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NEWS HIGHLIGHTS

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

FEBRUARY 27, 2023

OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND[1]

PORTLAND 15 OF 15 ALTERNATIVE FUND[1] COMPANY NEWS

Ares Management Coporation (Ares) – Ares has reportedly been offering funds to support a takeover of Manchester United PLC (Manchester United). It is the latest U.S. asset manager to seek a financing role in the battle for the English soccer club. Hedge fund Elliot Investment Management is also looking to finance a bid, having ruled out a full takeover of the club. Oaktree Capital Management is also reported to have offered financing to bidders. Manchester United's owners, the Glazer family, are considering selling the club in what could become the biggest sports deal ever. The club received indicative offers. Ares, which oversees roughly US$350 billion in assets, has offered funds in the form of structured equity to at least one bidder, one of the sources said. Structured equity refers to a form of funding that typically sits between equity and debt in a company's capital stack and comes with regular payments. Ares, one of the largest providers of private credit, was reported in 2020 to be backing Miami-based soccer investor Kapital Football Group LLC (Kapital) in its pursuit of buying an English Premier League club. Kapital was reported a year later to have abandoned efforts to acquire Southampton. Ares was also reported to have backed two of the failed bids for Chelsea Football Club last year, before that club's 4.25 billion pound ($5.1 billion) sale to a consortium led by Los Angeles Dodgers part-owner Todd Boehly and backed by Clearlake Capital Group. Ares recently raised $3.7 billion for a dedicated sports fund with a mandate to invest in leagues and teams. It was unclear whether Ares has been looking to finance bids for Manchester United through that fund, which has already invested in Spain's Atletico de Madrid soccer club and Inter Miami CF, or another vehicle. The investment manager was among the financial backers for American entrepreneur John Textor's acquisition of France's Olympique Lyonnais in December. Manchester United received indicative offers from bidders including chemicals firm INEOS Group Limited, led by long-time fan Jim Ratcliffe, and Qatari Sheikh Jassim Bin Hamad Al Thani. Jassim reportedly intends to fund his bid without debt.

Berkshire Hathaway Inc. (Berkshire) – Berkshire reported highest-ever annual operating profit, even as foreign currency losses and rising interest rates contributed to lower earnings in the fourth quarter. Warren Buffett called 2022 a "good year" for Berkshire in his annual shareholder letter, after the conglomerate's dozens of businesses generated US$30.8 billion of profit despite rising inflation and supply chain disruptions, including from the war in Ukraine. Berkshire also bulked up its cash hoard, ending the year with $128.6 billion after selling about $16.3 billion of stocks in the fourth quarter. The company found more value buying back its own shares, repurchasing $2.6 billion, and bought back about $700 million more in the first month-and-a-half of 2023. Berkshire shareholders "trust us to treat their money as we do our own," Buffett said in his letter. "And that is a promise we can make." Quarterly operating profit fell 8% to $6.71 billion, or $4,596 per Class A share, from $7.29 billion. Net income for the quarter fell 54% to $18.16 billion, or $12,412 per Class A share, from $39.65 billion a year earlier. As a reminder, Buffett considers net results misleading because they include gains and losses on investments that Berkshire hasn't sold. Operating results included about $1.2 billion of currency losses and a sixth straight underwriting loss at the car insurer GEICO, which has boosted premiums after struggling with accident claims and properly pricing policies to reflect risk. Berkshire projected that GEICO, which shed 7% of its 41,000-person workforce last year, will generate an underwriting profit in 2023. Results also reflected a 24% jump in profit from energy and utility operations, as well as Berkshire's share of Occidental Petroleum Corporation's earnings after it built a 21.4% stake in the oil company. Berkshire also owns 20.4% of American Express Company, which its financial results do not incorporate. Though rising rates helped Berkshire generate more income from insurance investments, they also hurt its

Clayton Homes unit and namesake real estate brokerage by cutting into demand for housing construction, purchases and refinancings. In addition, profit at the Berkshire Northern Santa Fe railroad fell 13% as the Federal Reserve's rate-hike campaign began slowing the nation's economy, and shipping volumes of consumer, industrial and agricultural products as well as coal all declined. For all of 2022, Berkshire posted a net loss of $22.82 billion, though that largely reflected declines in its $308.8 billion portfolio of common stocks, led by Apple Inc. Berkshire did spend $11.5 billion in the fourth quarter to buy the insurance company Alleghany Corporation. That purchase helped boost insurance "float," which reflects premiums collected up-front before claims are paid and help fund growth, 12% last year to $164.1 billion. Berkshire also spent $8.2 billion on January 31 to boost its stake in truck stop operator Pilot Travel Centers LLC to 80% from 38.6%.

Brookfield Corporation (Brookfield) – A Brookfield-led consortium trimmed its offer for Origin Energy (Origin) by 1%, valuing Australia's number two power producer and energy retailer at AU$15.33 billion (US$10.5 billion), after government moved to cap gas prices hit valuations in the sector. The consortium's first offer in November of AU$9 per share was a near 55% premium to its previous close and valued Origin AU$15.5 billion. The parties did not spell out the reason for the drop in price but Australian gas firms have seen their valuations hit by the government's planned 12-month cap on gas and coal prices to keep a lid on bills for households and businesses hit by soaring global energy prices. The Origin statement mentioned, for the first time, that the revised proposal was conditional on the "completion of black box due diligence". Brookfield's deal requires Australian Competition and Consumer Commission (ACCC) and Foreign Investment Review Board (FIRB) approval to proceed. The Origin board stopped short of delivering a recommendation of support for the bid, another condition needed for the offer to proceed. "The Origin board considers the revised proposal has the potential to deliver significant value to shareholders, and accordingly, intends to continue to progress discussions with the consortium," the energy retailer said. Under the plan, Brookfield Asset Management Ltd. would acquire Origin's energy markets business, while MidOcean Energy, the other consortium partner which is backed by energy investment firm EIG Global Energy Partners, would take control of Origin's integrated gas business, including its 27.5% stake in Australia Pacific LNG (APLNG). Origin has been looking to speed up its transition to cleaner energy, accelerating the planned shutdown of the country's biggest coal-fired power plant and selling its gas exploration assets. "Brookfield is committed to investing in the energy transition in Australia and we see Origin playing a leading role in helping Australia meet its legislated climate and energy goals," Stewart Upson, Brookfield Asia Pacific chief executive said in a statement. The revised offer comprises AU$8.90 apiece for the first 100,000 Origin shares. For any stake above, shareholders will receive a combination of AU$4.334 and a U.S. dollar payment of $3.194 per share that reflects Origin's interest in APLNG that pays dividends in U.S. dollars. Almost 75% of Origin's shareholders own fewer than 100,000 shares, according to its annual report.

Nomad Foods Limited (Nomad Foods) – Nomad Foods reported financial results for the three and twelve-month periods ended December 31, 2022. Key operating highlights and financial performance for the fourth quarter 2022, when compared to the fourth quarter 2021, include: reported revenue increased 6.6% to €750 million; Organic revenue increase of 7.7%; Reported profit for the period of €37 million; Adjusted earnings before interest, tax, depreciation, and amortization (EBITDA) up slightly to €113 million; Adjusted earnings per share (EPS) of €0.33. Key operating highlights and financial performance for the full year 2022, when compared to the full year 2021, include: Reported revenue increased 12.8% to €2,940 million; Organic revenue increase of 1.8%; Reported profit for the period of €250 million; Adjusted EBITDA increased 8% to €524 million; Adjusted EPS of €1.68. Stéfan Descheemaeker, Nomad Foods' Chief Executive Officer (CEO), stated, "We are pleased to report that 2022 was another year of record revenue, Adjusted EBITDA and Adjusted EPS for Nomad Foods, again proving the resilience of our operating model in a challenging macro environment. Our organic sales returned to growth, we expanded Adjusted EBITDA and Adjusted EPS by 8%, and we extended our debt maturities at competitive rates. Most importantly, we adjusted our business model in response to extraordinary changes in the market, especially in raw material sourcing and portfolio pricing. Looking ahead to 2023, the frozen food category remains great value for consumers, and we have exciting plans in place to deliver strong operational results to build value for our shareholders." Noam Gottesman, Nomad Foods' Co-Chairman and Founder, commented, "Our 2022 results mark another record financial performance for Nomad Foods. We delivered Adjusted EPS at the top-end of our guidance range, grew organic sales against a challenging consumer backdrop, finished the successful integration of Fortenova Group's frozen food business, and opportunistically accessed the capital markets to extend our debt maturities until mid-2028 and 2029. We enter 2023 with sales momentum, strong underlying cash generation, and financial flexibility providing the opportunity to prudently deploy capital to create value for shareholders. In addition to our ability to return capital to shareholders, we believe we have the right operational and financial plans in place to drive sustainable growth to compound value into the future."

Alphabet Inc. (Alphabet) - Alphabet announced that the Artificial Intelligence (AI)-powered "Magic Eraser" tool from Google Photos will become available on other Android and iOS devices as a Google One subscription feature. The popular tool which uses AI to remove unwanted content from images will become available to Google One subscribers in addition to a few other editing tools like a new High Dynamic Range video effect and exclusive collage styles. While Google One originally began as a way to pay for additional cloud storage, it has expanded to become a wide set of features including Virtual Private Networks, 10% cashback on Google Store purchases, extended trials, and other premium Google Photos features. In 2022, data.ai ranked the Google One app 6th on a list of the highest non-game apps globally in terms of consumer spending.

Meta Platforms, Inc. (Meta)- Meta released a new AI language generator named LLaMA that is designed to be a research tool to help experts experiment with AI. The company is releasing LLaMA – which is a quartet of different sized models – under a non-commercial license focused on research use cases with access granted to groups like universities, Non-Governmental Organizatios, and industry labs. "We believe that the entire AI community – academic researchers, civil society policy makers, and industry – must work together to develop clear guidelines around responsible AI in general and responsible large language models in particular," the company said. Meta claims that LLaMa-13B, the second smallest version of the LLaMA model, performs better than OpenAI's GPT-3 model "on most benchmarks" while the largest one, LLaMA-65B, is "competitive with the best models," like DeepMind's Chinchilla 70B and Google's PaLM 540B. "Meta is committed to this open model of research and we'll make our new model available to the AI research community," said Mark Zuckerburg, CEO.

Reliance Industries LImited (Reliance) – Reliance will stream Indian Premier League (IPL) cricket games for free, according to people familiar with the matter, using its exclusive rights to one of the world's most-watched sporting events to challenge The Walt Disney Company (Disney) and Amazon.com, Inc. (Amazon) in India's media market Viacom18 Media Private Limited (Viacom18), the joint venture between Paramount Global and Reliance, licensed the IPL streaming rights last year for $2.7 billion, fending off competitors Disney and Sony Group Corporation (Sony). Disney previously had those rights, and used them to drive subscribers to its streaming service, Disney+. Viacom18 is taking a different approach, offering the games to as many people as possible in order to generate advertising sales, said the people, who declined to be identified because the move hasn't been announced publicly. Free media services such as Google and Facebook generate billions of dollars in advertising sales in the country and have had far more success than paid premium products like Netflix. Viacom18 executives have estimated that an audience in excess of 550 million will watch the weeks-long IPL games, which will boost Reliance's technology and internet ambitions. This year's series of matches, each lasting a relatively short three hours in length, will kick off on March 31 and go on for nearly eight weeks. Viacom18 will allow users to watch any number of games for any length time on any internet-connected device. The cost of cricket rights soared last year as several media companies sought them to boost their nascent streaming businesses. Internet adoption is scaling at rocket speed in India, and global and domestic media giants see the country as a catalyst to boost their subscriber bases. Disney, which previously owned the IPL streaming rights, lost that auction but bagged TV broadcast rights after out-gunning Sony. Amazon, another contender, pulled out of the bids at the last hour after completing the initial auction paperwork.

SoftBank Group Corp. (SoftBank) – GoTo Gojek Tokopedia PT Tbk (GoTo) said fourth-quarter gross transaction value rose 18% from a year earlier, while gross revenue was closer to the upper end of its forecast. The company is scheduled to report full earnings for the period in the coming weeks. Like tech companies worldwide, GoTo faces increasing pressure to cut costs as it grapples with a potential global recession. Consumers are pulling back on spending as rising interest rates and prices weigh on their finances. Formed via a merger of ride-hailing provider PT Gojek Indonesia and e-commerce firm PT Tokopedia, GoTo raised $1.1 billion in one of last year's largest initial public offerings. Early backers such as Alibaba Group Holding Ltd. and SoftBank were held to an eight-month lockup to support the stock price following the initial public offering (IPO). Southeast Asian food delivery spending grew at the slowest pace in at least four years in 2022, highlighting the challenges faced by GoTo and its rivals. Its plan to facilitate controlled stake sales by pre-IPO backers fizzled.

Samsung Electronics Co., Ltd. (Samsung) - The U.S. is likely to impose a limit on the chip production capabilities of Samsung and SK Hynix Inc. (Hynix) in China, a senior American official said, as Washington works with allies to curb Beijing's access to cutting-edge technologies.

Alan Estevez, Under Secretary of Commerce for Industry and Security, said at a think tank event Thursday in response to a question about South Korean chipmakers' trade with China that the U.S. is working on a way forward on this issue. A cap on the levels that these companies can grow to in China is the most likely outcome. South Korean companies won a one-year reprieve from sweeping U.S. export controls unveiled in October that prevent chipmakers from bringing in equipment for their advanced facilities in China. Without a license extension, it is unclear how Samsung and Hynix would proceed as they both depend on China as a key market and a manufacturing site for their memory chips. Estevez did not specify the precise level of chip technology at which the U.S. would seek a cap. The under secretary also said that the US and South Korea started a working group on export controls in November, without elaborating on the degree of collaboration between Washington and Seoul.

Altice USA, Inc. (Altice) - Altice made sweeping changes to its executive leadership team, notably hiring two Comcast Corporation (Comcast) veterans, as it announced fourth quarter results in which it continued to gain ground in its fiber expansion. Marc Sirota will serve as Altice's new Chief Financial Officer (CFO) effective March 1, replacing Michael Grau who has decided to step down. Sirota spent over two decades at Comcast, where he held a variety of executive positions including CFO of Comcast Business' Central Division and Senior Vice President (SVP) of Enterprise Business Intelligence. Grau will stay on as an advisor to Dennis Mathew, Altice CEO until July, assisting the company with the transition. Mathew, who took the reins as Altice CEO in October, is also a Comcast vet. Meanwhile, David Williams will take on the role of Chief Revenue Officer, replacing Matthew Grover, who has decided to retire after more than 20 years at the company. Williams recently served as Chief Marketing Officer and SVP of sales for Comcast's Central Division. Altice also hired Leroy Williams, formerly Chief Product Officer for Samsung Electronics America for the newly created role of Chief Growth Officer. He'll be responsible for competitive growth plans across Optimum's residential and commercial businesses, product strategy and management, among other duties. Lastly, Altice elevated SVP of Customer Experience Shuvankar Roy to the new role of Chief Customer Experience Officer. The new hire announcements came as Altice posted fourth quarter results showing it ended the year with 2.16 million fiber-to-the-home passings, a target that the company anticipated when reporting third quarter results. It added over 251,000 new passings in the fourth quarter and over 988,000 passings for 2022, representing the highest amount of incremental passings to date. Mathew noted while most of these fiber upgrades were concentrated in the New York tri-state area, Altice in the fourth quarter completed its first few thousand passings in its western footprint. The company added 36,000 fiber broadband customers in the quarter, ending 2022 with 172,000 total fiber customers.

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

Bunzl plc (Bunzl)- Revenues in-line. Underlying revenue growth in-line +6.6%. Base business & COVID-19 contributions (+11.6%/-5% as expected). The second half of 2022 EPS around 4% ahead. A good second half of the year margin performance overall, reflective of product cost inflation being supportive to margins. This is most evident in North America (the second half of 2022 EBITA +15%) margins +40 basis points year over year; helped by easing wage inflation in the second half of 2022 (exiting the year at closer to historic inflation levels) whilst pricing remains high (but annualizing). Free cash flow around 13% ahead with working capital inflows. Net debt also ahead, leverage now 1.2x (ex. leases) as Mergers & Acquisitions spend below estimates.

Canadian Imperial Bank of Commerce (CIBC) - CIBC reported first quarter of 2023 core cash EPS of CA$1.94 vs. consensus $1.71. The beat was attributable to net revenues (+$0.13), Provisions for Credit Losses (+$0.03) and tax (+$0.06). Consolidated pre-tax, pre-provision (PTPP) was up 6% year over year. Canadian property and casualty insurance PTPP up 6% year over year. Provision for Credit Losses (PCLs) of $206 million compared to adjusted PCLs of $340 million recorded in the fourth quarter of 2022. Net Interest Margin (NIM) was up by 1 basis point quarter over quarter. Loans were up 10% year over year (+1% quarter over quarter) led by commercial growth of 14% year over year (flat quarter over quarter)). Credit card balances were up +3% quarter over quarter. U.S. Commercial Banking and Wealth Management's adjusted PTPP was up 5% year over year (USD basis). PCLs of $73 million were lower than PCLs of $76 million recorded last quarter. NIM up 5 bps quarter over quarter. Loans were up 12% year over year (+1% quarter over quarter) and deposit growth was 4% year over year (+2% quarter over quarter). Capital Markets earnings were up 13% year over year (PTPP up 17% year over year). Expenses, adjusted, rose 9% year over year, with half of the growth driven by Costco Wholesale Corporation-related expenses and U.S. investments. Core Equity Tier 1 (CET1) capital ratio of 11.6% was down approximately 10 basis points from 11.7% last quarter, and above our 11.3% forecast. The components of CET1 movement from the fourth quarter of 2022 were earnings net of dividend growth of +30 basis points, share issuances of +11 basis points, which were offset by Risk Weighted inflation of -4 basis points, and Tax & Legal reserve (-46 basis points). PCLs of $295 million vs. consensus PCL of $336 million.

The Toronto-Dominion Bank (TD) - TD agrees to settle litigation matters related its involvement in the Stanford Financial Group securities Ponzi scheme and will record a charge of CA$1.2 billion (post-tax) in the first quarter of 2023 (reporting this Thursday). It's estimated ~20-25 basis points deduction to the Core Equity Tier 1 capital ratio (pro forma) prior to which it was forecast TD's second quarter of 2023 CET 1 ratio would be approximately 11.6% at a time when we believe investors expect banks to maintain CET 1 ratios around 11.5% (and working towards 12%).

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

GO TO ITM AG INVESTMENT TRUST[1]

GO TO ITM AG INVESTMENT LP[1]

BridgeBio Pharma, Inc. (BridgeBio) – BridgeBio reported its financial results for the fourth quarter and full year ended December 31, 2022 and provided an update on the company's operations. Cash, cash equivalents, marketable securities and restricted cash (current), totaled US$466.2 million as of December 31, 2022, compared to $787.7 million as of December 31, 2021. The net decrease of $321.5 million in cash, cash equivalents, marketable securities and restricted cash (current) is primarily attributable to net cash used in operating activities of $419.5 million, partially offset by a $90.0 million upfront payment received under a license with Bristol-Myers Squibb Company. During fiscal year 2022, BridgeBio also received $110.0 million from the sale of its priority review voucher, $10.0 million upon closing of an asset purchase agreement between its affiliate, Origin Biosciences, Inc., and Sentynl Therapeutics, Inc. and $4.9 million of net proceeds from the sale of common stock through an "at-the-market" offering. Cash, cash equivalents, marketable securities and restricted cash (current), decreased by $92.3 million when compared to the balance as of September 30, 2022 of $558.5 million. BridgeBio continues to evaluate its restructuring alternatives to drive operational changes in business processes, efficiencies, and cost savings. "We head into 2023 with cash on hand providing us with runway into 2024, and as we read out our key upcoming catalysts we expect to continue to allocate our capital carefully in order to preserve that runway and our optionality," said Brian Stephenson, Ph.D., CFA, Chief Financial Officer of BridgeBio. "We will also continue to look for ways to extend our runway by considering potential royalty monetizations and partnerships." While BridgeBio experienced some delays in certain of its clinical enrollment and trial commencement activities, it continues to adapt with alternative site, telehealth and home visits, and at-home drug delivery, as well as mitigation strategies with its contract manufacturing organizations. The longer-term impact, if any, of COVID-19 on BridgeBio's operating costs and expenses is currently unknown.

Guardant Health, Inc. (Guardant) – Guardant reported financial results for the quarter and full year ended December 31, 2022. Revenue was US$449.5 million for the year ended December 31, 2022, a 20% increase from $373.7 million for the year ended December 31, 2021. Precision oncology revenue grew 29%, driven predominantly by an increase in clinical testing volume and biopharma sample volume, which grew 42% and 40%, respectively, over the prior year period. Development services and other revenue decreased by 17%, primarily due to the change in collaboration projects with biopharmaceutical customers for companion diagnostic development and regulatory approval services, and discontinuation of our Guardant-19 tests in August 2021, partially offset by revenues earned from licensing our technologies, and providing data services during the year ended December 31, 2022. Gross profit, or total revenue less cost of precision oncology testing and cost of development services and other, was $293.2 million for 2022, an increase of $42.5 million from $250.7 million for the corresponding prior year period. Gross margin, or gross profit divided by total revenue, was 65%, as compared to 67% for the corresponding prior year period. Operating expenses were $837.6 million for 2022, as compared to $661.7 million for the corresponding prior year period, an increase of 27%. Non-Generally Accepted Accounting Principles (GAAP) operating expenses were $736.6 million for 2022, as compared to $506.8 million for the corresponding prior year period. Net loss attributable to Guardant common stockholders was $654.6 million for 2022, as compared to $405.7 million for the corresponding prior year period. Net loss per share attributable to Guardant common stockholders was $6.41 for 2022, as compared to $4.00 for the corresponding prior year period. Non-GAAP net loss was $435.4 million for 2022, as compared to $251.7 million for the corresponding prior year period. Non-GAAP net loss per share was $4.26 for 2022, as compared to $2.48 for the corresponding prior year period. Adjusted EBITDA loss was $403.4 million for 2022, as compared to a $231.5 million loss for the corresponding prior year period. Cash, cash equivalents and marketable debt securities were $1.0 billion as of December 31, 2022. Guardant expects full year 2023 revenue to be in the range of $525 million to $540 million, representing growth of 17% to 20% compared to full year 2022. Guardant expects full year 2023 operating expenses to be below full year 2022, and free cash outflow to be approximately $350 million in 2023.

Lantheus Holdings, Inc. (Lantheus) – Lantheus reported financial results for its fourth quarter and full year ended December 31, 2022. The company's revenue for the fourth quarter totalled US$263.2 million, compared with $129.6 million for the fourth quarter of 2021, representing an increase of 103.1% over the prior year period. Full year 2022 worldwide revenues were $935.1 million, compared with $425.2 million for the full year 2021, representing an increase of 119.9% over the prior year period. Lantheus' fourth quarter 2022 GAAP net loss was $119.2 million, or $1.74 per fully diluted share, as compared to GAAP net loss of $40.2 million, or $0.59 per fully diluted share for the fourth quarter of 2021. Full year 2022 GAAP net income was $28.1 million, or $0.40 per fully diluted share, as compared to GAAP net loss of $71.3 million, or $1.06 per fully diluted share for the full year 2021. The company's fourth quarter 2022 adjusted fully diluted net income per share were $1.37, as compared to $0.25 for the fourth quarter of 2021, representing an increase of approximately $1.12 from the prior year period. The company's full year 2022 adjusted fully diluted EPS, were $4.22, as compared to $0.49 for the full year 2021, representing an increase of approximately $3.72 from the prior year period. Net cash provided by operating activities was $105.4 million and $281.8 million for the fourth quarter and full year 2022. Free Cash Flow was $100.6 million for the fourth quarter of 2022, as compared to $9.3 million for the fourth quarter of 2021, representing an increase of approximately $91.3 million from the prior year period. Full year 2022 free cash flow was $263.4 million, as compared to $41.8 million for the full year 2021, representing an increase of approximately $221.7 million from the prior year period. "2022 was an outstanding year for Lantheus, led by the success of PYLARIFY and expansion of our Radiopharmaceutical Oncology pipeline. We accelerated our growth, diversified our portfolio, and delivered record revenues and profits which created additional free cash flows," said Mary Anne Heino, President and Chief Executive Officer of Lantheus. "In 2023, PYLARIFY, the #1 PSMA PET imaging agent and DEFINITY, the #1 ultrasound enhancing agent, will continue to deliver value for our patients, healthcare professionals, employees, and shareholders."

Relay Therapeutics, Inc. (Relay) – Relay reported fourth quarter and full year 2022 financial results and corporate highlights. As of December 31, 2022, cash, cash equivalents and investments totaled approximately US$1 billion compared to $958.1 million as of December 31, 2021. Relay Therapeutics expects its current cash, cash equivalents and investments will be sufficient to fund its current operating plan into 2025. Research and development expenses were $67.3 million for the fourth quarter of 2022, as compared to $51.9 million for the fourth quarter of 2021. The increase was primarily due to $6.8 million of additional clinical trial expenses and $6.3 million of additional employee related costs, which includes $3.1 million of additional stock-based compensation expense. Research and development expenses were $246.4 million for the full year 2022, as compared to $172.7 million for the full year 2021. The increase was primarily due to $32.7 million of additional clinical trial expenses, $24.7 million of additional employee related costs, which includes $5.7 million of additional stock-based compensation expense, and $10.8 million of additional preclinical programs and platform technologies. Net loss was $67.5 million for the fourth quarter of 2022, or a net loss per share of $0.56, as compared to a net loss of $67.5 million for the fourth quarter of 2021, or a net loss per share of $0.64. Net loss was $290.5 million for the full year 2022, or a net loss per share of $2.59, as compared to a net loss of $363.9 million for the full year 2021, or a net loss per share of $3.82. Net loss for the full year 2021 included one-time expenses of $134.9 million associated with the acquisition of ZebiAI Therapeutics, Inc.

Telix Pharmaceuticals Ltd. (Telix) – Telix announced its financial results for the financial year ended December 31, 2022. Total group revenue was AU$160.1 million (2021: $7.6 million) as the commercial launch of Illuccix drove a 20x increase in revenue. Net loss after tax was $104.1 million (2021: $80.5 million), reflecting a period of investment to scale-up commercial and clinical activities. Adjusted EBITDA was $67.8 million (2021: $76.1 million). Gross margin (62%) has steadily improved since launch, reflecting efficiency gains in manufacturing of commercial products and scale benefits. Cash and cash equivalents were $116.3 million as at December 31, 2022 (2021: $22.0 million). Customer receipts generated cash of $124.1 million (2021: $4.2 million), reflecting the commencement of commercial sales. Dr. Christian Behrenbruch, Group Chief Executive Officer and Managing Director commented on the result- "This year Telix has demonstrated it can effectively identify, develop and commercialise assets. This included the delivery of a complex Phase III trial and scale-up of the business to support the highly successful launch of our first commercial product, Illuccix. These achievements, along with a continued focus on expenditure control, have seen us finish 2022 in a strong financial position with a healthy cash balance and a growing revenue stream".

ECONOMIC CONDITIONS

U.S. durable goods orders fell 4.5% in January, almost completely erasing the prior month's 5.1% jump. Transportation fell 13.3%— the most since the onset of the pandemic—amid a drop in aircraft bookings. Excluding transportation, orders rose 0.7%, led by a 7.0% jump in computers, while machinery rebounded 1.6% and electrical equipment climbed 0.6% to the highest level since at least the early 90s. Core capital goods orders, a gauge for business investment, increased 0.8%, ending two straight months of decline. That was the biggest jump in five months, suggesting that demand for business equipment was healthy last month. But, core shipments including aircraft, an input for Gross Domestic Product, dropped for the first time since September 2022, flagging a weak start for the first quarter capital spending.

U.S. Personal Spending jumped 1.8% in January, more than expected, after slipping in December. Real spending rose 1.1% following back-to-back declines of 0.3% and is now up 1.9% annualized in the past three months. The spending gains in January were widespread, with stronger demand for autos and recreational goods complementing a pickup in services. Note, though, that preliminary data point to a partial pullback in new vehicle sales in February. Spending was supported by a 0.6% rise in personal income, which was lighter than expected but reflected strength in work hours and wages. The saving rate, which was revised up sharply, climbed further to 4.7% from 4.5% in December (3.4% previously reported). That's up from a near record low of 2.7% last summer, and indicates that households are drawing down excess savings at a slower rate than before, likely due to recession concerns. Prices jumped 0.6%, lifting the yearly rate a notch to 5.4%. And all of that net increase was in core prices, which rose 0.6% after an upwardly-revised 0.4% advance in December. Increases were widespread across goods and services. The sharp rise nudged the yearly core rate up to 4.7%, which is where the 3-month annualized rate is sitting. Federal Reserve Chair Powell's metric (services excluding energy and housing) also jumped 0.6% (which is the most since November 2021). This hoisted the yearly rate to 4.6% from 4.2%, a tick above the past year average. This implies the Federal Reseve has to date made little progress in tamping down labour market pressures that are keeping services inflation sticky. Worse still, the 3-month annualized rate for supercore is at 5.4%. In our view, the economy might avoid a recession for another quarter or longer, but not if the Federal Rserve has to move much more aggressively, which, after today's heated report, could well be the case.

UK Prime Minister Sunak met European Commission President Ursula von der Leyen today as Britain and the European Union have reached an agreement over post-Brexit trading arrangements in Northern Ireland (Reuters).

FINANCIAL CONDITIONS

The Reserve Bank of New Zealand retained its focus on the medium term outlook and hiked its cash rate 50 basis points as expected. Expectations now are for a step down in the pace of hikes from 50 basis points to 25 basis points clips with a terminal rate forecast from 5% to 5.50% to be achieved by the July meeting

The U.S. 2 year/10 year treasury spread is now -0.87% and the UK's 2 year/10 year treasury spread is 0.13%. 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 6.66%. Existing U.S. housing inventory is at 2.6 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 21.27 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 could be encouraging for quality equities.

And Finally : *"The difficulty lies not so much in developing new ideas as in escaping from old ones." ~ John Maynard Keynes*

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Glossary of Terms: 'CET' core equity tier, 'EBITDA' earnings before interest, taxes, depreciation and amortization, 'EPS' earnings per share, 'FCF' free cash flow, 'GDP' gross domestic product, 'ROE' return on equity, 'ROTE' return on common equity, 'ROTCE' return on tangible common equity, 'conjugate" a substance formed by the reversible combination of two or more others.

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

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

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