APRIL 12, 2021

The views of the Portfolio Management Team contained in this report are as of April 12, 2021 and this report is not intended to provide legal, accounting, tax or specific investment advice. Views, portfolio holdings and allocations may have changed subsequent to this date. This research and information, including any opinion, is compiled from various sources believed to be reliable but it cannot be guaranteed to be current, accurate or complete. It is for information only, and is subject to change without notice. The contents of this Newsletter reflect the different assumptions, views and analytical methods of the analysts who prepared them.

OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND

PORTLAND 15 OF 15 ALTERNATIVE FUND COMPANY NEWS

Ares Management Corporation announced that a subsidiary of Ares has entered into a definitive agreement with a subsidiary of BrightSphere Investment Group Inc. and Landmark Investment Holdings LP to acquire 100% of Landmark Partners, LLC, one of the largest and most experienced investors in acquiring secondary private fund ownership stakes in the alternative asset management industry. The transaction is valued at US$1.08 billion, including approximately $787 million in cash and approximately $293 million in Ares Operating Group Units. With 150 employees across six global offices, Landmark manages private equity, real estate and infrastructure secondaries funds totaling $18.7 billion in assets under management as of December 31, 2020. Supported by a global, institutional investor base of more than 600 fund investors, Landmark is viewed as a trusted and innovative counterparty in developing flexible transaction solutions to an extensive roster of financial sponsors and institutional investors. Landmark was founded in 1989 and is led by a highly experienced management team who have capitalized on the increasing investor appetite for private market secondaries with a compound annual growth rate of 17% in its assets under management over the past four years. "We are incredibly proud to announce this transaction with Landmark, a pioneer in developing the asset class of private market secondaries," said Michael Arougheti, Chief Executive Officer and President of Ares. Along with the increase in the number of compelling investment solutions that Ares can offer its clients, Ares' client base is meaningfully expanding, creating significant fundraising opportunities. The joint platform will have over 1,600 institutional investors, where less than 5% of these accounts are currently invested with both Ares and Landmark. The transaction is expected to close in the second quarter of 2021 and is subject to customary closing conditions, including regulatory approvals.

Ares raised US$763 million of equity to help fund alternative asset management firm's US$1.08 billion purchase of private equity secondary market specialist Landmark Partners, previously announced. In a separate private placement, Sumitomo Mitsui Banking Corp, Ares' third largest shareholder with 12.13 million shares or 8.1%, is investing another US$250 million at the same offering price. The combined proceeds will help fund the acquisition of Landmark for US$787 million in cash and US$293 million in Ares operating units. The acquisition adds US$18.7 billion in private equity, real estate and infrastructure secondary funds and would be "immediately financially accretive to core earnings metrics", Ares said at the time. Lately Ares has been active in the equity capital markets, also raising US$1 billion for its new special purpose acquisition company (SPAC) in early February. In September 2019, Ares raised US$209.3 million from the sale of 7 million shares at just US$29.90 via Goldman Sachs Group, Inc. and JPMorgan Chase & Co.

Brookfield Asset Management Inc. announced it will buy the remaining stake in its commercial real estate business for about US$6.5 billion. The deal price for Brookfield Property Partners LP (BPY), one of the largest U.S. commercial real estate companies, was raised from $5.9 billion the alternative-asset manager offered in January this year. According to BPY's latest filings, Brookfield already owned about two-thirds of the real estate firm's stock going into the deal.. BPY, which manages roughly $88 billion in assets, including Canary Wharf in London and Brookfield Place in New York, and in 2018 expanded its footprint in the mall operator space in when it bought GGP Inc.(General Growth Properties) in a $15.8 billion deal. Unitholders of Brookfield Property will receive$18.17 per unit, a premium of 26% to the stock's last close on Dec. 31, before the Brookfield Asset Management deal announcement was first made.

U.S. asset manager BlackRock, Inc. and Canada's Brookfield Asset Management Inc. are, reportedly, no longer in the race to buy a stake in Saudi oil giant Saudi Arabian Oil Company's (Aramco) pipeline business. Apollo Global Management, Inc. and New York-based Global Infrastructure Partners (GIP) are among the bidders still in the race for the deal, which could fetch Aramco over US$10 billion. Aramco, is looking to sell as much as a 49% stake, is preparing a so-called "staple financing" for its bidders - a financing package provided by the seller that buyers can use to back their purchase. The planned pipeline deal would be similar to infrastructure deals signed over the last two years by Abu Dhabi's National Oil Co. (ADNOC), which has raised billions of dollars through sale-and- leaseback deals of its oil and gas pipeline assets. Aramco, the world's largest oil exporter, reported last month its net profit fell 44.4% to 183.8 billion riyals ($49.01 billion) for the year ended Dec. 31 as the COVID-19 pandemic depressed global crude demand. However, it maintained its pledge to declare a $75 billion dividend for 2020, most of which goes to the Saudi government.

Nomad Foods Limited emerged as the buyer of Croatia-based Fortenova Group's frozen-food business. The purchase price has been set at GBP 615 million (US$850.1 million) on a debt- and cash-free basis, Nomad Foods, which supplies the U.K. and European markets, explained that, adding the deal will take the company into the ice-cream sector for the first time. Based in the Croatian capital of Zagreb, Fortenova is the restructured successor to The Agrokor Group, which was the largest consumer goods business in the Balkans. The deal brings the company into new markets in Croatia, Serbia, Bosnia and Herzegovina, Hungary, Slovenia, Kosovo, North Macedonia and Montenegro. Stéfan Descheemaeker, Nomad's CEO, explained that ice cream represents about 50% of Fortenova's frozen-food business and will account for around 5% of combined annual revenues. The category also provides the U.K. firm with seasonal variations to its portfolio of savoury foods sold under the Birds Eye, Findus and Iglo brands. Nomad chairman and founder Noam Gottesman added: "We are delighted to announce this acquisition, which is consistent with our growth strategy and builds on our five-year track record of top-tier shareholder value creation. This transaction provides a natural extension to our existing business and creates a new platform for future expansion within central and Eastern Europe. It also introduces us to ice cream, an exciting new category which opens new potential avenues for growth." Nomad noted the management of the frozen-food assets it will acquire expects the business to generate organic growth in the mid-single digit range, "double" its own 2-3% organic growth, while annual revenues will increase to EUR3 billion (US$3.5 billion) from the EUR2.5 billion recorded in the year ended 31 December 2020.

Oracle Corporation - The U.S. Supreme Court ruled that Alphabet Inc.'s Google didn't commit copyright infringement when it used Oracle's programming code in the Android operating system, sparing Google from what could have been a multibillion-dollar award. The 6-2 ruling, which overturns a victory for Oracle, marks a climax to a decade-old case that divided Silicon Valley and promised to reshape the rules for the software industry. Oracle was seeking as much as US$9 billion. The court said Google engaged in legitimate "fair use" when it put key aspects of Oracle's Java programming language in the Android operating system., Justice Stephen Breyer, writing for the court, said Google used "only what was needed to allow users to put their accrued talents to work in a new and transformative program." Justices Clarence Thomas and Samuel Alito dissented. Justice Amy Coney Barrett did not participate in the case, because it was argued before she joined the court. Each side contended the other's position would undercut innovation. Oracle said that without strong copyright protection, companies would have less incentive to invest the large sums needed to create groundbreaking products. "The Google platform just got bigger and market power greater, the barriers to entry higher and the ability to compete lower," Oracle said after the ruling. "They stole Java and spent a decade litigating as only a monopolist can. This behavior is exactly why regulatory authorities around the world and in the United States are examining Google's business practices." Google called the decision "a victory for consumers, interoperability, and computer science." At issue were pre-written directions known as application program interfaces, or Application Programming Interface (API)s, which provide instructions for such functions as connecting to the internet or accessing certain types of files. By using those shortcuts, programmers don't have to write code from scratch for every function in their software, or change it for every type of device.

Oracle said the Java APIs were freely available to those who wanted to build applications that run on computers and mobile devices. However, Oracle stated that they required companies to obtain a license if they wanted to utilize the shortcuts for a competing platform or to embed them in an electronic device.

The Supreme Court did not address, the earlier point of contention as to whether the code was eligible for copyright protection. Instead, Breyer said that for this case the court would "assume, for argument's sake, that the material was copyrightable." That approach drew criticism from Thomas, who said in his dissenting opinion that the majority opinion is "wholly inconsistent with the substantial protection Congress gave to computer code." Oracle said Google was facing an existential threat because its search engine -- the source of its advertising revenue -- wasn't being used on smartphones. Oracle contended that Google bought the Android mobile operating system in 2005 and copied Java code to attract developers but refused to take a license,. Thomas said that Google's actions had a "disastrous effect on Oracle's potential market" in the smartphone and wireless industry. Before Android, Amazon.com Inc. paid Oracle to embed the Java platform in its Kindle devices but later demanded a 97.5% discount on its license fee with Oracle after Android came out. Samsung Electronics Co's contract with Oracle dropped from $40 million to about $1 million, and Oracle wasn't able to sign other contracts, Thomas explained. In addition Google "made tens of billions of dollars, and established its position as the owner of the largest mobile operating system in the world," Thomas wrote. "Despite this, the majority holds that this copying was fair use." Breyer said that, though Google copied 11,500 lines of code, Google engineers wrote millions more. "Google, through Android, provided a new collection of tasks operating in a distinct and different computing environment," Breyer explained "Those tasks were carried out through the use of new implementing code (that Google wrote) designed to operate within that new environment." The ruling is "the biggest copyright decision in a generation," noted copyright lawyer J. Michael Keyes of Dorsey & Whitney, who was not involved in the case. The decision could lead to more disputes over software, and "we will see more copying, more cases, and more claims of fair use." Tech companies including Mozilla Corp., Microsoft Corp., and International Business Machines Corp. supported Google. Media and entertainment businesses, which rely on strong copyright standards, backed Oracle, as did the Trump administration when the case was argued in October. The Computer &

Communications Industry Association (CCIA), whose members include Google, called the ruling "a win for interoperability, copyright principles and the future of innovation." "The high court's decision that fair use extends to the functional principles of computer code means companies can offer competing, interoperable products," President Matt Schruers of CCIA said in a statement. Oracle initially sued Google for copyright infringement in 2010. Since then, the case has worked its way up and down the legal system, spurring two jury trials and numerous appeals. The now-overturned appeals court decision had reversed a jury finding that Google's copying was a legitimate fair use.

Reliance Industries Ltd. – Reliance Industries Limited (RIL) on April 2, said it has received nod for the demerger of its oil-to-chemicals (O2C) business into a wholly-owned subsidiary. The Mukesh Ambani-led company secured approval of its shareholders and creditors for the O2C business spin-off in the meeting of the equity shareholders, lenders and unsecured creditors of the company, which was done as per the order of the National Company Law Tribunal (NCLT), Mumbai. As per the directions of the NCLT, the company convened meetings of equity shareholders, lenders and unsecured creditors for consideration of a resolution for transferring the O2C business to a separate subsidiary - Reliance O2C Limited. The meetings were chaired by former Supreme Court judge Justice Srikrishna. As many as 99.99 per cent of shareholders, who participated in the meeting via video conferencing, voted in favour of the resolution, consisting of 100 per cent of the secured creditors and 99.99 per cent of unsecured creditors voting in favour of the resolution, which RIL stated in an exchange filing.

SoftBank Group Corp. – Chinese ride-hailing company Didi Chuxing Technology Co. has filed confidentially with the U.S. Securities and Exchange Commission for an initial public offering, according to people with knowledge of the matter. The company, which has tapped Goldman Sachs Group Inc. and Morgan Stanley as underwriters, is aiming to raise several billion dollars in the listing, which could be valued at as high as US$70 billion to $100 billion, said the people. The size and timing of the listing could still change and Didi is also exploring a potential dual listing in Hong Kong at a later time.

Didi, backed by SoftBank, had accelerated its IPO plan as business has rebounded post-pandemic. Bloomberg News reported on Friday that they Didi is raising $1.5 billion through a revolving loan facility to shore up capital ahead of the listing,. Didi's share sale comes as Grab Holdings Inc., the Southeast Asian ride-hailing and delivery giant, has attracted backing from T. Rowe Price Group Inc. and Temasek Holdings Limited for its planned merger with a blank-check company. Singapore-based Grab aims to announce the SPAC merger as soon as next week, according to people familiar with the situation. The deal could value Grab at more than $34 billion, and could become the biggest SPAC merger ever, according to data compiled by Bloomberg. Grab could become one of the first Southeast Asian unicorns to go public through a blank-check company.

Didi, the Chinese version of Uber Technologies Inc., acquired its U.S. rival's China business in 2016.

SoftBank Group Corp. - The battle for control of Arm Ltd's China business is escalating with new lawsuits aimed at keeping the unit's controversial chief executive in power, further complicating SoftBank's efforts to sell the business to Nvidia Corp. The dispute erupted almost a year ago in June after the board voted to oust Arm China Chief Executive Officer Allen Wu for conflicts of interest, but he refused to leave. According to people familiar with the matter the Chinese unit, which remains under Wu's control, has filed lawsuits against three senior executives of the board who have been designated to replace him. The previously unreported suits could take years to resolve, suggesting Wu may remain while they are entrenched in this battle. Wu fired the three men, including co-CEO Phil Tang, however, they were subsequently reinstated by the board. According to the people, in the new lawsuits, Arm China is suing the trio, demanding they return company property. The complex tussle has thrown into question the future of Arm, whose semiconductor technology is the world's most widely used for smartphones and has been increasingly deployed in computers. SoftBank founder Masayoshi Son agreed to sell the British chip designer to Nvidia for US$40 billion last year, but the path for completing that transaction is growing increasingly difficult. The China dispute also raises questions about Beijing's willingness to protect foreign investment in the world's second-largest economy. Arm Ltd. sold a majority stake in the China unit to a consortium of investors, including Beijing-backed institutions. This has complicated the British firm's efforts to manage Arm China and Wu, who has support from local authorities in Shenzhen. Both sides appear to be at a stalemate. SoftBank is now resigned to letting the legal proceedings take their course. Chinese companies need unfettered access to Arm's products to push forward with the country's attempts to make itself more independent in chip technology, an area where it's largely reliant on imports. Beyond resolving the stalemate, Nvidia and SoftBank also need Beijing's signoff to seal their deal, and it's unclear whether Wu's presence would complicate t the deal. Wu's hold on Arm China is partially due to local laws which make it difficult to change control of a company unless you are physically in control of the company stamp and registration documents. The people claim that Wu has refused to give them up and used company funds to pay for legal fees incurred in his attempt to fight off his dismissal. Arm China said payment of legal fees "is made in compliance with company policies as well as China laws and regulations." According to people who've spoken with Wu, his ultimate goals appear to be a large cash payoff and immunity from subsequent legal action,. Separately, two minority shareholders in Arm China have sued the Chinese entity in Shenzhen to nullify the board's decision to oust Wu. The people reported that these two cases are now being merged and hearings are slated for late April.. Son told investors as recently as February that he expects to close the Arm sale and "I don't have any Plan B." Arm, for its part is trying to make sure that its technology remains pervasive in China despite U.S. sanctions intended to curb the supply of American technology to major companies like Huawei Technologies Co. While Arm is a U.K.-based company, part of its operations are in the U.S. making its products subject to controls. The Chinese government has not stated its position on the Arm China leadership struggle, however the unit has several government-backed shareholders including sovereign wealth fund China Investment Corp. and the Silk Road Fund. In his interview with Bloomberg Television, Arm Ltd. CEO Segars said that the ten-month standoff hasn't hurt Arm's business in China. Lack of travel for face-to-face meetings during the pandemic has prolonged the process of changing leadership in China, he said. "When we announced the deal in September, we said it would take about 18 months," he reported. "We remain confident in that timeline."

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

Canada's top banks are shedding workers for the second straight year, moving toward leaner operations to satisfy investors demanding returns on tens of billions of dollars that lenders have poured into new technologies. Five of Canada's six biggest banks cut their workforces 4.4% from a year earlier to a combined total of 291,409 full-time equivalent employees as of Jan. 31. That is down 5.2% from a peak in the third quarter of 2019. Despite growing optimism about a robust economic recovery, loan growth outside of mortgages has been stagnant due to the relatively slow pace of COVID-19 vaccinations in Canada and renewed lockdowns in some major cities. Banks are likely to continue investing in technology at similar levels as they have in the past few years. The pullback in headcounts follows combined quarterly year-on-year growth of 4% to 5% in 2018 and 2019 across the six big banks. Disclosures have indicated, that cuts have reduced efficiency ratios, or non-interest expenses as a proportion of revenues, by about 2 percentage points from a year ago at most banks,. While job cuts at banks in other countries have included technology roles, Canadian lenders are still growing in this area because their digital shift has lagged. In an interview with Chief Executive Bharat Masrani he said that the **Toronto-Dominion Bank** has been expanding its technology teams while redeploying employees from temporarily closed branches to other areas, . TD's workforce has shrunk by approximately 0.7% from its peak in the fourth quarter of 2019, following quarterly growth of 4-6% over the prior year. **Bank of Nova Scotia** (Scotiabank), which has been divesting some international operations, and Bank of Montreal, which has been working on improving efficiencies, have had the biggest year-on-year headcount reductions from 9.5% and 5.3% respectively. **Royal Bank of Canada**, the country's biggest lender, has been the only one to grow its workforce, by 1.9% from a year earlier, due to expansion of its wealth management divisions in the U.S. and Canada. In February, **Canadian Imperial Bank of Commerce** executives said the bank had saved CA$800 million (US$633.91 million) over the past five years by streamlining operations. It reinvested the funds in high-growth areas, and accelerated technology spending.

Costco Wholesale Corporation results continued to be strong in March with U.S. comparisons up +23.4% on a two-year basis. March comparisons were roughly in-line with the performance in the last week of February and would have been stronger excluding the impact of the Easter shift. We believe that Costco continues to perform very well along with help from the U.S. stimulus money contributing to their performance. March Results – U.S. same store sales ex-fuel were up +11.3. U.S. traffic growth increased +3.0% (versus +0.7% in February), which put traffic up +8.3% on a two-year basis (includes 150-200 basis points headwinds from Easter Shift). eCommerce growth tracked up +54.5%, versus February up +89.4%, but Costco was lapping strong growth of +49.8% from March 2020. Category Trends – Food & Sundries declined high single digits in March, but this was lapping a mid-30% increase from 2020 so up low to mid-20% on a two-year basis. Fresh Foods were up mid-single digits on top of a mid-20% increase in March 2020. Non-food categories increased mid-50%.

JPMorgan Chase & Co. will need "significantly" less office space in coming years, as some staff at the investment bank shift permanently to part-time work at home. The bank is expected to need just 60 seats per 100 people, Jamie Dimon chairman and chief executive officer wrote in his annual shareholder letter. And it has created a new team of bankers, who will work with companies that produce environmental-friendly goods and services. As part of the move JPMorgan's commercial banking division named Brian Lehman as the head of the 'Green Economy' team.

Kimberly-Clark Corp. (KMB) announced plans to implement price increases across its North America Consumer businesses and flowing through planned price increases in the second half brings EPS forecasts back up around low end company guidance of US$7.75-8.00. Guidance as it stands includes a $450-600 million headwind of commodity cost inflation. Now, with the addition of an assumed +4-5% price increase in North America Personal Care mid-year (41% of the division) and a +7-8% increase mid-year in North America Consumer Tissue (41% of the division), there will be greater offset to this cost burden in our view. We believe pricing will come with some volume trade off. Volumes in Personal Care tend to be relatively inelastic & this proved to be the case during 2019's pricing cycle even as the business was then losing share. Today, KMB is gaining share in U.S. diapers and the business has grown sales +5.5% on average over the past 4 quarters (versus declining -1% on average over the 4 quarters prior to the August 2018 price increase announcement). There is no COVID-19 benefit in these figures as the few weeks of pantry loading early in the pandemic unwound quickly as per Nielsen Holdings PLC data. In Consumer Tissue, though volume declines did accelerate as pricing began to flow through in late 2018/early 2019, net sales accelerated to be +2% on average over 4 quarters versus being flat on average during the prior year.

Walgreens Boots Alliance, Inc. (WBA) reported Q2 adjusted EPS of US$1.40 or $1.26 from continued operations, above Consensus of $1.00/1.10 driven by strong U.S. Retail results as well as tax rate (12 cents) and other below the line items (5 cents). WBA saw a COVID-19 impact of ~40-45 cents for the quarter compared to ~26-30 cents in Q1 but made no mention of weather related impact. Management talked of 8 million vaccine shots to-date (analysts' estimate ~5.5% of total) including 4 million in March (~6% share) but given early dosing was likely in lower-margin nursing homes, this may not have been impactful to Q2'21 results. WBA raised its fiscal year 2021 EPS guidance to Mid-High Single Digit % to reflect "first-half performance above expectations and anticipated strong growth in the second half of the fiscal year".

LIFE SCIENCES

Telix Pharmaceuticals Limited announced that it has completed an agreement with contract development and manufacturing organisation (CDMO) Grand River Aseptic Manufacturing (GRAM) to perform commercial-scale Good Manufacturing Practice (GMP) manufacturing of Telix's Illuccix® product (TLX591-CDx, Kit for the preparation of 68Ga-PSMA-11) for prostate cancer imaging. Under the terms of the Agreement, GRAM will perform advanced aseptic fill and finish services for Illuccix® at its facilities in Grand Rapids, (Michigan, and U.S.A.) for the U.S., Canada, EU and Australian markets. Telix Americas President Dr. Bernard Lambert stated, "With commercial distribution agreements in place with major radiopharmacy networks covering over 90% of the U.S. population, we are pleased to have entered this agreement with GRAM, thus delivering a key component of our manufacturing and supply chain strategy for GMP manufacturing of Telix's first commercial product. As we prepare for the U.S. launch of Illuccix® it is especially reassuring to know that, subject to approval by the FDA, supply will originate from a site in Michigan, providing certainty of access for American men living with prostate cancer."

ECONOMIC CONDITIONS

Canada Employment jumped 303,000 in March according to the Labour Force Survey, exceeding consensus expectations calling for a +100,000. Although partially offset by an increase in the participation rate (to 65.2%) this massive gain nonetheless translated into a reduction of the unemployment rate, from 8.2% to 7.5%. As COVID-19 caseloads eased in the country, the sectors most affected by social distancing recovered strongly. Job creation in March was driven by all classes of workers, with the public sector (+45,500), the private sector (+201,300) and self-employment (+56,400) all registering gains. Employment in the goods sector advanced 43,200 on gains for resources (+7,000), construction (+25,700) and manufacturing (+8,200). Services-producing industries, , added no less than 260,000 jobs due to sharp improvements in the following categories: wholesale/retail trade (+91,800), educational services (+35,000), health care/social assistance (+46,800), information/culture/recreation (+61,500) and accommodation/food services (+21,400). Full-time employment was up 175,400 while the ranks of part timers swelled 127,800. On a 12-months basis, hourly earnings dropped from 4.3% to 2.0% as low-paid workers (+186,400) flocked back into the workforce. On a regional basis, employment advanced in all of the four most populated provinces: Ontario (+182,300), Quebec (+25,900), British Columbia (+35,000) and Alberta (+37,100). Nonetheless, employment in the categories most affected by the pandemic remained 7.6% below its pre-crisis level in March. The higher participation rate in Canada might be the result of the wage subsidy program put in place by the Federal government to prevent unwanted lay-offs. While more job loss are likely in store for April as several provinces re-introduced strict social distancing rules to prevent the spread of the virus, we are hopeful these losses should be limited to the month of April (and possibly May). We anticipate a recovery in employment to resume in the second half of the year, as the positive effects of mass vaccination begin to take effect.

Canadian GDP registered yet another advance in January and surpassed consensus expectations in the process. The economy continued to recover despite the implementation of additional health measures in several provinces at the end of December and in January. From our perspective the monthly figure was solid, yet the economic recovery remains uneven . Several sectors have already exceeded their pre-pandemic peaks – agriculture/forestry/fishing and hunting (+10.7% compared with February 2020), finance/insurance (+4.8%), wholesale (+4.0%), real estate (+3.2%) – while others continue to lag and even deteriorated given the rising COVID-19 caseloads in some regions. For instance, output in the arts/entertainment segment is 51.8% short of pre-pandemic levels while production in accommodation/food services declined in the month, bringing it 41.8% below its February 2020 level. Encouragingly, the economic rebound is likely to have extended into February; with Statistics Canada advance estimate suggesting production expanded another 0.5% in the month.

U.S. Nonfarm payrolls surged in March by 916,000, about a third more than expected. The gains were widespread, led by leisure and hospitality (280,000, though still 3.1 million shy of pre-virus levels or -18.5%). Here, restaurants and bars ramped up staff by 176,000. Also leading the charge were education, construction (rebounding 110,000 after February's weather-related decline), arts and entertainment, and accommodation. Private payrolls increased 780,000 and the prior two monthly gains were revised up a total of 156,000. The household survey reported 609,000 more jobs, **improving the unemployment rate a couple of notches to 6.0%**. The more comprehensive U-6 measure fell four-tenths to 10.7%. The participation rate edged up, though it remains 1.8 percentage points below February 2020 levels, suggesting plenty of room for former workers to return to the labour force. U.S. job growth is now accelerating across the nation, helped by massive fiscal stimulus with a speedy vaccination program in effect . There are still 8.4 million jobs to recover from the pandemic (or -5.5%), but that could be achieved sooner than expected if hiring continues to remain strong in coming months. Meantime, the Fed will focus on the 9.7 million unemployed, or 4.0 million more than before the pandemic, keeping policy rates down for some time to come.

We note that 8 million jobs still need to be recovered in order to get back to pre-pandemic employment. 3 month average job gains is 539,000 and 6 month average job gain is 376,000. If we take the average of the two (457,000) we are still looking at 17 months before resuming to pre-pandemic employment (not including population growth or immigration factors which estimates that +140,000 per month will be needed to keep the unemployment rate the same). Due to the current economic climate we expect the Fed will likely stay on the sidelines for at least a year and a half, before they see employment back to a level that they will need to reduce accommodation.

U.S. services Purchasing Managers' Index surged 8.4 points (most since last June) to a **record high** of 63.7 in March. (The Manufacturing ISM Index hit its highest since December 1983). New orders and business activity… indicators of future and current activity…. both increased at a double-digit pace (+13.9 points and +15.3 points, respectively) to record highs. Employment made up for February's loss, up 4.5 points to 57.2, the highest since early 2019. Vendors were still slow in their delivery times, but not by too much versus February. Expect that component to surge in April, as a result of the traffic jam in the Suez Canal. Every industry covered in the survey reported growth last month, something we haven't seen since early 2019. The comments were optimistic, hopeful, yet cautious given that they are also facing the same issues as manufacturers….. supply chain disruptions (weather, ports) and higher prices. The demand > supply issue was mentioned by those in construction, and warned of "building material delays, discontinuations are shortages". The U.S. economy is powering ahead, pumped with vaccines and as it removes the shackles of restrictions. We believe that America will be the driver of global growth this year.

U.S. manufacturing PMI jumped 3.9 points to 64.7 in March, a level not seen since December 1983. And, 17 of the 18 industries in the survey reported growth, the most since July 2018. All five components, weighing in at 20% each, gave the headline a boost: new orders (key for future activity); production (17-year high…); employment (3-year high); supplier delivery delays (longest since 1974).

U.S. construction spending: total spending did not decline as much as expected, with the 0.8% drop in February weighed by non-residential (-1.3%) and to a lesser extent, residential (-0.2%). This also follows some revisions to the prior two months… January was revised lower.(was +1.7%, now +1.2%) and December was revised higher (was +1.1%, now +2.1%). While this series undergoes significant revisions the trend is important and so far, construction is another source of strength for the American economy. But, the sector faces challenges, one of which is that supply is unable to meet demand. And more of that may be on the way in the years to come, given the Administration's infrastructure proposals.

FINANCIAL CONDITIONS

The U.S. 2 year/10 year treasury spread is now 1.51% and the U.K.'s 2 year/10 year treasury spread is 0.73%. 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 3.13%. 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 17.26 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

Portland Investment Counsel Inc. currently offers Mutual Funds & Private/Alternative Products - visit www.portlandic.com

Individual Discretionary Managed Account Models - SMA

Net Asset Value:

The Net Asset Values (NAV) 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

Portland Investment Counsel Inc. **portlandinvestmentcounsel** **Portland Investment Counsel Inc.** **@PortlandCounsel**

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

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

PIC21-032-E(04/21)