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NEWS HIGHLIGHTS

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OUR VIEWS ON ECONOMIC AND OTHER EVENTS AND THEIR EXPECTED IMPACT ON INVESTMENTS

FEBRUARY 1, 2021

OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND

PORTLAND 15 OF 15 ALTERNATIVE FUND COMPANY NEWS

Danaher Corporation announced results for the fourth quarter and full year 2020, which included net earnings of $1.2 billion, or $1.66 per diluted common share, which represents a 55.0% year-over-year increase from the comparable 2019 period. Non-Generally Accepted Accounting Principles (GAAP) adjusted diluted net earnings per common share for the fourth quarter 2020 were $2.08 which represents a 62.5% increase over the comparable 2019 period. For the fourth quarter 2020, revenues increased 39.0% year-over-year to $6.8 billion, with 15.5% non-GAAP core revenue growth including Cytiva. For the full year 2020, net earnings were $3.6 billion, or $4.89 per diluted common share which represents a 50.0% year-over-year increase. Non-GAAP adjusted diluted net earnings per common share for 2020 were $6.31 per share, which represents a 43.0% increase over the comparable 2019 amount. Revenues for the full year 2020 increased 24.5% to $22.3 billion, with 9.5% non-GAAP core revenue growth including Cytiva. For the first quarter 2021 Danaher anticipates that non-GAAP core revenue growth including Cytiva will be in the mid to high-teens range. For the full year 2021, Danaher anticipates non-GAAP core revenue growth including Cytiva will be in the low-double digit range. Rainer M. Blair, President and Chief Executive Officer, stated, "For the full year 2020, we achieved nearly 10% core revenue growth including Cytiva, strong margin expansion, and more than $5 billion of free cash flow. But our financial results only tell part of the story. Despite many unforeseen challenges as a result of the COVID-19 pandemic, our team turned the challenges we faced into impactful opportunities to support our customers and the global community. We're proud to play a pivotal role in the fight against COVID-19, and our 2020 results are a testament to our team's commitment and perseverance." Blair added, "2020 was also a transformative year for Danaher with the addition of Cytiva—the largest acquisition in our company's history and one that has strengthened our position as a global science and technology leader. Going forward, we believe the combination of our portfolio, innovative team, and strong balance sheet—all powered by the Danaher Business System—positions us to deliver sustainable, long-term shareholder value for many years to come."

Cytiva, a Danaher subsidiary, acquired Vanrx Pharmasystems Inc., a Canadian company that makes robotic aseptic filling machines to fill vials, syringes, and cartridges with reduced risk and increased speed to patients. This is the first acquisition by Cytiva. Emmanuel Ligner, President and CEO, Cytiva, says: "Since becoming a Danaher operating company in April 2020, we have already begun fueling innovation and re-investing in the business for the benefit of our customers and their patients. We are thrilled to welcome the Vanrx associates to our family and look forward to working together on delivering meaningful solutions for biomanufacturers." Global trends toward smaller batches and personalized therapies are changing the growing US$300 billion biologics market, and the complete bioprocessing workflow must include aseptic filling solutions.

D.R. Horton, Inc. – raised its 2021 home sales forecast, as historically low mortgage rates and a pandemic-driven shift towards suburban living continue to stimulate homebuyer activity. The U.S. housing market is facing an exodus from city centres to suburbs and other low-density areas as companies allow employees to work from home and schools shift to online classes because of the COVID-19 outbreak. "We are well-positioned for the spring selling season and the remainder of 2021," Chief Executive Officer David Auld said on a post-earnings call with analysts. "The demand out there is really driven by demographics, and I think it has been accelerated because of the pandemic and people's desire to find a safe environment for their family." D.R. Horton said demand remained strong amid a limited supply of homes at affordable prices, adding that the company still had pricing power and was using very few sales incentives. Horton now expects home sales in its fiscal 2021 to be between 80,000 and 82,000 homes, above a prior forecast of between 77,000 and 80,000 homes. Orders, an indicator of future sales, jumped 55.6% to 20,418 homes in the quarter ended December 31, 2020, while the number of homes sold rose 44.6% to 18, 739. Total revenue rose to $5.93 billion, from $4.02 billion on-year. Net income attributable to the company rose 83.6% to $791.8 million, or $2.14 per share from a year-ago period.

Stryker Corporation reported operating results for the fourth quarter and full year of 2020 and 2021 outlook. The results included net sales increased by 3.2% to $4.3 billion, organic net sales lower by 1.1%, reported operating income margin of 17.6% and adjusted operating income margin of 29.2% (up 90 basis points). Reported earnings per share (EPS) decreased 21.6% to $1.49, while adjusted EPS increased 12.9% to $2.81. "In spite of COVID-19 outbreaks that intensified through the quarter, our teams showed good resilience and delivered a solid quarter of financial results," said Kevin Lobo, Chairman and Chief Executive Officer. "As we saw with prior pandemic spikes, the impacts were strongest in the businesses linked to deferrable procedures, but as evidenced by our guidance for 2021, we are optimistic about our prospects for the future. The Wright Medical integration is off to a strong start and we continue to advance innovation across the company." The company expects 2021 organic net sales growth to be in the range of 8% to 10% from 2019, as this is a more normal baseline given the variability throughout 2020, and expects adjusted net earnings per diluted share to be in the range of $8.80 to $9.20.

Facebook Inc. - Facebook Inc. Chief Executive Officer Mark Zuckerberg said he sees Apple Inc. as a "significant" future competitor as the two companies begin to build out rival business lines, and the social-media giant is considering filing an antitrust lawsuit against Apple for what it believes to be anti-competitive behaviour. Zuckerberg discussed Facebook's key product areas late Wednesday during a quarterly earnings call, and said he expects there to be "very significant competitive overlap" with the iPhone maker on several of them, including private messaging and augmented reality glasses. He criticized Apple's iMessage, suggesting it offered weaker privacy than Facebook's WhatsApp, and implied iMessage's market dominance in the U.S. was the result of unfair advantages provided by Apple. "We increasingly see Apple as one of our biggest competitors," Zuckerberg said. "Apple has every incentive to use their dominant platform position to interfere with how our apps and other apps work, which they regularly do to preference their own." Facebook is exploring the idea of filing an antitrust lawsuit against Apple, according to a person familiar with the social network, who asked not to be identified because a suit hasn't yet been filed. The possible lawsuit was reported earlier by The Information (a digital news company). Both Facebook and Apple are already dealing with government antitrust concerns of their own. Facebook has been sued by the U.S. Federal Trade Commission and state regulators for alleged anti-competitive behaviour, and the Department of Justice is investigating Apple over its control of the App Store. Zuckerberg's company has stepped up its attacks on Apple in recent months, primarily over expected changes to Apple's iOS 14 mobile software, which will make it harder for the social network to track users and show them ads based on their past online activity. Apple has said it is making the move to protect user privacy, and Facebook has argued that the opt-in requirement will hurt small businesses that rely on targeted advertising for sales. Facebook told analysts Wednesday that the iOS changes could curb its revenue growth. "Apple may say that they're doing this to help people, but the moves clearly track their competitive interests," Zuckerberg said. Apple has said its new features will give users more transparency about how their data is used, in a way that still enables advertising. CEO Tim Cook on Thursday defended the company's changes to iOS in an appearance at the online Computers, Privacy & Data Protection Conference. "Technology does not need vast troves of personal data, stitched together across dozens of websites and apps, in order to succeed," Cook said. "Advertising existed and thrived for decades without it. And we're here today because the path of least resistance is rarely the path of wisdom." On Wednesday, Zuckerberg also said Facebook and Apple are likely to become direct rivals on the "next computing platform," referring to virtual and augmented reality headsets. Facebook already offers virtual reality headsets from its Oculus unit, and both companies are building augmented reality glasses. "I think we would expect to see them as more of a competitor there as well," he added.

Reliance Industries Limited – Chevron Corp. and Reliance Industries Ltd. are meeting with U.S. State Department officials to request a rollback of some of the previous administration's restrictions against Venezuela's oil industry. Representatives from the two companies are holding virtual discussions with officials this week, according to people with knowledge of the matter, who asked not to be identified because the information isn't public. High on the agenda: reinstating transactions known as oil swaps that would allow companies to receive Venezuelan crude in exchange for supplying diesel, one person said. The U.S. imposed sanctions on Petroleos de Venezuela SA in early 2019, in an effort to deprive the Maduro government of oil revenue. While some companies were still allowed to engage in limited dealings with the South American country, the swaps were nixed last October, said one of the people. Indian refiner Reliance is seeking to revive those swaps. Meanwhile, Chevron, for now, wants to build goodwill and remind officials of its commitment to remain in Venezuela, another person said. The oil giant currently has until June to wind down operations, unless it gets another extended waiver.

SoftBank Group Corporation - WeWork is in talks to go public through a merger with a special purpose acquisition company (SPAC), according to a person with knowledge of the matter, about 16 months after its efforts at a traditional initial public offering (IPO) failed. The board of the New York company has fielded offers from blank-check vehicles and is weighing those against possible interest from investors in a private funding round, said the person, who asked not to be identified because the discussions are private. Marcelo Claure, WeWork's executive chairman, addressed overtures from SPACs in an interview at Bloomberg's The Year Ahead conference Thursday. "We have SPACs approaching us on a weekly basis," said Claure, who's also chief operating officer at SoftBank Group Corp., WeWork's largest investor. "We're humbled that is happening because a year ago, nobody wanted to even be associated with WeWork." Any deal could value WeWork at about $10 billion, the Wall Street Journal reported, naming prospective suitors including a SPAC affiliated with Bow Capital Management LLC. BowX Acquisition Corp. is a blank-check company linked to Bow Capital, filings show. WeWork bonds surged on the news, with the company's once-distressed 7.875% notes due 2025 jumping 10.25 cents to 89.5 cents on the dollar, according to Trace bond trading data. That's the highest level since September 2019, just before WeWork pulled its IPO prospectus.

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

McDonald's Corporation Q4 results reflected continued strong performance in the U.S. with softer international trends. U.S. were up +5.5% in Q4 (versus consensus +4.9%), accelerating slightly from +4.6% in Q3 (up +120 basis points sequential on two-year basis). International-operated comps softened with a re-emergence of restrictions across Western Europe (-7.4% in Q4 versus -4.4% in Q3 and below expectations of -6%). Consolidated operating margins declined -521 basis points year/year versus a +28 basis points increase in Q3, driven largely by softer International-operated margin performance. Adjusted EPS of $1.70 was down -13.7% year/year and missed consensus of $1.77. Commentary on the current U.S. franchisee dispute was largely constructive in our view, with the company expecting strong operating performance to support a resolution.

Novartis International AG – Q4 2020 product sales in line. Headline Q4 revenue growth came in exactly in line with consensus. Key product growth drivers were mixed with stronger-than-expected sales for Cosentyx, Entresto and Tasigna offset by weakness at Zolgensma, Beovu and Lutathera which were impacted by COVID lockdowns. Kesimpta sales were $14 million in Q4 versus consensus expectations of $19 million. Sandoz generic sales were in line with expectations with a strong performance in Biosimilars offsetting weakness in U.S. consumer generics. Core Group operating income 3% miss. Pharma earnings before interest and tax (EBIT) was in line with consensus expectations showing continued EBIT margin improvement. Sandoz was slightly light of expectations. The key driver of the modest miss was higher-than-expected Corporate Expenses.. Novartis declared a fiscal 2020 dividend of CHF 3.00 per share, up 1.7% year on year. As expected, Novartis were somewhat cautious with fiscal 2021 guidance given the uncertainties of COVID-19 market recovery. The company is targeting fiscal 2021 Group Guidance for continuing operations of: net sales expected to grow low to mid-single digit; core operating income expected to grow mid-single digits, ahead of sales; Innovative Medicines expect to grow mid-single digit; Sandoz expected to be broadly in line versus 2020. Guidance assumes a return to normal healthcare system prescription dynamics by mid-2021. R&D Updates Submission timelines - Pushed back: Iscalimab (kidney transplant) submission now expected ≥2025 (from 2023); LNP023 (atypical haemolytic uraemic syndrome) pushed to ≥2025 (from 2023); Ligelizumab (CINDU, food allergy), submission expexcted 2024 & ≥2025; MIJ821 (depression), submission expexcted ≥2025

TD Canada Trust – TD Bank announced it plans to close 81 branches, including 13 locations in New Jersey. In a statement, the Canadian-based bank with U.S. headquarters in Cherry Hill said the branch closures would be effective April 23. TD Bank cited lower numbers of customers and transaction volumes, as well as proximity to other TD Bank branches in determining which locations to close, according to the statement. "We have already begun notifying impacted customers," a spokeswoman said on behalf of TD Bank. "Our goal is to make this transition as smooth as possible for them." According to the statement, the 81 stores being shuttered represents just over 6% of the bank's 1,223 branches in the country. TD Bank did not specify how many layoffs there would be, but confirmed that employees would be affected. "Some TD employees will be impacted by the store closings, although the bank is continuing efforts to redeploy impacted employees," the spokeswoman said in a statement. "TD is committed to treating our impacted colleagues fairly and with respect and supporting them with resources to assist with the transition." TD Bank did not immediately respond to whether the COVID-19 pandemic was a factor. (source: NJ.com)

Walgreens Boots Alliance, Inc. (WBA) announced the appointment of Roz Brewer as new CEO of the company, effective March 15th. Ms. Brewer most recently served as COO of Starbucks Corporation where she led the company's operating businesses across the Americas, and Starbucks license stores as well as the global functions of marketing, technology, supply chain, product innovation, and store development organizations. Ms. Brewer worked at Sam's Club from 2012 to 2017 and prior to that, she was with Kimberly-Clark Corp. for 22 years. We note she currently serves on the board of Amazon.com, Inc., as a member of the Leadership Development and Compensation Committee.

Walmart Inc. – is planning to set up small local warehousing using robots to handle surging online orders and so cut delivery time and costs by moving logistics closer to where customers live. Walmart's warehouses will sit within or next to existing stores and will use autonomous robots to fetch items such as boxed and frozen food for online orders. Human workers will handle more complex tasks such as choosing fresh produce or larger items. Orders will then be picked up at the store by customers or delivery workers. Walmart also plans to experiment with automated pick-up systems that would present the goods at a hatch once a customer scanned a code on their smartphone. The move turns local stores into micro-fulfillment centres designed to lower the cost and time of 'last-mile' delivery – the final and most expensive stage of an e-commerce order … and is seen as an advantage against Amazon.

LIFE SCIENCES

Telix Pharmaceuticals Limited – issued an activity report for the fourth quarter of 2020, highlights of which are presented below. The company held cash reserves of $79.09 million on 31 December 2020. An up-front non-refundable prepayment of $33.81 million, plus an equity investment of $35.1 million were received during the quarter following completion of a strategic licence and commercial partnership with China Grand Pharmaceutical and Healthcare Holdings Limited (CGP) for Greater China. Operating expenditure during the quarter included $7.93 million for R&D and clinical trial costs, as well as regulatory filing costs for Telix's first product Illuccix® (TLX591-CDx), for the Positron Emission Tomography (PET) imaging of prostate cancer. Telix has sufficient capital reserves to launch its first two products Illuccix® (TLX591-CDx) and TLX250-CDx for prostate and renal cancer imaging, respectively, and to fund ongoing clinical development costs in 2021 and 2022. Key developments during the quarter include advancing Illuccix® (TLX591-CDx) towards commercial launch in 2021, completing commercial transactions, financing and technology collaborations, most notably, the CGP transaction, advancing the TLX591 (prostate cancer therapy) program, as Telix's most advanced-stage therapeutics program and executing clinical activity across the pipeline, both diagnostic and therapeutic programs.

ECONOMIC CONDITIONS

Canadian economy - Real gross domestic product rose 0.7% in November, almost twice as much as expected, Statistics Canada said. And in a preliminary estimate, the agency said December was poised for a 0.3% gain. Many economists had feared a pullback in economic activity last month, given that many regions tightened pandemic restrictions to curb new infections. If that December estimate pans out, real Gross Domestic Production (GDP) will have declined 5.1% in 2020 – the worst hit in generations. Fourteen of 20 industrial sectors saw their output increase. Real GDP jumped 1.2% in goods-producing industries, while the services sector climbed 0.5%. The largest contributor to November's growth was mining, oil and gas extraction, which notched a 3.9% gain. Statistics Canada pointed to a handful of supporting factors, including higher oil production in Alberta as some facilities restarted operations.

U.S. ISM manufacturing Purchasing Managers' Index (PMI) fell back a bit in January, a little more than expected. The index slipped 1.8 points from December's 3-year high to 58.7, the lowest in two months. It is just the second decline since the recovery began. The components themselves were mixed, but the details were better. The employment component rose for the second month in a row, up 0.9 points to 52.6, the highest since June 2019. But, new orders dropped 6.4 points (the most since last spring) to 61.1, the lowest since September. Production erased the prior month's gain, losing 4.0 points to 60.7... still an elevated reading. Inventories edged down 0.2 points to 50.8. Supplier delivery delays rose by a modest 0.5 points but at 68.2, that's the highest reading since April. This is likely contributing to the 4.5 point run-up in prices paid to 82.1, the highest since April 2011.

U.S. Gross Domestic Product: The U.S. economy slowed a little more than expected in the **final quarter of 2020**, a fitting end to an awful year. Real GDP downshifted to a 4.0% annualized rate after rebounding 33.4% in Q3, with activity fading fast through the period as new pandemic restrictions took effect. Consumer spending slowed to a 2.5% pace, as ebbing income-support payments and weaker employment pushed personal income down 7% annualized. Personal spending was supported by increased demand for health-care services. A still-high personal savings rate (13.4%) should provide fuel for released pent-up demand this year. One positive surprise in the quarter is that commercial construction rose 3.0%, which added to another hefty gain in equipment spending to lift overall non-residential investment by 13.8%...clearly businesses are looking past the second wave to a stronger post-pandemic future. Meantime, residential construction blasted 33.5% higher on a hot housing market. However, declines in both federal and municipal government spending and a wider international trade deficit carved into growth (the latter by 1.5 percentage points). For all of 2020, real GDP fell 3.5%, the most since 1946. It is now 2.5% below the pre-virus 2019Q4 level, which is much less than the hit most other advanced countries took, reflecting lighter restrictions, a heftier fiscal response, and rapid growth in a larger high-tech sector. Meanwhile growth looks to ebb to 1.0% annualized in Q1, before moving higher in the spring and summer as the vaccine rollout paves the way for easing restrictions.

U.S. durable goods orders rose 0.2% in December, which was well below expected as aircraft & parts (-51.8% played its usual role of being an influencer. Excluding transportation, orders climbed 0.7%, above consensus and with an upward revision to November (was +0.4%, now +0.8%). Most of the components edged higher, including metals (primary and fabricated), machinery, and electrical equipment. Orders for computers & electronic products slipped 0.2%, the first drop since June but given the still-solid demand for technology (still need to improve the Work From Home experience), this is likely temporary in our view. We continue to witness the strength in manufacturing versus the weakness in services.

China's January manufacturing and service sector PMIs disappointing expectations; the manufacturing PMI fell to 51.3 in January (consensus 51.6, last 51.9) and services to 52.4 in January from 55.7 previously.

FINANCIAL CONDITIONS

The U.S. 2 year/10 year treasury spread is now 0.97% and the U.K.'s 2 year/10 year treasury spread is 0.43%. 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 2.73%. 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 31.22 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

And finally

"The intelligent investor is a realist who sells to optimists and buys from pessimists" Benjamin Graham

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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

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