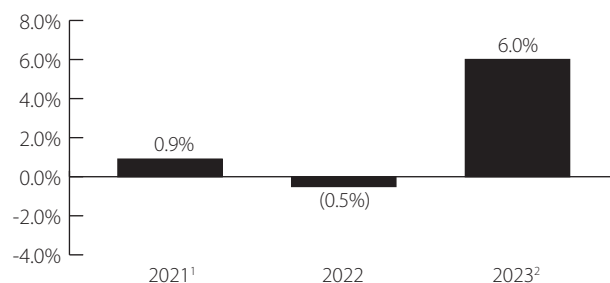
Year-By-Year Returns

The following bar charts show the performance of each series of the Fund for each of the financial years shown and illustrates how the investment fund's performance has changed from year to year. The charts show in percentage terms how an investment made on the first day of each financial year would have increased or decreased by the last day of each financial year.

Series A Units



Series F Units



1. Return for 2021 represents a partial year starting April 14, 2021 (commencement of operations) to September 30, 2021.

2. Return for 2023 represents a partial year starting October 1, 2022 to March 31, 2023.

Management Fees

The Manager is responsible for the day-to-day management and administration of the Fund. The Manager monitors and evaluates the performance of the Fund, pays for the investment management services of the portfolio adviser and arranges for the administrative services required to be provided to the Fund. As compensation for its service, the Manager is entitled to receive a fee, payable monthly, calculated based on the average daily net asset value of the Fund.

Series of Units	Management Fee (%)	Expenses Paid Out of the Management Fee (%)		
		Dealer compensation	General administration, investment advice and profit	Absorbed expenses
Series A	1.75%	50%	-	50%
Series F	0.75%	-	-	100%

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years. Information for 2023 is presented for the six-month period ended March 31, 2023 and for all other periods, information is as at September 30 of the year shown.

Series A Units - Net Assets per unit¹

For the periods ended	2023	2022	2021
Net assets, beginning of the period	\$9.88	\$10.04	\$10.00 [†]
Increase (decrease) from operations:			
Total revenue	0.05	0.02	-
Total expenses	(0.18)	(0.26)	(0.14)
Realized gains (losses)	0.00	(0.01)	(0.01)
Unrealized gains (losses)	0.65	0.39	(0.91)
Total increase (decrease) from operations ²	0.52	0.15	(1.06)
Distributions to unitholders:			
From income	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	-	-	-
Total annual distributions ³	-	-	-
Net assets, end of period ⁴	\$10.43	\$9.88	\$10.04

Series A Units - Ratios/Supplemental Data

For the periods ended	2023	2022	2021
Total net asset value	\$1,541,020	\$1,284,764	\$419,889
Number of units outstanding	147,776	129,982	41,830
Management expense ratio ⁵	3.60%	2.54%	1.39% *
Management expense ratio excluding performance fees ⁵	2.52%	2.54%	1.17% *
Management expense ratio before waivers or absorptions ⁵	9.79%	9.98%	64.86% *
Trading expense ratio ⁶	0.05%	0.05%	0.09% *
Portfolio turnover rate ⁷	-	-	-
Net asset value per unit	\$10.43	\$9.88	\$10.04

Series F Units - Net Assets per unit¹

For the periods ended	2023	2022	2021
Net assets, beginning of the period	\$10.04	\$10.09	\$10.00 [†]
Increase (decrease) from operations:			
Total revenue	0.05	0.02	-
Total expenses	(0.13)	(0.16)	(0.11)
Realized gains (losses)	-	(0.01)	-
Unrealized gains (losses)	0.60	0.17	0.21
Total increase (decrease) from operations ²	0.52	0.03	0.10
Distributions to unitholders:			
From income	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	-	-	-
Total annual distributions ³	-	-	-
Net assets, end of period ⁴	\$10.64	\$10.04	\$10.09

Series F Units - Ratios/Supplemental Data

For the periods ended	2023	2022	2021
Total net asset value	\$318,969	\$236,902	\$150,725
Number of units outstanding	29,967	23,602	14,942
Management expense ratio ⁵	2.52%	1.54%	1.12% *
Management expense ratio excluding performance fees ⁵	1.42%	1.54%	0.65% *
Management expense ratio before waivers or absorptions ⁵	38.11%	45.75%	64.33% *
Trading expense ratio ⁶	0.05%	0.05%	0.09% *
Portfolio turnover rate ⁷	-	-	-
Net asset value per unit	\$10.64	\$10.04	\$10.09

[†] Initial Offering Price

* Annualized

Explanatory Notes

1. a) The information for March 31, 2023 is derived from the Fund's unaudited interim financial statements. For the remaining periods, the information is derived from the Fund's audited annual financial statements prepared in accordance with International Financial Reporting Standards. The net assets per series presented in the financial statements may differ from the net asset value calculated for fund pricing purposes.
- b) The inception date of Series A and Series F units of the Fund was April 14, 2021.
2. Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted daily average number of units outstanding over the financial period.
3. Distributions are paid out in cash/reinvested in additional units of the Fund, or both.
4. This is not a reconciliation of the beginning and ending net assets per unit.
5. The management expense ratio (MER) is based on total expenses (excluding foreign withholding taxes, commissions and other portfolio transaction costs but including management fee distributions paid to certain unitholders in the form of additional units) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The Manager may absorb certain expenses otherwise payable by the Fund. The amount of expenses absorbed is determined annually at the discretion of the Manager.

The Fund may hold investments in ETFs and the MER is calculated taking into consideration the expenses of the Fund allocated to the series including expenses indirectly attributable to its investment in ETFs divided by the average daily net asset value of the series of the Fund during the period.

6. The trading expense ratio (TER) represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the daily average net asset value of the Fund during the period.

The TER is calculated taking into consideration the costs attributable to its investment in ETFs.

7. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to a fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Portfolio turnover rate is calculated based on the lesser of the cumulative cost of purchases or cumulative proceeds of sales divided by the average market value of the portfolio, excluding short-term investments.



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