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NEWS HIGHLIGHTS

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

FEBRUARY 8, 2021

OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND

PORTLAND 15 OF 15 ALTERNATIVE FUND COMPANY NEWS

Ares Management Corporation – Ares Acquisition Corporation, a special purpose acquisition company (SPAC) formed for the purpose of entering into a combination with one or more businesses, announced the closing of its initial public offering (IPO) of 87,000,000 Class A ordinary shares at a price of $10.00 per share and the sale of an additional 13,000,000 Class A ordinary shares at $10.00 per share pursuant to the underwriters' exercise of an over-allotment option. Total gross proceeds from the offering were $1 billion before deducting underwriting discounts and commissions and other offering expenses payable by the company. The company's sponsor is a subsidiary of Ares Management, a leading, global alternative investment manager with approximately $179 billion of assets under management as of September 30, 2020. The company's management team is led by David B. Kaplan, as Chief Executive Officer and Co-Chairman of the Board of Directors, and Michael J. Arougheti as Co-Chairman of the Board of Directors. The Company's shares began trading on the New York Stock Exchange under the ticker symbol "AAC" on February 2, 2021.

Ares Management Corporation has purchased the 302 megawatt (MW) Lincoln Land wind project in Illinois from Apex Clean Energy, Inc. Apex led the development of Lincoln Land and Ares finalised pre-construction milestones, including securing turbines, financing, tax equity and debt, and other project contracts. Lincoln Land has long-term power purchase (PPA) agreements with Facebook, Inc. and McDonald's Corporation, Apex's two largest corporate customers, buying 175MW and 126MW, respectively. Santander recently closed a US$441.8 million financing package to back Lincoln Land. The deal included a US$242.4 million bridge loan maturing in October and a US$139.9 million term loan and US$59.5 million standby letter of credit, both maturing in 2026. Commercial operation is slated for late 2021.

Facebook, Inc. - on February 8, will begin urging some iPhone and iPad users to let the company track their activity so the social media giant can show them more personalized ads. The move comes alongside Apple Inc's planned privacy update to iOS 14, which will inform users about this kind of tracking and ask them if they want to allow it. The two companies have been at odds for a decade, and have recently engaged in a heated war of words around these privacy changes. Last week, Facebook CEO Mark Zuckerberg called Apple one of its biggest competitors and said the privacy changes will hurt the growth of "millions of businesses around the world." The battle focuses on a unique device identifier on every iPhone and iPad called the identifier for advertisers (IDFA). Companies that sell mobile advertisements, including Facebook, use this ID to help target ads and estimate their effectiveness. With a forthcoming update to iOS 14, each app that wants to use these identifiers will ask users to opt in to tracking when the app is first launched. If users opt out, it will make these ads a lot less effective. Facebook has warned investors that these looming changes could hurt its advertising business as soon as this quarter. Facebook is testing the effects of this update now, before Apple makes it mandatory for all apps early this spring. As part of this test, Facebook will begin showing some users its own prompts starting on Monday, explaining why it wants to track this activity and asking users to opt in. These prompts will appear on Apple users' screens immediately before the Apple pop-up appears. One test version of the Facebook prompt has a bold-faced header asking "Allow Facebook to use your app and website activity?" and claims that Facebook uses that information to "provide a better ads experience." It will then offer users a choice between "Don't Allow" and "Allow." No matter which selection users make on the Facebook prompt, if they choose not to allow tracking on the Apple pop-up, that choice will be final and Facebook will honor it.

Reliance Industries Limited – Indian refiner Reliance Industries Ltd. has taken delivery of 2 million barrels of crude from Occidental Petroleum Corporation that the U.S. oil producer says is carbon neutral. Reliance, which operates the world's biggest refining complex, said it's currently evaluating opportunities and partnerships for carbon-neutral oil and the purchase fits with its overall plan to become a net-zero carbon company by 2035, according to an emailed response to questions on Thursday. The cargo meets a tiny fraction of its processing capacity, with the company capable of refining as much as 500 million barrels of crude a year. Greenhouse gas emissions of the so-called carbon-neutral oil sourced from the Permian basin have been offset, from the well head through to combustion of end products, according to a statement posted on the website of Oxy Low Carbon Ventures, a unit of Occidental Petroleum.

SoftBank Group Corporation - SoftBank Group reported a record profit in its Vision Fund as a surging stock market lifted the value of its portfolio companies. The Vision Fund reported an 844.1 billion yen (US$8 billion) profit in the December quarter, surpassing record numbers set just a quarter earlier. A global rally in technology shares has boosted the value of SoftBank's stakes in publicly traded firms like Uber Technologies Inc. and paved the way for initial public offerings from the likes of DoorDash Inc. In a presentation to investors after the results, Masayoshi Son focused on his successes. He highlighted the profits that started from Alibaba Group Holding Ltd. and Yahoo! two decades ago, to companies like Uber and DoorDash more recently. Some 15 companies have gone public from the Vision Fund so far, he said.

Son said Vision Fund 1 and Vision Fund 2 have invested in a total of 131 companies. In the case of DoorDash, SoftBank invested about $680 million for a stake now worth about $9 billion, he said, while its $7.7 billion investment in Uber is worth $11.3 billion. SoftBank Group had a net income of 1.17 trillion yen in the December period. At least six more portfolio companies are planning IPOs this year.

DIVIDEND PAYERS

The Clorox Company reported fiscal Q2 2021 Core EPS of $2.03 which compares to consensus $1.78. Organic sales up +26% driven by stronger volume growth especially across Cleaning, Household and the International business. Health & Wellness organic sales growth up +42% driven by outperformance on volumes (+36%) but with price/mix also better (+6%). Household organic sales up +20% driven fully by stronger volumes. International organic sales up +18% driven fully by stronger volumes. Lifestyle organic sales up +9% with better volumes and price/mix both contributing equally. Gross margins up +135 basis points driven by better operating leverage. Guidance fiscal year (FY) 2021: Raised: EPS to $8.05-8.25 reflecting +9-12% growth (from $7.00-7.95 reflecting +5-8% growth prior); Increased stake in the Kingdom of Saudi Arabia JV now expected to contribute 45-50 cents and ~6-7% (versus 45-53 cents and 6-7% prior); Net sales up +10-13% (versus +5-9% prior); Organic sales up +10-13% (versus +5-9% prior) and lowered gross margins now expected to be down slightly (versus flat prior).

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

Coloplast A/S's Q1 sales reached DKK 4,738 million, with organic growth of 5% (200 basis points better than expected). In particular, Ostomy Care grew by 6% (mainly in the U.S. and emerging markets). Even though Coloplast is experiencing a lower inflow of newly operated ostomy patients in Europe, and especially in the U.K., a recovery in growth of new patients in H2 2020/21, as COVID-19 vaccine programmes should allow for herd immunity. We expect a similar trend for Interventional Urology, namely that a gradual recovery (but in the U.S.) should materialise in H2 2020/21. Q1 earnings before interests and taxes (EBIT) reached DKK 1,536 million, corresponding to a margin of 32.4% (better than consensus of 31.1%). Marketing costs were below average owing to COVID-19 restrictions, although the savings were partly offset by increased investments in Asia, Interventional Urology, consumer programmes and digital solutions.

Fresenius Medical Care AG & Co. - the kidney-dialysis company reported that profit will shrink this year as more patients die from COVID-19. The "significant acceleration" in patient deaths started in November and has continued into 2021, the company stated. Fresenius Medical Care also expects to keep spending more than usual on safety measures for patients and staff. The German company's warning captures the toll the pandemic has wrought on countries around the globe, particularly in recent months, with deaths exceeding 2.2 million worldwide. People who are on dialysis and contract COVID-19 are considered to be at high risk, according to the New York-based National Kidney Foundation. Based on recent trends, Fresenius Medical forecast profit will fall by about 25% this year while sales grow in the mid-single digits.

SSE PLC - Trading statement in line with expectations: EPS guidance still at 85-90 pounds/share for 2020/21; Renewable output is expected to be slightly lower than planned. Assumes normal weather to the end of the financial year (5% below plan in 9 months to December). Total output was 7.2 Terawatt-hour (TWh) to December 20, similar to the previous year output. On renewables, SSE still expects to achieve at least 1 gigawatt (net) of new assets a year during the second half of the decade – with the U.K. seabed lease auction expected this year and SSE have been pre-qualified for the Danish Thor offshore wind project. SSE has appointed banks to sell some, or all, of their stake in their gas distribution asset Scotia Gas Networks (SGN). SSE will decide on the approach and timing before the end of this financial year. SGN has a Regulated Asset Base of £2.1 billion and it is estimated an equity value of circa £900 million. On Ofgem's Final Determination, 'SSE continues to engage constructively with the regulator to secure an ambitious, fair and balanced price control settlement that is acceptable to all stakeholders'. COVID-19 impact expected to be in the middle of the £150-250 million range and SSE expect to continue to pay their 80 pounds/share real dividend out to 2023. We believe SSE is a beneficiary of the main net-zero themes driving the sector (renewables, electrification of the economy and energy decarboning) and has attractive growth opportunities in networks and offshore wind (we see 20 gigawatt pipeline into the 2030s).

Vodafone Group PLC reported top-line revenue growth that was 0.5% better than consensus at +0.4% year-over-year. Group total revenues €11.2 billion, -4.7% year-over-year, organic -0.3% (Q2 -0.7%); Organic service revenues €9.4 billion, organic +0.4% year-over-year (consensus -0.1%, Q2 -0.4%); Europe organic service revenues €7.4 billion, organic -1.1% year-over-year (Q2 –1.8%). Vodafone reiterated guidance for FY21 earnings before interests, taxes, depreciation and amortization (EBITDA) €14.4-14.6 billion and free cash flow (FCF) of at least €5 billion. The business is continuing to move in the right direction in our view with most of divisions steady or improving. Italy was the only notable weak spot with most other segments stable or better. The acceleration in growth was mostly driven by Germany - where growth accelerated by 1 percentage point - and Egypt/Turkey (inflation, i.e. matters less). There was little new on the Vantage Towers IPO beyond a reiteration of the early 2021 time table.

LIFE SCIENCES

Roche Holding AG reported Q4 2020 sales of CHF 14,344 million, a 5.5% miss versus consensus. Q4 Pharma sales missed by 7.9% versus consensus. Overall, Q4 2020 Pharma sales fell 7% (-4% in Q3 2020). Notable weak products included Ocrevus (14% miss), Rituxan (21% miss), Herceptin (20% miss), Lucentis (20% miss), Avastin (11% miss). Actemra beat by 8%, presumably driven by usage in COVID-19. Hemlibra beat by 2%. Overall biosimilar erosion for FY20 was CHF 5.1 billion. Q4 diagnostics sales 1% ahead of consensus. Diagnostics revenue grew 28% in Q4 2020 (+18% Q3 2020) driven by a sharp uplift in COVID testing. This more than offset the reduction in normal elective diagnostics procedures. First half 2020 Core EBIT was circa 2% below consensus expectations. Pharma Core EBIT was 4.4% light, offset by a big beat in Diagnostics profits, 10.5% ahead of consensus expectations. Second half Core EPS of CHF 8.69 was 1.5% light of consensus. Second half EPS benefited from lower-than expected finance charges. Roche declared a FY20 dividend of CHF 9.10 share. First time 2021 Guidance targets low-to-mid single digit sales growth with Core EPS to grow broadly in line with sales (from a base of CHF 19.35). Pharma new product growth is expected to 'over compensate' for biosimilars erosion.

Telix Pharmaceuticals Limited announced it has elected to terminate its agreement with PI Medical Diagnostic Equipment B.V. for exclusive Netherlands distribution rights to TLX591-CDx (kit for the preparation of 68Ga-PSMA-11 injection) for prostate cancer imaging, and non-exclusive rights in the Flemish region of Belgium. Over the past twelve months, Telix has invested heavily in its European footprint, including the acquisition of a radiopharmaceuticals manufacturing facility in Seneffe (Belgium) in 2020. The company's clinical team has also been significantly expanded to deliver multiple clinical studies in Europe, including the ZIRCON3 and IPAX-14 studies. Telix now has a suitable network, production infrastructure and commercial team to distribute its own products in the Netherlands, including Illuccix® (TLX591-CDx), which is anticipated to receive an EU marketing authorisation this year, subject to regulatory approvals. Telix President Europe, the Middle East and Africa (EMEA), Ludovic Wouters stated, "Telix has built a very capable commercial team out of the Company's Belgium headquarters and established strong clinical relationships in the Netherlands, Belgium and Luxembourg. As such, this decision leverages the talent of the team and ensures the closest possible working relationship with some of our most important clinical sites in Europe. We would like to thank PI Medical for their highly professional partnership."

ECONOMIC CONDITIONS

Canada - Employment declined 213 thousand in January according to the Labour Force Survey, much worse than consensus expectations calling for a 40 thousand decline. This loss, combined with a two ticks decline in the participation rate (to 64.7%), translated into a sharp increase in the unemployment rate from 8.9% to 9.4%. Job losses in January were driven by workers in the private sector (-211 thousand) and public sector (-11 thousand) while self-employed (+9 thousand) posted a gain. Employment in the goods sector advanced 23 thousand. Services-producing industries, for their part, subtracted 236 thousand jobs on sharp declines in trade (-168 thousand), accommodation/food services (-75 thousand), information/culture/recreation (-17 thousand) and other services (-9 thousand). This pullback could not be pared by gains for healthcare (+19 thousand), finance/insurance (+16 thousand) and public administration (+11 thousand). Full time employment was up 13 thousand while the ranks of part-timers dropped by 225 thousand. On a 12-month basis, hourly earnings rose from 5.6% to 5.9%. Despite the overall decline full-time jobs registered another gain in the month, extending to 9 months the current streak of consecutive gains. The current soft patch in the Canadian labour market should turn out to be transient in our view. The advent of effective vaccines against the COVID-19 virus late last year has boosted the confidence of Canadian enterprises as shown by the Bank of Canada's Business Outlook Survey indicating higher hiring intentions. This suggests a solid rebound when the pandemic is brought under control.

U.S. Nonfarm payrolls - a modest 49,000 increase in January. But this followed major downward revisions to the prior two months (totaling -159,000), with December's loss now coming in at -227,000 versus -140,000 previously. Also disappointing, is that nearly all of January's gain was in the public sector, led by local government education. **Private payrolls rose just 6,000** after sliding 204,000 the prior month. Once again, leisure and hospitality led the downside (-61,000), though this was a big improvement on the prior month (-536,000). The recent easing in restrictions on dining in some states, including California, look to have come too late to provide much support to the besieged sector. Also posting declines were retail, health care, and, surprisingly, manufacturing. These were largely offset by gains in professional and business services, as well as education. Since last February, total payrolls are down 9.9 million or 6.5%, with 3.9 million, or almost 40%, of the losses in leisure and hospitality. Workers fared better in the household survey which reported a 201,000 increase in jobs. That, along with a slight dip in the participation rate, reduced the unemployment rate to 6.3% from 6.7%. But the broader unemployment U-6 measure plunged to 11.1% from 11.7% amid fewer marginally attached workers. However, the number of permanent job losers remains high at 3.5 million, up 2.2 million since February.

U.S. ISM Services Purchasing Managers' Index (PMI) unexpectedly rose for the third straight month in January, up by one point to 58.7, the highest since February 2019. The headline gain was supported by the two of the most important components: **new orders**, which are a good measure of future activity jumped 3.2 points to 61.8, the highest since July, and **employment**, which returned above the 50 mark after a brief foray below it in December. The employment measure jumped 6.5 points, the most since June, to 55.2, the highest since February, with hiring across Management companies, real estate, finance, health care, accommodation & food services, public administration and wholesale trade.

FINANCIAL CONDITIONS

The Bank of England (BoE) stayed on the sidelines at the February meeting. The decision to keep **Bank Rate** at a record-low 0.1% was unanimous, as was the decision to maintain the **total target of asset purchases** at £895 billion (gilts at £875 billion, corporates at £20 billion). The existing stance is "appropriate" but the outlook remains "unusually uncertain", highly dependent on the "evolution of the pandemic". And.... **if the outlook weakens,** "the Committee stands ready to take whatever additional action is necessary to achieve its remit." The more cautious tone (a 4% drop is now expected in Q1 GDP; the 2021 GDP forecast was cut to 5% from 7.25%; but, the 2022 call was raised to 7.25% from 6.25%) was amplified by the discussion on negative rates. Regulators have asked banks about "the possible implementation of a zero or negative Bank Rate" and its feasibility. But there was great emphasis on the point that this was **not a signal that the BoE is ready to move forward** with that tool from the toolkit. And the were warnings about the operational risks of doing so over a short timeframe (or anything less than 6 months) which could "adversely impact" the banks' bottom lines. The BoE is clearly aware and unwilling to send a signal to financial markets (thought it would be inevitable) that negative rates are possible but knows that, at some point in the future, it may come to that.

The U.S. 2 year/10 year treasury spread is now 1.07% and the U.K.'s 2 year/10 year treasury spread is 0.53%. 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 21.57 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

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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

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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