

PORTLAND LIFE SCIENCES ALTERNATIVE FUND



(as at October 31, 2024)

"I'm a better investor because I'm a businessman, and a better businessman because I'm an investor."
Warren Buffett

	Series Start Date	Net Asset Value Per Unit (as at October 31, 2024)	PERFORMANCE (as at October 31, 2024)					Since Inception ⁴
			Year to Date	1 Month	3 Months	1 Year	3 Year	
Portland Life Sciences Alternative Fund - Series A	Apr. 14, 2021	\$20.0709	50.93%	(5.45%)	1.08%	81.37%	25.83%	21.69%
Portland Life Sciences Alternative Fund - Series F	Apr. 14, 2021	\$20.7214	51.80%	(5.36%)	1.34%	82.58%	26.93%	22.79%

FUND DETAILS

Fund Net Assets	\$16.1 million
CIFSC* Asset Class	Alternative Equity Focused
Risk Tolerance	Medium
Management Fee	Series A: 1.75%, Series F: 0.75%
Performance Fee	Series A, Series F: 10% above high water mark
MER ⁵	Series A: 2.54%, Series F: 1.43%

INVESTMENT OBJECTIVE

- The Fund's objective 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.
- The Fund's investments currently focus on the area of precision oncology. The Fund may also engage in borrowing for investment purposes.

KEY REASONS TO INVEST

- Close adherence to Framework:
 - Five Laws of Wealth Creation:**
 - Own a few high quality businesses
 - Thoroughly understand these businesses
 - Ensure these businesses are domiciled in strong, long-term growth industries
 - Use other people's money prudently
 - Hold these businesses for the long run

PORTFOLIO MANAGER

Michael Lee-Chin, B.Eng., LL.D (Honorary)
Executive Chairman, Chief Executive Officer and
Portfolio Manager

Dragos Berbecel, BComm., MBA, CFA
Portfolio Manager

HOW THE FUND IS MANAGED

- 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.
- Portland 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.
- The result is a relatively low turnover, concentrated portfolio.

Geographic Allocation

United States	40.11%
Australia	29.90%
Cash & Cash Equivalents	19.51%
Cayman Islands	5.27%
Ireland	3.85%
United Kingdom	1.52%
Other Net Assets (Liabilities) ¹	(0.16%)

Sector Allocation

Biotechnology	35.14%
Cash & Cash Equivalents	19.51%
Pharmaceuticals	17.20%
Health Care Supplies	9.53%
Life Sciences Tools & Services	8.11%
Medical Devices	7.17%
Health Care Services	2.54%
Health Care Technology	0.76%
Exchange Traded Funds	0.20%
Other Net Assets (Liabilities) ¹	(0.16%)

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Top Holdings²

Cash & Cash Equivalents	19.51%
Clarity Pharmaceuticals Limited	15.61%
Telix Pharmaceuticals Limited	14.29%
Lantheus Holdings, Inc.	9.53%
Perspective Therapeutics, Inc.	7.17%
BeiGene, Ltd. - ADR	5.27%
Danaher Corporation	4.26%
Amgen Inc.	4.16%
ICON PLC	3.85%
Iovance Biotherapeutics, Inc.	3.62%
BridgeBio Pharma, Inc.	3.05%
RadNet, Inc.	2.54%
Arvinas, Inc.	1.60%
Nuvalent, Inc.	1.53%
Bicycle Therapeutics PLC, ADR	1.52%
Olema Pharmaceuticals, Inc.	1.20%
Schrodinger, Inc.	0.76%
Relay Therapeutics, Inc.	0.49%
SPDR Bloomberg 1-3 Month T-Bill ETF	0.20%

FUND COMMENTARY (As at September 30, 2024)

The Portland Life Sciences Alternative Fund's objective 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's investments currently focus on the area of precision oncology. For the period from June 30, 2024, to September 30, 2024, the Series F units of the Fund had a return of 18.79%. The Fund's broad-based market benchmark index, the MSCI World Pharmaceuticals, Biotechnology and Life Sciences Index returned 2.92% over the same period.

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. Portland 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 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 have the potential for increased 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. Portland Life Sciences Alternative 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 & 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.

The year 2024 witnessed a continuation of robust dealmaking in the healthcare sector thus far. Biopharmaceuticals have continued to be in the crosshairs of acquirors, who demonstrated continued appetite for oncology assets, as marked by an increase of more than 100% in the number of merger & acquisition (M&A) transactions year-over-year. We see the strong increase in deal flow over the past few months as being propelled, at least in part, by pressures from impending patent cliffs looming over major pharmaceutical companies. Patent cliffs, a term often used to highlight the impending expiry of patents for key products, are expected to jeopardize tens of billions of dollars in revenue for companies such as Merck & Co Inc (Merck), Bristol-Myers Squibb Company (BMS) and Johnson & Johnson.

As pharma giants look to replenish their product pipelines, targeted radionuclide therapy companies have reaffirmed their place as a target of top interest through recent market developments. Building on the momentum set by Eli Lilly and Company (Eli Lilly) and BMS, who collectively committed ~US\$5.5 billion to acquire radiopharmaceutical platforms via the acquisitions of Point Biopharma and RayzeBio, respectively, AstraZeneca plc (AstraZeneca) joined the race with its purchase of Fusion Pharmaceuticals Inc. (Fusion). AstraZeneca's investment, which included a \$2 billion upfront payment, came at a substantial 97% premium to Fusion's trading price. The acquisition, to our understanding, aims to combine Fusion's platform in radiopharmaceuticals and AstraZeneca's expertise in small molecules to develop follow-on and novel radioconjugates.

In a similar context, Mariana Oncology, a private biotechnology company specializing in radiopharmaceuticals development

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was recently acquired by Novartis AG (Novartis) for a significant sum including a US\$1 billion upfront payment, with potential milestone payments totaling up to \$750 million. This acquisition combines Mariana Oncology's radiopharmaceutical pipeline and Novartis's extensive clinical development and commercialization expertise. The transaction further underscores the attractiveness of the radiotherapeutics approach, with the latest deal being the fourth billion dollar acquisition announced by large pharma companies in the sector since October of 2023. It is our understanding, that for the four listed radiopharmaceutical deals late last year and in early 2024, there was considerable interest from parties beyond the purchaser, as revealed from regulatory filings.

The widespread interest in the radiopharmaceutical industry is not limited to M&A deals and could also be observed in the performance of publicly listed companies active in the sector. Since the beginning of the year, multiple public radiopharmaceutical companies have seen strong appreciation in their share price. Notably, Perspective Therapeutics Inc., as well as Clarity Pharmaceuticals, both holdings in the Fund, saw gains of about 300% year-to-date, amidst news of clinical assets progression, collaboration deals with large pharmaceutical companies and the announcement of successful private placements, with a number of other industry players also enjoying robust performance since the beginning of the year.

The buoyant market sentiment towards radiopharmaceuticals is hardly surprising, in our opinion. In its first full year of sales, Pluvicto, a medicine developed by Novartis for the treatment of specific types of prostate cancer, brought in close to US\$1 billion in revenue, underscoring its sales potential and a robust profile insofar as its clinical efficiency, safety and cost are concerned. According to sell-side industry analysts' projections, the radiopharmaceutical market is poised to reach a market size of \$39 billion by the year 2032. While Pluvicto currently stands as one of the few approved radioligand therapies, the landscape is rapidly evolving with promising candidates from various companies in clinical studies.

During the third quarter of 2024, the Fund had the opportunity to add to its earlier investments in Beigene Ltd., a global biotechnology company focused on developing and commercializing oncology medicines to improve treatment outcomes and expand access for patients worldwide; Iovance Biotherapeutics, Inc., a clinical-stage biopharmaceutical company, which delivers tumor infiltrating lymphocyte (TIL), therapies for patients with solid tumor cancers; and Relay Therapeutics, Inc., a U.S. clinical-stage precision medicine company using insights into protein motion to drive the drug discovery process.

During the period, the Fund initiated new holdings in Icon PLC, a healthcare intelligence and clinical research organization engaged in providing outsourced services to pharmaceutical, biotechnology, medical device and government and public health organizations; Bicycle Therapeutics plc, a United Kingdom-based clinical-stage biopharmaceutical company

developing a class of medicines, which it refers to as Bicycles, which are a therapeutic modality combining the pharmacology usually associated with a biologic with the manufacturing and pharmacokinetic properties of a small molecule; Nuvalent, Inc., a clinical-stage biopharmaceutical company focused on creating precisely targeted therapies for clinically proven kinase targets in cancer, in particular in non-small cell lung cancer and brain cancer; and Olema Pharmaceuticals, Inc. a clinical-stage biopharmaceutical company focused on the discovery, development and commercialization of targeted therapies for women's cancers. Also during the period, the Fund exited its previous toe hold stakes in Fate Therapeutics, Inc., Guardant Health, Inc., and IGM Biosciences, Inc., on changing fundamentals consideration, in particular around clinical development and liquidity concerns.

As expected, given the Fund's focused mandate, the performance is mainly driven by company specific developments. During the quarter, key performance contributors were Clarity Pharmaceuticals Ltd., Lantheus Holdings Inc and Perspective Therapeutics Inc, partly offset by the negative performance contribution of Olema Pharmaceuticals, Inc., Icon Plc and Bicycle Therapeutics plc.

The Fund's net asset value at September 30, 2024 was \$15.6 million. The asset mix as at September 30, 2024, was common equities, 82.88%; and cash and other net assets, 17.11%. By geography, assets were invested in cash and securities of issuers based in the United States, 38.83%, Australia, 34.96%, Canada, 17.19%, Cayman Islands, 5.83%, Ireland 1.99% and the UK, 1.47%.

POTENTIAL RISKS

Portland believes the following risks may impact the performance of the Fund: concentration risk, clinical development risk, specialization risk, currency risk, equity risk and leverage risk. Please read the "What are the risks of investing in the Fund?" section in the Simplified Prospectus for a more detailed description of all the relevant risks.

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Fund Name	SERIES A			SERIES F ³
	Code - Initial Sales Charge	Code - DSC	Code - LL	
Portland Life Sciences Alternative Fund	PTL320	PTL325	PTL330	PTL030

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* Canadian Investment Funds Standards Committee

1. Other Net Assets (Liabilities) refers to all other assets and liabilities in the Fund excluding portfolio investments.
2. 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 does not add up to 100%.
3. Generally available through dealers who have entered into a Portland Series F Dealer Agreement.
4. Annualized.
5. MER or management expense ratio is presented excluding performance fees and is after absorptions as at March 31, 2024. MER is updated on a semi-annual basis and the Manager may absorb operating expenses of the Fund at its discretion but is under no obligation to do so. The MER including performance fees and absorptions was 8.67% and 8.16% for Series A and Series F, respectively, as at March 31, 2024.

Risk tolerance measures the degree of uncertainty that an investor can handle regarding fluctuations in the value of their portfolio. The amount of risk associated with any particular investment depends largely on your own personal circumstances including your time horizon, liquidity needs, portfolio size, income, investment knowledge and attitude toward price fluctuations. Investors should consult their financial advisor before making a decision as to whether this Fund is a suitable investment for them.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. The indicated rates of return are the historical annual compounded total returns including changes in units [share] value and reinvestment of all distributions [dividends] and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. The rates of return are used only to illustrate the effects of the compound growth rate and are not intended to reflect future values of the mutual fund or returns on investment in the mutual fund. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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