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NEWS HIGHLIGHTS

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

MARCH 26, 2021

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OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND

PORTLAND 15 OF 15 ALTERNATIVE FUND COMPANY NEWS

Ares Management Corporation – Savers, Inc. announced that it has entered into a definitive purchase and sale agreement with funds managed by the Private Equity Group of Ares Management Corporation. Ares, which is currently a minority owner of Savers, will acquire full ownership interest of the global thrift retailer from funds managed by Crescent Capital Group, LP, which will sell their majority position in the company as part of the transaction. Terms of the agreement were not disclosed. Since its founding in 1954, Savers® has paved the way for today's thrift movement, offering a wide selection of pre-owned clothing, accessories and household goods that are affordable, sustainable and stylish. With more than 21,000 team members and nearly 300 stores throughout North America and Australia, the company is one of the largest for-profit thrift retailers in the world. Savers is leading one of the fastest-growing retail categories, delivering strong operating performance and consistent sales growth averaging US$1.2 billion in annual revenue.

Brookfield Asset Management, Inc. announced the appointment of Calin Rovinescu as a Senior Advisor within its global private equity group. Mr. Rovinescu is a seasoned global executive, most recently serving as President and Chief Executive Officer of Air Canada, Canada's largest domestic and international airline and among the 20 largest airlines in the world, before retiring in February 2021. During his 12-year tenure leading the company, he oversaw its transformation into a global aviation leader offering an extensive worldwide network, while winning numerous customer awards in addition to delivering strong financial results and stock market performance. As a Senior Advisor, Mr. Rovinescu will actively support both Brookfield's private equity group, and Brookfield, in sourcing and executing on attractive global investment opportunities, with a particular focus on the aviation and aerospace sectors, while implementing operations-oriented value creation opportunities across its portfolio companies. "Calin is a highly accomplished executive with demonstrated capabilities in leading effective business transformations and delivering strong financial performance," said Cyrus Madon, CEO of Brookfield's Private Equity Group. "His insights and expertise will be tremendously beneficial to our team, and we are delighted to have him join us." Prior to his role leading Air Canada, Mr. Rovinescu served as the company's Executive Vice President, Corporate Development & Strategy, and as its Chief Restructuring Officer. He was previously a co-founder and Principal of an independent investment bank and prior to that, he practiced business law as a Managing Partner at one of Canada's leading law firms. He is currently a member of the Board of Directors of The Bank of Nova Scotia and BCE Inc. and serves as Chancellor at the University of Ottawa. He was formerly Chair of the Star Alliance Chief Executive Board and of the Board of Governors of the International Air Transport Association. He was recently appointed a Senior Advisor to Teneo, a CEO advisory firm. Mr. Rovinescu is a member of the Order of Canada.

Danaher Corporation – Beckman Coulter Inc., a clinical diagnostics leader and Danaher subsidiary, announced that its Access SARS-CoV-2 IgGII antibody assay received U.S. Emergency Use Authorization (EUA) from the U.S. Food and Drug Administration. The semi-quantitative assay measures a patient's level of antibodies in response to a previous SARS-CoV-2 infection and provides a qualitative and numerical result of antibodies in arbitrary units (AU). The Access SARS-CoV-2 IgG II assay measures IgG antibodies directed to the receptor-binding domain of the spike protein of the coronavirus. The test has a confirmed 99.9% negative percent agreement (specificity) and a 98.9% positive percent agreement (sensitivity) at 15-60 days post symptom onset.

The Access SARS-CoV-2 IgG II assay can be used in Random Access Mode (RAM) and seamlessly integrates into existing workflows without batch processing. The Access SARS-CoV-2 IgG II antibody assay is now available in the U.S. and countries accepting the CE Mark. Results of the new test are delivered on Beckman Coulter's award-winning immunoassay analyzers, including the DxI 800 high-throughput analyzer, capable of processing up to 4,800 samples per day.

Oracle Corporation – sold US$15 billion of bonds Monday in the second-largest offering this year, drawing downgrades from Fitch Ratings Inc. and Moody's Investors Service Corporation. While the proceeds will repay debt through next year, it's a "deviation" from Fitch's expectation that Oracle will reduce debt upon maturity, according to a statement on Monday. Fitch cut the grade one notch to BBB+, three steps above speculative. Moody's downgraded two levels to Baa2, one notch lower than Fitch's rating. The company's bonds were among the worst performers in the high-grade market on Monday. The most actively traded, the 3.6% bonds due 2050, widened 31 basis points to about 144 basis points over Treasuries, according to TRACE (Trade Reporting and Compliance Engine). The new bonds due 2051 priced at a spread of 155 basis points, according to a person with knowledge of the matter. At $15 billion, Oracle's bond sale is the second-largest this year behind Verizon Communications Inc., which borrowed $25 billion earlier this month to help finance spectrum purchases. Apple Inc. issued $14 billion of bonds last month as it looks to return more cash to shareholders. Oracle is targeting all of its $1.5 billion of notes due in 2021, the $4.25 billion of 1.9% bonds due in 2021 and another $2.5 billion due in 2022, according to a filing. The proceeds may also be used for stock repurchases, dividends, repaying debt and future acquisitions, among other general corporate purposes. The software company sold bonds in six parts, and the longest, a 40-year security, will yield 170 basis points above Treasuries, said the person, who asked not to be identified as the details are private. According to the filing, Bank of America Corp., Citigroup Inc., Deutsche Bank AG, JPMorgan Chase & Co. and Wells Fargo & Co. managed the sale.

SoftBank Group Corporation – WeWork agreed to sell itself to a blank-check company, in a deal to take the office-sharing start-up public which is almost two years after a high-profile failed listing. The agreement will merge WeWork with BowX Acquisition Corp., valuing it at US$9 billion including debt. It will also raise $1.3 billion for WeWork, including $800 million from a private placement with investors including Insight Partners, funds managed by Starwood Capital Group, and Fidelity Investment Inc. The COVID-19 pandemic took a toll on the company's prospects since WeWork's business model consists of packing high volumes of workers into shared offices, an unappealing option for many people during a health crisis. WeWork has closed many locations, cut thousands of jobs and renegotiated leases in order to survive. The agreement with BowX takes advantage of a wave of SPAC (special purpose acquisition company) deals to achieve what Neumann could not. Marcelo Claure, WeWork's Executive Chairman and the Chief Operating Officer at SoftBank, stated in an interview early this year, that multiple special purpose acquisition companies had approached WeWork after long being shunned by investors.

The deal is expected to close in the third quarter of 2021 and has been approved by both boards, according to a statement on March 26. WeWork, now led by Chief Executive Officer Sandeep Mathrani, noted that in November that the company's overall membership and revenue shrank in the third quarter compared with the quarter before. At the time, Bloomberg reported that the company left 66 locations and re-negotiated lower rent, deferrals or other lease changes at more than 150 others, leaving it with 542,000 members across its 859 locations. The Financial Times reported earlier in the week, that the company disclosed to prospective investors that it lost about $3.2 billion last year. The documents also show that occupancy rates fell to 47% at the end of 2020, down from 72% at the beginning of the year, before the pandemic hit. In an interview in January, Claure argued that the pandemic was helping WeWork. He said the work-from-home situation benefits the company and would continue to do so as people return to the workplace. Mathrani will continue to lead the company after the deal. Vivek Ranadive of BowX and Insight Partners's Deven Parekh will also join the board.

SoftBank Group Corporation - Compass Inc., the SoftBank-backed real estate brokerage, is seeking to raise as much as US$936 million in an initial public offering. In a filing on Tuesday, the company intends to price shares between $23 and $26. At the top of the range, the company would be worth about $10.3 billion. Compass, led by former Goldman Sachs Group Inc. banker Robert Reffkin, is the latest property technology startup seeking to go public during a pandemic that has juiced U.S. housing demand. Opendoor Technologies Inc. went public last year through a merger with a special purpose acquisition company, while Offerpad, LLC announced its own blank-check merger last week. Compass has previously raised more than $1.5 billion in capital, including hundreds of millions of dollars from SoftBank Group Corp.'s Vision Fund. It was valued at $6.4 billion in a 2019 funding round. The company lost $270 million on revenue of $3.7 billion last year, compared with a loss of $388 million on revenue of $2.4 billion in 2019, according to the filing. The company was involved in residential real estate transactions totaling $152 billion last year, or roughly 4% of the U.S. market.

DIVIDEND PAYERS

Halma PLC, the maker of safety equipment has increased its guidance stating that pre-tax profits for the year to March would be the same as the previous year's GBP 267 million. The company also recently acquired Static Systems Group, which makes communication devices for nurses.

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

JPMorgan Chase & Co. named Jennifer Roberts as its new chief executive of consumer banking, according to an internal memo seen by Reuters. Roberts joined the bank in 1996 and most recently led the business banking group, where she oversaw the bank's role in distributing more than $32 billion in small business loans through the federal Paycheck Protection Program.

T**oronto-Dominion Bank** announced that it has reached a definitive agreement to acquire Headlands Tech Global Markets, LLC, a Chicago-based quantitative fixed income trading company. Founded in 2013, with offices in Chicago and San Francisco, Headlands Tech Global Markets has developed proprietary software to deliver fully automated electronic market-making in municipal and investment grade corporate bonds. The firm's 15 employees, including Co-CEOs Martin Mannion and Matthew Schrager, will join TD Securities Inc. at closing. The acquisition is expected to expand TD's U.S. capabilities in the municipal and corporate bond markets and is anticipated to close mid-2021. Upon closing, TD expects the transaction to have a minimal impact on capital.

ECONOMIC CONDITIONS

The Suez Canal jam is obstructing trade. The blockage has resulted in circa 206 vessels waiting to pass with reports suggesting costs as high as US$400 million an hour. The 220,000 tonne vessel, 400 meters long and 59 meters wide – as tall as the Empire State building, is wedged across the southern end of the canal with dredgers and diggers working to release / refloat it. About 50 vessels transit the 120 mile canal every day, transporting at least 10% of global seaborne trade and a similar amount of oil shipments. Rescuers have warned that the Suez Canal could remain locked for 'weeks' …. with disrupted global trade and rising oil prices a consequence.

U.S. Personal Spending dropped 1.0% in February, a little more than the consensus expected, after surging an upwardly-revised 3.4% in January (previously 2.4% and flagged in the retail sales report). Pulling back were food services and most goods spending, due to partial offsets from higher gas prices, pumping service station receipts, and the chilliest February temperatures in over three decades increasing utility costs. Spending volumes fell 1.2% after jumping 3.0% the prior month (also revised higher by a full percentage point). Compared with a year ago (i.e., just before the pandemic), real spending is down 2.1%, with a 7.0% slide in services more than offsetting a 9.0% leap in goods (the former account for 2/3 of total spending).

U.S. Personal Income retraced 7.1% lower (largely as expected) after zooming 10.1% in January on the stimulus cheques. Despite a hefty increase in jobs last month, wages and salaries were surprisingly flat, though this followed a 0.7% increase the prior month. Look for upwards of a 20% rebound in March personal income due to the latest, greatest round of rebate payments The **saving rate reversed** nearly all of its previous upturn, sliding back to 13.6% from 19.8%, but we are optimistic that it could increase above 20% in March.

U.S. Core Prices rose an expected 0.1% after a downwardly-revised increase of 0.2% in January, trimming the yearly rate to 1.4%, holding tight to its average of the past seven months. The core rate is poised to bounce in the next two months due to declines during last year's shutdowns, before trending moderately higher in the year ahead. The current low rate will only reinforce the Fed's view that policy rates can remain on hold for a long time in our view.

U.S. Goods Trade deficit rose a little more than expected to US$86.7 billion in February, so trade will be one of the few sectors limiting Q1 growth. However, we anticipate that GDP is likely on track for at least a 5% annualized gain this quarter and double that in Q2.

U.S. Durable Goods Orders fell 1.1% in February, unexpected and the first drop since April 2020 The weakness was broad-based, with transportation, motor vehicles in particular, taking the biggest hit. Orders for motor vehicles and parts plunged 8.7% in February, while shipments took an 8.9% dive. Excluding transportation, orders still fell 0.9% following an upward revision to the prior month. The now-famous global shortage of key materials that go into building of homes and cars could be factoring in. In addition, more production cuts were just announced by General Motors Company due to the shortage of semiconductors. Primary metals, fabricated metals, machines, computers & electronic products, transportation….all down. Only electrical equipment, appliances & components saw a tiny 0.2% gain.

U.S. Existing Home Sales fell for the first time since November, down a larger-than-expected 6.6% in February (most since May 2020) to 6.22 million units annualized (lowest since August). And, there was a downward revision to January, from 6.69 units to 6.66. They fell in three out of the four corners of the country… only the West saw an increase (+4.6%). The **month's supply** was at 2x. It is an opportune time for homeowners who are interested in selling since prices jumped over 15% year-over-year. Both weather and lack of product are both factors for the increase in prices. In theory, this could potentially be promising for new builders, but given the shortages of inputs (labour) and the rising prices of key inputs (copper, lumber, bricks, etc), this may be one time when the "Supply>Demand is a good thing" may not completely pan out.

The U.K.'s Unemployment Rate unexpectedly fell a tenth lower to 5.0% in January, compared to consensus expectations for an increase to 5.2%. However, this can be attributed to people dropping out of the labour force as the lockdowns returned in January, rather than any good news.

FINANCIAL CONDITIONS

The U.S. 2 year/10 year treasury spread is now 1.48% and the U.K.'s 2 year/10 year treasury spread is 0.68%. 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 3.17%. Existing U.S. housing inventory is at 1.9 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 20.37 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 can be encouraging for quality equities.

And finally

We are taking an 'Easter break' so back on Monday 12th April …. Hoping you remain safe and healthy ….

"*we're frequently in error but rarely in doubt*" Ellen Langer

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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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