News Highlights

Owners. Operators. And Insightful Investors.

Phone: 1-888-710-4242
Web: www.portlandic.com
Email: info@portlandic.com

Established in 2007

PORTLAND INVESTMENT COUNSEL®

Our views on economic and other events and their expected impact on investments. August 2, 2019

Owner Operated Companies

Brookfield Asset Management Inc. is reportedly in talks to acquire a 30% stake in Brazilian sanitation company Brookfield Ambiental from the workers' severance fund FGTS. A deal could value the stake in BRK Ambiental, as the company is known, at around 2 billion reais ($520 million). The stake is managed by Brazilian state bank Caixa Econômica Federal, which has been divesting from most of its noncore assets. Caixa has sold stakes it owned in Brazilian reinsurer IRB Brasil Resseguros S.A. and in state-controlled oil company Petróleo Brasileiro S.A. So far it has sold around $2.6 billion in equity stakes. Brookfield acquired a 70% stake in the company in October 2016 from construction conglomerate Odebrecht S.A., for around 3.5 billion reais ($910 million). Since the acquisition, Brookfield changed the name of the company and injected capital, so the final value of the deal should reflect the investments over the last two years.

Energy Sector

Baytex Energy Corp. reported second quarter results, which showcased strong operating performance, with its Eagle Ford, Viking and heavy oil assets each delivering robust production and FCF. Given the company's year-to-date results, it tightened its 2019 production guidance range to 96,000 to 97,000 boed(previously 95,000 to 97,000 boed) and lowered its budgeted exploration and development capital expenditure range to $550 million to $600 million (previously $575 million to $625 million). The company generated a record level of FCF (approximately $200 million) in the first half of the year, which will allow it to redeem its $150 million (U.S.) senior unsecured notes during the third quarter. In addition, the company announced further exploration success in the East Duvernay shale with its (14-31) well brought on stream June 27. The well has generated a 30-day initial production rate of 1,360 boed (76% liquids). During the quarter, Baytex generated production of 98,402 boed, exceeding the high end of the company's guidance, delivered adjusted funds flow of $236 million ($0.42/share), a 7% increase from Q1 2019. The company reduced net debt by $147 million during the quarter ($236 million year to date). It realized an operating netback (inclusive of hedging) of $30.72/boe, the company's highest level since 2014. The company is now forecasting adjusted funds flow for 2019 of approximately $875 million. Further deleveraging remains a top priority with adjusted funds flow exceeding the midpoint of the company's capital guidance by $300 million.

Cardinal Energy Ltd. announced second quarter results, which included record adjusted funds flow of $35.7 million, up 21% over Cardinal's previous high of $29.6 million in the first quarter of 2019 while adjusted funds per diluted share increased to $0.31/share, an increase of 24% over the first quarter. Cardinal's initial power-generating projects came online during the second quarter, which helped contribute to the 10% decrease in operating expenses per boe compared to the first quarter of 2019. Cardinal completed the annual review of its credit facility in the quarter, which saw the bank line unchanged at $325 million while extending the term by a year. Cardinal decreased its net debt by $20 million or 7% in 2019 and reduced the net debt to second quarter annualized adjusted funds flow ratio to 1.7x from 2.2x in the first quarter of 2019. Total payout ratio was 58% and 54%, respectively, for the three and six months ended June 30, 2019, resulting in significant free cash flow which was used to reduce debt by $20 million and to purchase $6.2 million of Cardinal shares in the public market to settle the future vesting of restricted awards.

Whitecap Resources Inc. reported second quarter results, which included average production of 70,611 boed on limited capital expenditures of $26.5 million which was below previous guidance. In the first half of 2019, Whitecap generated funds flow of $336.8 million, spent $151.4 million on capital to maintain production, and paid dividends of $68.2 million, resulting in $117.2 million of free funds flow or a total payout ratio of 65%. This included Whitecap's 5.6% dividend increase in May of this year. Whitecap's objective in the second half of 2019 is to increase average production in the fourth quarter to 77,000 boed on capital spending of $300 million. The company anticipates funds flow in the second half of 2019 to approximate capital spending and dividend payments. Whitecap reduced net debt by $106.6 million or 8% in the first six months of 2019, and net debt at the end of the second quarter was $1.2 billion on debt capacity of $1.77 billion. Second quarter debt to EBITDA ratio was 1.6x. Whitecap also appointed Brad Wall, former Premier of Saskatchewan, to the Board of Directors.

Royal Dutch Shell - Adjusted earnings of $3,462 million were 30% below consensus. Adjusted EBIT of $4,399 million was 23% below consensus. The miss partly reflects $500 million of one off charges with the main one $200 milion in the integrated gas business for Trinidad and Tobago. Upstream production of 3,583 thousand boed was 2% ahead of forecast, up 4% year/year. It is estimated upstream net income per barrel of $9.4/boe, down $2.6/boe year/year and compares to the $6/barrel (bl) fall in the Brent oil price. Reported cash flow from operations of $11 billion was up 16% year/year with a release of working capital of $0.6 billion. Excluding working capital movements and interest payments, it is estimated underlying cash flow of $9.5 billion and down 7% year/year. With cash capex of $5.3 billion and dividends payments of $4 billion, FCF post capex and dividends was positive $0.1 billion. Adjusting for scrip, it's calculated that organic cash breakeven of $67/bl, down $3/bl year/year and up 10 percentage points (pp) quarter/quarter. Net debt excluding IFRS 16 of $58.8 billion was up 5% quarter/quarter with gearing (net debt to capital) of 23%, up 1 percentage point quarter/quarter. Including IFRS16, net debt was $74.9 billion with gearing of 27.6% vs 26.5% in Q1. Q3 2019 Outlook: Shell will continue the next tranche of share buyback for up to $2.75 billion, same as the tranche in Q1; integrated gas production is expected to be broadly flat year/year and liquefied natural gas liquefaction volumes are expected to be up slightly year/year; Upstream production is expected to be 50-100 thousand boed higher year/year due to ramp ups and the transfer of the Salym asset from Integrated Gas. Refinery availability is expected to be broadly flat year/year.

Financial Sector

Ares Capital Corporation (ARCC) Q2 2019 core net investment income per share of $0.49 was above analysts' estimate of $0.42/share and the consensus of $0.44/share. The beat was driven by higher interest income, dividend income and capital structuring fees. Book value per share was $0.06/share higher quarter/quarter at $17.27. Overall, this was another strong quarter, with most items coming in better than expectations. While net fund activity was roughly flat, credit remains stable as ARCC remains highly selective at this point in the cycle, though the company also remains well positioned with its expanded leverage capacity to be opportunistic going forward. ARCC had $1.3 billion of new commitments during Q2, of which 49% were in first lien, 31% were in second lien securities, 13% in subordinate certificates, with the remainder in other equity and preferred securities. Against that, ARCC had about $1.35 billion of exits. The portfolio mix at quarter end was 41% first lien (vs. 44% previously), 33% second lien (vs. 30%), and 7% in certificates. Overall yield on debt and income-producing securities at amortized cost was approximately flat quarter/quarter at 10.4%. Leverage was about 0.83x debt to equity, roughly flat from 0.84x the prior quarter.

Barclays PLC: Profit before tax (PBT) Q2 2019 was £1,531 million. Excluding litigation and a £166 million one-off Tradeweb gain, PBT Q2 2019 was £1,418 million or -10% (-£165 million) behind. Pre-provision £1,871 million was -9% (-£178 million) with costs the key area of disappointment with year/year income +0% and costs +6%. Net asset value per share was at £2.75 and the bank achieved a 9% return on tangible capital on better capital evolution (13.4% CET 1 capital) and a higher than expected dividend (9.0 pence/share dividend implied for full-year would offer about 6% yield plus any buyback on top). In isolation, the weakening British Pound should boost second half revenues, given Barclays Capital and credit cards are more than 50% international.

BNP Paribas S.A. Reported Q2 2019 net €2.47 billion, +21% beat on consensus. Clean PBT of €3.69 billion was about 17% above consensus, and a fairly broad-based beat. Revenues were €11.22 billion, +3% ahead of consensus. Divisionally, French Retail revenues €1.55 billion, +2% above consensus. Corporate & Investment Banking reported €3.10 billion, and are +10% ahead of consensus (with Global Markets +12% higher – Fixed Income Currency & Commodities revenues are strong but Equities & Prime Services revenues are weak). Costs come in at €7.10 billion, broadly matching consensus. Provisions reported €621 million, much more benign than consensus of €813 million. CET 1 ratio built +20 basis points (bps)_ quarter/quarter to 11.9% (small above consensus 11.8%).

The ING Group reported net profits of €1.44 billion which was 7% ahead of consensus. Pre-provision of €2.21 billion was 4% ahead of consensus. Net interest income (NII) at €3.47 billion was a small 1% miss vs. consensus. Net interest margin (NIM) of 1.52%, erosion of 3 bps quarter/quarter. Revenues of €4.67 billion are 5% ahead of consensus. Fees of €711 million missed consensus by 3% as a result of fewer large syndicated transactions in the market. There was a big beat in other income at €459 million vs. a €266 million consensus due to a €79 million receivable linked to an insolvency of a financial institution and €85 million hedge ineffectiveness results. Costs at €2.45 billion missed consensus by 2%; cost/income ratio was broadly in line at 52.5% vs. a consensus of about 52.7%. Loan Provisions of €209 million were 13% better than consensus. CET 1 ratio was 14.5%, -20bps quarter/quarter and a miss vs. (what analysts felt was a challenging) consensus of 14.7%. Interim dividend per share of €0.37 was well above consensus of €0.24.

The Royal Bank of Scotland - PBT Q2 2019 was £1,681 million, +28% ahead of consensus of £1,318 million. However, included material strategic disposal gains. Adjusted PBT of £666 million was -20% (-£167 million) below an £833 million consensus. This includes restructuring costs that were higher than expected. Profit excluding strategic and litigation costs of £1,155 million was -8% (-£100 million) below a £1,255 million consensus. Key drivers of the miss were (i) Revenue (particularly NII, -10% year/year) which was down -6% year/year. Banking NIM in Q2 was 2.02%, against a Q1 Banking NIM of 2.08%; and (ii) Impairments of £237 million against a consensus of £167 million, including a small number of one-off items in commercial. Pre-provision was a -2% miss. A new CEO, when appointed, will no doubt have new plans with new restructuring charges, etc.

The Bank of Nova Scotia (Scotiabank) and BNP Paribas Cardif announced a strategic alliance (BNP Paribas Cardif is the insurance unit of BNP Paribas). The 15-year strategic alliance between Scotiabank and BNP Paribas Cardif includes the development of protection and insurance solutions to be distributed to Scotiabank's retail customers in the Pacific Alliance Countries (about 9 million, with a combined retail loan book of roughly CAD$55 billion). The strategic alliance will also include significant investments of CAD$30 million by BNP Paribas Cardif to further develop Scotiabank's digital capabilities.

Standard Chartered PLC – Q2 2019 Underlying PBT of $1.23 billion beats consensus by 10%, on slightly better revenues (good NIM build quarter/quarter), better costs, and lower provisions. Revenues of $3.88 billion are modestly above consensus. NII grew +4% quarter/quarter, with some pleasing NIM expansion (ended Q2 2019 at 1.62%, vs. 1.56% in Q1 2019, benefiting from an increase in the 3-month Hong Kong Inter-bank Offered Rate), although loan balances did tick a little lower quarter/quarter (after the Q1 2019 growth had been strong).

Costs of $2.55 billion are about 2% below consensus. Impairments (total) of $195 million are about 10% more benign than consensus. CET 1 capital ratio falls -40 bps quarter/quarter to 13.5% (missing consensus at 13.8%). A reminder that Q2 2019 CET 1 was impacted by the share buyback but the impact was modestly above prior guidance. Risk Weighted Assets were 1% above consensus (despite the modest miss on loans). Dividend per share of $0.07 was broadly as expected.

Activist Influenced Companies

Brookfield Business Partners L.P. announced results for the second quarter, which included company EBITDA of $237 million compared to $182 million in 2018 reflecting contributions from investments closed across the company's segments and from existing businesses. Company funds from operations was $435 million ($3.35 per unit) compared to $177 million ($1.37 per unit) in 2018 and included gains realized on sale of operations within the company's business services segment. For the second quarter 2019, net income attributable to unitholders was $107 million ($0.82 per unit) and included an impairment loss recognized in the firm's infrastructure services segment, compared to $119 million ($0.60 per unit) in 2018. "We are pleased to have successfully completed several of our strategic initiatives," said Cyrus Madon, CEO of Brookfield Business Partners. "We closed our acquisitions of Clarios, Healthscope and Ouro Verde and increased our liquidity to a record level by completing the sales of our facilities management and relocation services businesses, raising approximately $840 million of equity while also increasing the size of our undrawn credit facilities to $1.6 billion. We also achieved strong operating performance during the quarter."

Dividend Payers

Dufry AG reported organic growth of 2.2% in the first half of 2019 or a growth acceleration to 2.3% in Q2 vs. 2.0% in Q1. While new concessions added 3.0%, like for like growth remained slightly negative (-0.5%) but reached a turnaround in June & July. Recovery has started in EU/Africa (Organic Growth(OG) +3.9%) thanks to an improved performance in Spain. Strong momentum in Asia Pacific (APAC) and the Middle East (ME) remained unabated (OG +13.9%). Growth deceleration in North America (Q2 OG 2.4%; Q1 5.3%). Latin America remained challenging (OG -10.6%). Gross profit margin was up 40bps thanks to continuous improvements in global and regional negotiations with suppliers and strategic initiatives with brands. Adjusted operating cash flow declined to CHF 409 million from CHF 452 million last year. This is mainly attributed to the seasonal pattern of changes in net working capital and should normalize in Q3 and Q4. The first half of 2019 results came broadly in line with market expectations. While APAC and the ME have continued with their strong performance, recovery has started in Europe while challenges remain in Latin America (local currency devaluation). The comparison base started easing in Q2 (OG +4.2; Q1 +7.1%), while the trough was reached in Q3 last year (OG -0.7%) and a shy rebound took place in Q4 (OG +1.8%). Hence, growth is expected to accelerate further over the course of the year (Fiscal Year 2019 estimated OG +3%).

Mondelez International Inc. – Q2 2019 organic revenue rose +4.6% year/year, well ahead of +2.8% year/year estimates. Importantly, analysts believe that even excluding the benefit of very strong Easter holiday execution, organic sales likely rose about +3.5-4.0% year/year. Further, organic sales growth was fairly balanced between volume and price. In fact, even though pricing accelerated sequentially from +2.0% year/year to +3.0% year/year, volume growth held roughly flat with Q1 2019 (+1.6% year/year) -- which, in our view, augurs well for potential upside to top-line growth estimates as 2019 progresses. Net, Mondelez now looks for full year organic sales to grow at a +3%+ year/year rate and is stronger than its initial +2-3% year/year range and in line with its long-term outlook. Perhaps most important, global category growth accelerated to +3.4% year/year and Mondelez is broadly gaining market share despite the fact that the company's recent spend is against opportunities not even expected to benefit results this year.

Nestlé S.A. has reported Q2 organic sales growth of 3.9% (consensus 3.8%), of which price is 0.9%. Excluding Nestlé Skin Health, growth was 3.7%. Developed markets were up an impressive 3.5% despite some softness in Water reflecting strong performances from Coffee (Starbucks Corporation), Nestlé Skin Health (double digit) and pet food. Emerging markets were up 4.3%, reflecting a slowdown in China, a sales contraction in Pakistan and the benefits of lapping the trucker strike in Brazil. During the first half of 2019 the underlying margin increased by 100 bps to 17.1% (consensus 16.8%). This reflects a 60 bps increase in gross margin and a 40 bps reduction in selling, general and administrative expenses as a percentage of sales. Excluding Nestlé Skin Health margin increased by 80 bps. Helped by a lower than expected 21% tax charge (previously 24%) this translates to a 15% increase in adjusted EPS to SFr 2.13 (16% in constant currencies). Fiscal Year guidance is for constant currency organic sales growth of around 3.5% (previously 'in excess of 3%'), and, a margin of at least 17.5% (previously an increase consistent with the 17.5%-18.5% target for 2020).

Economic Conditions

U.S. Nonfarm payrolls rose 164,000 in July, about as expected, but downward revisions in the prior two months totaling 41,000 highlight a clear slowing trend this year. Hiring remained healthy across most industries, with another surprisingly solid advance in manufacturing, despite the downshift in production in the face of tariff-related supply chain disruptions. The large and stable services sector continues to generate the bulk of new jobs. State and local government hiring to the tune of 14,000 helped. Household survey jobs rose strongly for a second straight month. However, another large expansion of the labour force **held the jobless rate at 3.7%**. Still, the "all-in" U6 jobless rate plumbed a new cycle low of 7.0%, and the average duration of unemployment also hit new lows, suggesting less slack in the labour market. As a result, **wages warmed up a bit**. Average hourly earnings rose 0.3%, lifting the yearly rate a notch to 3.2%, just off the cycle high of 3.4% reached earlier this year. But given a recent upturn in productivity, unit labour costs are applying little pressure on inflation.

U.S. trade deficit shrank less than expected in June and only slightly to $55.2 billion, with both exports and imports retracing prior month gains. The deficit with China remained large but has narrowed this year. However, the shortfall with Europe, though improving in June, has widened this year. In our view that won't sit well in the White House after President Trump announced a 10% tariff on all remaining Chinese goods that were not previously taxed and threatened that he would go further until China makes a deal.

U.S. Personal Income & Consumption - American consumers cooled in June, putting spending on track for a more moderate annualized pace of near 2% in Q3 after sprinting 4.3% in Q2. Personal spending rose an expected 0.3% in the month, and 0.2% after inflation following upwardly-revised 0.3% real gains in the prior two months and the mammoth 0.8% spurt in March. Real spending on durable goods slipped after jumping 1.4% in May, while services spending slowed sharply as well, though demand for nondurables accelerated. Personal income rose 0.4%, matching the prior month's gain. Spending has been underpinned by solid job and income growth, and an 8.1% savings rate (up 0.5 percentage points from a year ago). Core personal consumption expenditure prices rose an expected 0.2% (actually 0.248%), lifting the yearly rate to 1.6% from a downwardly-adjusted 1.5% in May. The Fed's favourite price measure remains below target at the end of the longest expansion in history, which perhaps explains why it reduced rates this week.

The Royal Bank of Canada (RBC) CEO says Canada's Housing Market Now "Well Balanced' (Bloomberg): In an interview with BNN Bloomberg television, RBC CEO Dave McKay highlighted that Canada's housing market is in "well balanced territory", as "housing prices and resale-market corrections are generally healthy." Mr. McKay cited the number of homes going up for sale, how long they're staying on the market and how many units are being built. "I wouldn't want to see some markets cool a lot more than they have, but we needed to slow this down through policy. Mr. McKay noted that construction of condominiums and single-family homes is likely to slow over the coming year in response to potentially lower demand. "It's taken a number of buyers out of the market temporarily as they build a greater down payment for that mortgage, it's cooled housing prices, but it's all about balancing supply demand and, like every policy, it's not static," said Mr. McKay. On the outlook for interest rates, the CEO also said he sees a fairly low chance of significant interest-rate cuts by the Bank of Canada, even as the U.S. Federal Reserve is poised to make one of its own. Canada's currency should remain in the range of C$1.30 per U.S. dollar, a level at which the country would remain competitive, he said.

Financial Conditions

The U.S. Federal Reserve's Open Markets Committee (FOMC) this week cut its official cash rate for the first time since 2008 by 0.25% to a range of 2% to 2.25%. and ended the quantitative tightening immediately rather than waiting a couple of months when it was scheduled to end. As expected, there were two dissenters on the vote with Esther George and Eric Rosengren wanting an unchanged result instead. The Fed justified the insurance cut with "global developments" (think trade wars, Iran & Brexit) and "muted inflation pressures" but highlight that the base case scenario is for an economy that is doing well and expectations for a return to the 2% inflation target. However, the Fed also kept the door open for further cuts by saying they "will act as appropriate to sustain the expansion". Fed Chairman Jerome Powell in his press conference used the words "insurance" and "mid-cycle adjustments" to describe the cut but he also warned that this didn't mean "just one cut". In our view, Mr. Powell sounds like he is trying to keep all options open. It is hard to find the above justifying the 93 bps of cuts over the next year which the markets had priced going into the FOMC. As a reaction, we saw equities sell-off and the U.S. dollar rally. In our view the cut was an insurance cut and it was not meant to be the start of an easing cycle. The Fed remains data dependent but remains extremely concerned on anything that hits asset values (Fed Put). The wealth effect is working despite creating imbalances. What the Fed knows is that it does not want this house of cards to fall. The Fed lacks the tools (like other central banks globally) to put all the pieces back together again this time. The question now is though do we need one more insurance cut? Markets are still pricing in 39 bps of cuts at the next meeting and 87 bps over the next year.

Bank Of England (BoE) this week left everything unchanged. It is interesting to see that forecasts for inflation remain well above 2% (2.2% and 2.4% for 2021 and 2022) and this would argue for a rate hike but as hard Brexit risks abound the BoE hands are tied. Clearly the forecasts that were provided are under the assumption of a negotiated Brexit. We have to face the reality that the forecasts mean nothing until more concrete plans for Brexit are known. GBP and UK rates will have to ebb and flow with the Brexit headlines.

The Bank of Japan (BOJ) kept its monetary policy stance and policy rate unchanged as well as its forward guidance that it "intends to maintain the current extremely low levels of short- and long-term interest rates for an extended period of time, at least through around spring 2020…" while Yield Curve Control and other monetary policy measures remain unchanged. There was one additional new sentence at the end of the July statement that "the Bank will not hesitate to take additional easing measures if there is a greater possibility that the momentum toward achieving the price stability target will be lost."

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Web: www.portlandic.com
Email: info@portlandic.com

Governor Kuroda explained that the new addition was to clarify its policy stance amid heightening downside risks and not that BOJ is “considering” easing, and that he cannot say that prices are losing momentum at the moment. BOJ’s projected GDP growth rate in fiscal 2019 and 2021 was again slightly revised lower while growth in fiscal 2020 stayed unchanged. Growth for fiscal 2021 is now at 1.1%, still the highest in three years. The BOJ Consumer Price Index (CPI) inflation point estimates and the forecast ranges were mostly adjusted slightly lower across the forecast period. The effects of the consumption tax hike are still assumed to be “flushed out” by fiscal 2021 with CPI inflation projected at 1.6% in fiscal 2021 (unchanged from April 2019 outlook), still well below the 2% target. We believe that as long as the government stays on course to implement the next sales tax hike in October (which can be taken as a sign the government is keeping its pledge to fiscal discipline and restore fiscal balance at some point), that may be sufficient to convince the BOJ to use this as an opportunity to reassert its easy monetary policy position without changing the policy targets, i.e. “allow” the Finance Ministry to issue more debt (JGBs) which the BOJ in turn will buy so as to push its JGB buying closer to the JPY80trn annual pace.

The U.S. 2 year/10 year treasury spread is now 0.14% and the U.K.’s 2 year/10 year treasury spread is 0.13% - meaning investment banks remain constrained from profiting from a steep yield curve and instead are seeking operational efficiencies, including job cuts and lower compensation, to maintain acceptable levels of profit, i.e. above costs of capital. Also, the 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.

Influenced by the withdrawal of quantitative easing, the U.S. 30 year mortgage market rate has increased to 3.75% (was 3.31% end of November 2012, the lowest rate since the Federal Reserve began tracking rates in 1971). Existing U.S. housing inventory is at 6.4 months supply of existing houses. So the combined effects of low mortgage rates, near record high affordability, economic recovery, job creation, and low prices are still supporting the housing market with housing inventory well off its peak of 9.4 months and we believe now at the low end of a more normal range of 4-7 months.

The VIX (volatility index) is 18.08 (compares to a post-recession low of 9.52 achieved in early November) and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

Mutual Funds

Portland Investment Counsel Inc. currently offers 8 Mutual Funds:

- Portland Advantage Fund
- Portland Canadian Balanced Fund
- Portland Canadian Focused Fund
- Portland Global Income Fund
- Portland Global Banks Fund
- Portland Global Dividend Fund
- Portland Value Fund
- Portland 15 of 15 Fund

Private/Alternative Products

Portland also currently manages the following private/alternative products:

- Bay & Scollard Development Trust
- ITM AG Investment Trust
- Portland Advantage Plus - Everest Fund
- Portland Focused Plus Fund LP
- Portland Focused Plus Fund
- Portland Global Aristocrats Plus Fund
- Portland Global Energy Efficiency and Renewable Energy Fund LP
- Portland Global Sustainable Evergreen Fund
- Portland Global Sustainable Evergreen LP
- Portland Private Growth Fund
- Portland Private Income Fund
- Portland Special Opportunities Fund
- Portland Value Plus Fund

Individual Discretionary Managed Account Models - SMA

Net Asset Value:

The Net Asset Values (NAV) per unit 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.

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Email: info@portlandic.com

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 common equity, 'ROTCE' return on tangible common equity.

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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