DECEMBER 21, 2020

The views of the Portfolio Management Team contained in this report are as of December 21, 2020 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. This research and information, including any opinion, is compiled from 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. The contents of this Newsletter reflect the different assumptions, views and analytical methods of the analysts who prepared them.

OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND

PORTLAND 15 OF 15 ALTERNATIVE FUND COMPANY NEWS

SoftBank Group Corp. – Microsoft Corporation is working on in-house processor designs for use in server computers that run the company's cloud services, adding to an industrywide effort to reduce reliance on Intel Corporation's chip technology. Microsoft is using ARM Limited ("Arm") designs to produce a processor that will be used in its data centers, according to people familiar with the plans. It's also exploring using another chip that would power some of its Surface line of personal computers. The move is a major commitment by Microsoft to supply itself with the most important piece of the hardware it uses. Cloud-computing rivals such as Amazon.com Inc. are already well down the road with similar efforts. They've argued their chips are better suited to some of their needs, bringing cost and performance advantages over off-the-shelf silicon primarily provided by Intel. Representatives of Microsoft and Arm declined to comment on whether Microsoft is working on server and PC processors. Microsoft has stepped up hiring of processor engineers in recent years, recruiting in the backyard of chipmakers such as Intel, Advanced Micro Devices Inc., Nvidia Corporation and among those cut adrift when Qualcomm Incorporated abandoned its server chip efforts.

Customers such as Microsoft have increasingly turned to alternative solutions to make sense of the mountain of data that cloud computing and smartphones generate. The adoption of artificial intelligence to automate that process has sparked a flood of new chip designs. The biggest concern for owners of the giant data centers behind services like Office 365 has become the cost of providing electricity to their growing hardware footprint. Arm-based chips are often more energy efficient. If Microsoft pushes forward with its own chip for PCs it will be following Apple Inc., which is moving its entire Mac line away from Intel processors. While neither Apple nor Microsoft devices own large chunks of the PC market, their offerings are positioned as premium products with slicker designs and more advanced capabilities. When announcing its first new Macs based on the M1 chip, Apple touted the performance boost compared to standard PCs. Microsoft currently uses Arm-based chips from Qualcomm in some of its Surface PCs. It ported Windows to work on these types of chips, which have typically been used in smartphones. Apple also uses Arm technology in its processors. Other Surface models use Intel chips. SoftBank controlled Arm Limited is in the process of being acquired by Nvidia Corporation.

SoftBank Group Corp. planned to file December 21 to raise at least $500 million through a blank-check company, a person familiar with the situation said, tapping investor enthusiasm for these type of listing vehicles. The special-purpose acquisition company, or SPAC, will be overseen by SoftBank Investment Advisers, which also runs the Vision Fund. It will be used to buy a company SoftBank hasn't previously invested in, according to the person who asked not to be named as the plans are private. The news of the timing was first reported December 20 by Axios. Rajeev Misra, the head of the Vision Fund, originally revealed plans for the SPAC in an interview with Bloomberg News at the Milken Institute's virtual conference in October. The blank-check venture will combine the Vision Fund's expertise in tech start-ups with SoftBank's relatively new emphasis on public stock trading. The Goldman Sachs Group Inc. and Citigroup Inc. are managing the deal, Axios reported. For SoftBank founder Masayoshi Son, who has backed hundreds of start-ups in his career, creating such a vehicle may give him a new way to invest in nascent companies while tapping the surging public markets for money.

Reliance Industries Ltd. – On December 18, Reliance Industries Limited (RIL) and BP PLC announced the start of production from the R Cluster, ultra-deep-water gas field in block KG D6 off the east coast of India. RIL and BP are developing three deep-water gas projects in block KG D6 – R Cluster, Satellites Cluster and MJ – which together are expected to meet approximately 15% of India's gas demand by 2023. These projects will utilise the existing hub infrastructure in KG D6 block. RIL is the operator of KG D6 with a 66.67% participating interest and BP holds a 33.33% participating interest. R Cluster is the first of the three projects to come onstream. The field is located about 60 kilometers from the existing KG D6 Control & Riser Platform (CRP) off the Kakinada coast and comprises a subsea production system tied back to CRP via a subsea pipeline. Located at a water depth of greater than 2000 meters, it is the deepest offshore gas field in Asia. The field is expected to reach plateau gas production of about 12.9 million standard cubic meters per day in 2021.

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]

Nothing significant to report.

LIFE SCIENCES

OncoBeta® GmbH and their subsidiary OncoBeta Therapeutics Pty Ltd. Australia, a Medical Device Company specialized in innovative epidermal radioisotope therapies for Non-Melanoma Skin Cancers (NMSCs), announced that the Rhenium-SCT® (Rhenium-188 paste) has been registered on the Australian Register of Therapeutic Goods (ARTG), which is the formal requirement for supply and marketing of the medical device. This advanced radionuclide therapy technology offers a non-invasive, single session, painless treatment with little to no scarring for patients suffering from basal cell and squamous cell carcinomas (BCCs and SCCs). The global incidence of non-melanoma skin cancers has drastically increased over the past few decades. Depending on the source, it is estimated that there are over 5 million non-melanoma skin cancer cases reported globally each year. Australia has one of the highest incidence rates in the world. According to the Australian Institute of Health and Welfare (AIHW), non-melanoma skin cancer (NMSC) is the most common cancer diagnosed in Australia, with over 400,000 new cases per year. "The approval of the Rhenium-SCT® in Australia is a great step forward for patients wanting a new non-invasive and painless treatment option for Non-Melanoma Skin cancer," said Shannon D. Brown III, CEO and Managing Director of OncoBeta® GmbH. "We are committed to bringing back quality of life to skin cancer sufferers." Nicholas H. Vetter, Chief Operating Officer of OncoBeta said, "After receiving the TGA approval we will now set up local production to make the Rhenium-SCT® even more accessible to clinics, physicians and their patients throughout Australia."

Telix Pharmaceuticals Ltd. announced the filing of a New Drug Submission (NDS) with Health Canada for TLX591-CDx (Kit for the preparation of 68Ga-PSMA-11), a radiopharmaceutical targeting Prostate Specific Membrane Antigen (PSMA) for the imaging of prostate cancer with Positron Emission Tomography (PET). Consistent with other jurisdictions, Telix is seeking a product approval in Canada for TLX591-CDx for the staging and re-staging of intermediate and high-risk prostate cancer and localizing tumour tissue in recurrent prostate cancer. Telix Americas President Dr. Bernard Lambert stated, 'We are pleased to have achieved this important milestone with the submission of the first commercial NDS for PSMA imaging in Canada. Subject to Health Canada approval, we look forward to bringing this product to market to serve the needs of Canadian men living with prostate cancer.' Telix has also submitted marketing authorisation applications for TLX591-CDx in the European Union, United States and Australia. In November 2020, the U.S. Food and Drug Administration (FDA) accepted TLX591-CDx for filing, and in December 2020 the Australian Therapeutic Goods Administration (TGA) granted priority review status. Telix also announced that it has entered an exclusive scientific and clinical research collaboration with Paris-based Mauna Kea Technologies, a leading medical device company pioneering the development of real-time intra-operative endomicroscopic visualisation of cancer tissue. The parties will work together to develop advanced image-guided surgical technologies in the field of urologic oncology. The focus of the collaboration, which has been named the 'Imaging and Robotics in Surgery' ('IRiS') Alliance, is to combine the use of Telix's dual-modality positron emission tomography ('PET') tracers that deliver concurrent PET and fluorescent (optical) imaging, with Mauna Kea's Cellvizio confocal laser endomicroscopy (CLE) in vivo cellular imaging platform. The clinical objective is to enable the urologic surgeon to access real-time visualisation of cancer tissues in the operating theatre in a manner that can be directly correlated to pre-operative PET imaging. The IRiS Alliance aims to develop advanced capabilities for pre-operative planning, intra-operative guidance, surgical margin assessment and other surgical parameters, with initial applications in prostate and renal (kidney) cancer.

ENERGY SECTOR

Diamondback Energy Inc. – U.S. oil producer Diamondback Energy Inc. agreed to buy two rivals for a combined $3.2 billion including debt. Diamondback will buy QEP Resources, Inc. in a stock-and-debt deal that includes assumption of $1.6 billion in debt. QEP holders will get 0.05 of a Diamondback share for each share, or about $2.29, a discount to the stock's previous close. Including debt, the deal is valued at $2.2 billion. It also agreed to an all-stock purchase of lease interests and assets from privately-held shale producer Guidon Operating LLC for 10.63 million shares, valued at about $850 million. "Every time Diamondback concludes a transaction it's objectively shown shareholders are better off," Diamondback Chief Executive Travis Stice said in a call. "These are extraordinary times and it creates extraordinary opportunities," he said. The deals will add to its projected 2021 free cash flow per share and will result in annual savings of at least $60 million to $80 million after closing. The QEP deal will close by the second quarter of 2021.

ECONOMIC CONDITIONS

U.S. stimulus package gets done …no political party wanted to be known as the Grinch who stole Christmas and so Congress finally arrived at an agreement on coronavirus relief. Both sides signed onto a relief package worth $900 billion, which includes stimulus checks ($600 for each American), unemployment benefits ($300/week for 11 weeks, until March 14th, 2021), relief for airlines (those on their payrolls); small businesses (funds for forgivable Paycheck Protection Program loans) and let's not forget the arts (theater operators may be eligible for grants); schools (funds for HVAC repair and replacement), as well as renters (moratorium on evictions will be extended by a month).

U.S. retail sales not only fell more than expected in November (down 1.1%), but **October's gain vanished** and was replaced with a 0.1% decline. **September** was revised up slightly, from +1.6% to +1.7. Although sales of cars & parts fell 0.5% (expected), sales excluding autos were still down 0.9%, the biggest decline since the spring lockdown. Tighter restrictions around the country deterred Americans from dining out. Sales dropped at restaurants and bars were down for the second month in a row, with November's 1% drop the largest since the first time we went through this. With more time on one's hands with the lack of commuting, consumers bought things like bikes, treadmills, weights, and so on early in the pandemic. Now, sales in the category of sporting goods/hobby & toys/music stores took a step back for the second consecutive month (down 0.6% in November alone). Even sales of furniture and home furnishings fell 1.1% in November, but this follows a 6-month buying streak. As a partial offset : Grocery store sales jumped 1.9%, the biggest monthly gain since March and Online sales were up 0.2%, though Amazon Prime Day pulled sales into October (+2.4%).

U.S. industrial production rose for the second consecutive month, or the sixth time in the past seven months, with November's 0.4% a little above expected, while October's gain was trimmed a bit to +0.9% (was +1.1%) and September's decline was tailored a bit to -0.1% (not as bad as the -0.4% previously reported). So, on net, upward revisions. Despite the sizable 4.3% drop in utilities (it was a warm November), manufacturing and mining worked together to more than offset that volatile series. Manufacturing (76% of production) rose 0.8% in November, on the heels of October's upwardly revised 1.2% increase. Auto production was the biggest contributor, advancing for the first time since the summer (+5.3%). Other areas also chimed in, such as computer & electronic products (+1.1%), primary metals (+3.8%), and furniture (+0.3%). And, one would imagine that mass production of these anxiously waited tens of millions of vaccine doses will provide a boost in coming months. Just not last month. Mining, meantime, which makes up 13% of the total, jumped 2.3%, the biggest gain since the summer. Excluding utilities, output was up an impressive 0.8% for the second month in a row. And, more of the available capacity was used up … the overall capacity utilization rate rose by 0.3 percentage points to 73.3%, the highest since March.

The U.K. is the epicenter of concern over the recently detected new COVID-19 strain. Stringent lockdowns and concern over their economic impact, France closing its borders to U.K. freight, potentially an E.U. wide travel ban, supply chain concerns the "deadline" has passed with no Brexit deal.

FINANCIAL CONDITIONS

U.S. - As fully expected, the Federal Open Markets Committee, in a unanimous vote, left the target range for the federal funds rate unchanged at 0% to 0.25% at the conclusion of its two-day meeting. The focus was on the future of the Fed's asset purchases—both on its forward guidance and if they would opt to extend the weighted average maturity (WAM) of their purchases. The Fed chose to leave its total purchase amount and WAM unchanged. However, it did introduce new language guiding the outlook for its asset purchases. The statement reads "In addition, the Federal Reserve will continue to increase its holdings of Treasury securities by at least $80 billion per month and of agency mortgage backed securities by at least $40 billion per month **until substantial further progress has been made toward the Committee's maximum employment and price stability goals.**" (Previous guidance read: "…over coming months the Federal Reserve will increase its holdings of Treasury securities and agency mortgage-backed securities at least at the current pace to sustain smooth market functioning and help foster accommodative financial conditions, thereby supporting the flow of credit to households and businesses.")

Norway's central bank kept its policy interest rate at a record-low zero percent last week, as expected, while warning that a rate increase may come earlier than it had foreseen as the global economy recovers from the COVID-19 pandemic. Norges Bank said it had pencilled in an increase for the first few months of 2022, six months or more ahead of its previous prediction, pushing up the value of the Norwegian crown against the euro and dollar. "The policy rate forecast implies a rate at the current level for over a year ahead, followed by a gradual rise from the first half of 2022 as activity approaches a normal level," Governor Oeystein Olsen said in a statement. The first rate hike could come even earlier, Olsen later said. (Source: Reuters)

The U.S. 2 year/10 year treasury spread is now0 .80% and the U.K.'s 2 year/10 year treasury spread is 0.30%. A narrowing gap between yields on the 2 year and 10 year Treasuries is of concern given its historical track record that when shorter term rates exceed longer dated ones, such inversion is usually an early warning of an economic slowdown.

The U.S. 30 year mortgage market rate has increased to 2.67%. Existing U.S. housing inventory is at 2.5 months supply of existing houses - well off its peak during the Great Recession of 9.4 months and we consider a more normal range of 4-7 months.

The VIX (volatility index) is 28.27 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

And finally

"A desk is a dangerous place from which to view the world" John le Carre (RIP)

….. and so we'll take a break from our desks and return with our newsletter on January 11th wishing you all the best in health and happiness over the holiday season.

Portland Investment Counsel Inc. currently offers Mutual Funds & Private/Alternative Products - visit www.portlandic.com

Individual Discretionary Managed Account Models - SMA

Net Asset Value:

The Net Asset Values (NAV) of our investment funds are published on our Portland website at www.portlandic.com/prices

We want to share our insights with you and welcome your feedback. Our website has the latest, as well as archived videos, company profiles, and press articles. Please visit us at www.portlandic.com

Portland Investment Counsel Inc. **portlandinvestmentcounsel** **Portland Investment Counsel Inc.** **@PortlandCounsel**

Glossary of Terms: 'boe' barrel of oil equivalent, a measurement of a unit of energy, 'boed' refers to barrel of oil equivalent per day, 'CET' core equity tier, 'EBITDA' earnings before interest, taxes, depreciation and amortization, 'EPS' earnings per share, 'FCF' free cash flow, 'GDP' gross domestic product, 'netback' is a measure of oil and gas sales revenues net of royalties, production and transportation expenses and is used to compare performance in the oil and gas industry, 'ROE' return on equity, 'ROTE' return on tangible equity, 'ROTCE' return on tangible common equity.

1.Not all of the funds shown are necessarily invested in the companies listed

Portland Investment Counsel Inc., 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7 Tel.:1-888-710-4242 • www.portlandic.com • info@portlandic.com

PIC20-079-E(12/20)