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NEWS HIGHLIGHTS

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

MAY 10, 2021

OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND

PORTLAND 15 OF 15 ALTERNATIVE FUND COMPANY NEWS

Brookfield Asset Management Inc. – Car battery maker Clarios, backed by Canada's Brookfield Asset Management Inc., said it had confidentially filed paperwork with the U.S. Securities and Exchange Commission for an initial public offering. The company did not disclose other details about the proposed offering. The flotation of Clarios, which could be valued at over $20 billion in its Initial Public Offering, , would mark one of the biggest stock market debuts from the automotive sector this year, according to a person familiar with the matter. Electric-vehicle maker Lucid Motors struck a $24-billion merger deal with a blank-check firm in February, while another high-flying startup, Rivian, is also lining up to go public later this year. Brookfield had bought Glendale, Wisconsin-based Clarios in 2019 from Johnson Controls International, a maker of digital solutions for buildings for $13.2 billion, in one of the biggest deals clinched by the asset manager. One in three cars on the road globally uses a battery made by Clarios and its products are used in more than 140 countries. Clarios is also backed by Caisse de dépôt et placement du Québec (CDPQ), one of Canada's biggest state pension investors.

Facebook, Inc. – Throughout Southeast Asia, consumers' affection for interacting with businesses is fueling a boom in social commerce. Unlike the U.S. or China, where most consumers do their internet shopping with established platforms run by companies like Amazon.com Inc. and Alibaba Group Holding Ltd., in Thailand, almost half of all e-commerce takes place through social media or chat rooms on Facebook, WhatsApp or Line's app. Customers can talk directly with store employees or the owners themselves about prices and sales, in addition to the relationships built through personal conversations which have helped drive social commerce's popularity. The rapid adoption of commerce via social media across the region could offer valuable lessons to internet giants like ByteDance Ltd. and Facebook's Instagram, which are experimenting with the format as they try to disrupt the traditional styles of platform commerce. As such, a store owner can receive a message from a customer through one of the store's official messaging accounts asking whether a certain type of sandwich is available. One of the store staff can message back to confirm the sandwich availability, conclude the sale, confirm receipt of payment via bank transfer and arrange a time for pick-up at the store, all via messages. The pandemic has led global brands such as Chanel and Louis Vuitton as well as Thai brick-and-mortar retailers to register for accounts on Line, spurring a 25% annual growth in official accounts in 2020. Line is the most-used messaging platform in Thailand which charges retailers based on their messaging activity and number of followers. Southeast Asian countries are natural places for the model, as they have very young, tech savvy populations. Vietnam led the region, with social commerce accounting for 65% of its US$22 billion online retail economy, compared to $4.2 billion in 2018. Social commerce revenue in Thailand grew from $3 billion three years ago to approximately $11 billion in 2020, half of the total e-commerce market. The popularity of personalized buying experiences and human-to-human conversations in an online shopping setting has led traditional retailers to allocate resources to chat platforms as shoppers remain home because of the pandemic. Thailand's government announced in April new restrictions on malls, requiring them to shut by 9 pm from May, to curb a surge in COVID-19 infections. In countries like India, the popularity of shopping through WhatsApp has led Reliance Industries Ltd. to target 20% of sales at its Hamleys' toy stores through direct selling over the messaging application. The Facebook-owned messaging application added shopping carts into its chat rooms last year to court more merchants and tap onto its 2 billion user base to shop on its platform.

Unlike more established e-marketplaces, though, the chat applications on social media pages aren't designed for commerce and don't include payment systems, so customers need to use external payment methods, such as direct bank transfers or e-wallet services like Amazon Pay and GrabPay to finalize sales.

Nomad Foods reported financial results for the three month period ended March 31, 2021. Key operating highlights and financial performance for the first quarter 2021, when compared to the first quarter 2020, include reported revenue increased 3.6% to €707 million, organic revenue growth of 1.8%, reported profit for the period of €49 million, adjusted EBITDA of €138 million and adjusted EPS of €0.47. Stéfan Descheemaeker, Nomad Foods' Chief Executive Officer, stated, "This year is off to a strong start with first quarter revenue and Adjusted EPS marking a record level of quarterly performance. We achieved healthy organic revenue growth notwithstanding year-ago comparisons which reflected elevated growth resulting from pantry loading at the onset of the pandemic. This was complemented by 180 basis points of Adjusted EBITDA margin expansion driven by strong gross margins and expense discipline. The combination of strong base business performance, the inclusion of Findus Switzerland and accretion from share repurchases in 2020 led to Adjusted EPS growth of 42% in Q1. These results have us on pace to deliver another stellar year for Nomad Foods." Towards the end of the quarter, Nomad announced the acquisition of Fortenova's Frozen Food Business Group. This latest acquisition will expand the company's frozen food leadership into eight new markets, by allowing it to enter the ice cream category and present multiple avenues for value creation in the coming years. The company reiterated its 2021 guidance. Revenue and adjusted EBITDA are expected to grow approximately 3-5% and adjusted EPS is expected to be approximately €1.50 to €1.55, representing 11-15% growth. Full year guidance assumes organic revenue growth of approximately 1-2%. Guidance does not yet include the pending acquisition of Fortenova's Frozen Food Business Group, which is expected to close during the third quarter of 2021.

Softbank Group Corporation – TikTok, the popular short-video app, named ByteDance Ltd. Chief Financial Officer Shouzi Chew as Chief Executive Officer, filling the top leadership position after the departure of Kevin Mayer last year. Vanessa Pappas, who has served as interim head, was named Chief Operating Officer. Chew, who joined TikTok parent ByteDance last month, will remain in his post at the Chinese company, according to a statement issued last week. Previously, Chew spent several years as Chief Financial Officer and international business president of Xiaomi Corporation., where he took the gadget maker public in one of the largest-ever Chinese tech listings on the Hong Kong Stock Exchange. Chew, who hails from Singapore, is fluent in English and Chinese. /Also he previously worked for Yuri Milner's DST Global. The move to hire Chew is a sign ByteDance is moving toward an initial public offering of some of its businesses. TikTok is still enjoying explosive popularity, but Chew will have to navigate the political tensions between the U.S. and China as well as increasing concerns about data privacy, especially involving children who populate the app. The company explained that Pappas will maintain her current responsibilities, including managing TikTok's key operations. Zhang had discussed deals with a number of U.S. tech giants, including Microsoft Corporation and Oracle Corporation but ultimately decided to wait out the crisis, anticipating less hostility after the presidential election. TikTok never signed a final agreement, and the deal remains stuck in limbo while the Biden administration conducts a review.

DIVIDEND PAYERS

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- Total sales reached DKK 4,753 just 1% below expectations, overall organic growth was 2% and thus below expectations of 3-4%. As expected organic sales growth in Ostomy Care was impacted by the higher comparisons last year when inventories were increased in connection with COVID-19 both among consumers and distributors. Continence Care only came out at 0% growth (3-400basis points below expectations). Part of the sluggish development relates to lower sales within bowel management and collecting devices as the fewer patients have been treated during the pandemic – this is expected to improve once hospital activity increases as vaccination programs are materializing. Moreover interventional Urology did not realize the expected pick-up in activities in the US (especially within penile implants) and hence growth was not quite as strong as anticipated. Finally, Skin and Wound Care organic sales growth were close to flattish (+1%), reflecting a rather decent9% growth within Wound Care (China and Europe) whereas the Skin Care division suffered from lower demand driven by the pandemic. Overall Q2 top-line performance fell below expectations, however the company's guidance that it will finalize the Fiscal Year 2020/21e with rather solid growth in the second half of 2020/21e continuing to grasp market share, with forecast organic growth of 7%. EBIT (before special items) came out at DKK 1,577 (margin 33.2%) and 2% above consensus. Special items of DKK 200 million related to mesh legislation cases, which have been prolonged due to Covid-19 delays and hence are increasing potential costs. According to management the Global Operation Plan 5 has materialized ahead of schedule and hence fiscal year end of 2020/21e EBIT margin guidance (before special items) are increased by 100 basis points to 32-33%.

Consolidated Edison, Inc. (ED) reported Q1 2021 EPS of US$1.44, ahead of consensus at $1.36. The beat appears to be driven by lower costs associated with components of pension and other postretirement benefits. ED reaffirmed its 2021 guidance of $4.15-4.35. For 2021, the biggest variable continues to relate to COVID-19 and when ED will be able to resume collecting late payment charges/other fees that are built into its rate plans. The law which prohibited doing so expired 3/31, but legislation is pending to extend the expiration date until year end 2021 or even later. In an effort to circumvent the issue, ED filed a petition with the Public Service Commission in April to establish a surcharge recovery mechanism for the same fees that were foregone in 2020. If approved, ED would be able to begin recovering the revenues ($52 million) in September, over a 12-month period. ED took a $172 million pre-tax write off on Stagecoach to reduce the carrying value of its investment to $667 million. This is believed to be the ballpark amount that ED will be able to fetch for its 50% interest in the Joint Venture. The process is expected to come to a head in Q2. While not a surprise, ED raised its capex forecast by about $250 million in both 2022 and 2023. This was a product of the regulator's approval for three transmission projects in mid-April, which were initially proposed to help facilitate the retirement of several fossilfuel plants in New York City. We note that the associated capex will be recovered through a rider mechanism, thereby avoiding any regulatory lag. There were no changes to ED's equity plans – $800 million block need still to come in 2021, aggregate needs of $700 million across 2022-23.

Costco Wholesale Corporation - April Results – US Same Store Sales ex-fuel were up +24.9%, which was a +150 basis points acceleration on a two-year basis. US traffic growth increased +33.3% (versus. +3.0% in February), which put traffic up +17.3% on a two-year basis (250 basis points benefit from Easter Shift). E-Commerce growth tracked up +17.3% versus. March that was up +54.5%, but Costco was lapping strong growth of +87.7% from April 2020. Total comps (same –store-sales) increased +32.5% versus. forecast of +28.9%. Category Trends – Food & Sundries were up in April versus. Down in March as comparisons got easier sequentially (lapping mid-teens increase in April versus. mid-30s in March). Fresh Foods were up high-single digits, which was a sequential acceleration from March. Non-food categories increased high-40s versus. mid-50% in March.

Fortis Inc. reported Q1 adjusted EPS of $0.77 versus. $0.68 last year – ahead of consensus at CA$0.75. The 13% year-over-year growth enabled Fortis to demonstrate EPS growth for the first time in several years. Positive drivers in Q1 were Arizona rate relief, ITC/Canadian rate base growth, and the absence of pension/FX losses from last year. Longer-term, Fortis reaffirmed its 6% dividend growth and 6% rate base growth target through 2025. We believe that there to be long term transmission investment opportunities. In the near-term, it appears that the $1.7B Lake Erie Connector line is now poised to move forward after Canada Infrastructure Bank announced 40% funding. The project is fully permitted and just needs transmission service agreements before starting the 4-year construction cycle. And there should be transmission associated with Fortis' own renewables buildout in Arizona (2.4 GW wind/solar and 1.4 GW storage). None of this is currently in the five-year plan. The Biden proposed transmission tax credit could also be helpful in our view.

LIFE SCIENCES

Telix Pharmaceuticals announced it has been granted Human Research Ethics Committee (HREC) approval and received Clinical Trial Notification (CTN) clearance by the Australian Therapeutic Goods Administration (TGA) to commence a Phase III clinical trial of the company's PSMA targeted prostate cancer therapy candidate TLX591 (177Lu-DOTA-rosopatamab), in patients with advanced metastatic castrate-resistant prostate cancer (mCRPC). The Phase III "ProstACT" trial is an international, multi-centre, randomised controlled trial (RCT) in patients with PSMA-expressing mCRPC, experiencing disease progression following prior treatment with a novel androgen axis drug (NAAD). The ProstACT trial will enro approximately 390 patients and incorporate patient selection using 68Ga-PSMA imaging with TLX591-CDx (Illuccix®). The trial will compare standard of care therapy alone versus standard of care therapy plus TLX591, with a primary endpoint of radiographic progression-free survival (rPFS). Trial secondary endpoints will include overall survival and quality-of-life assessment. Telix has commenced the initiation of Australian ProstACT trial sites and will add global sites progressively during the second half of 2021, subject to the requisite approvals. Telix Chief Executive Officer Dr. Christian Behrenbruch stated, "The commencement of the ProstACT Phase III study for TLX591 marks a major corporate milestone for Telix that brings the Company a step closer to delivering on a major unmet medical need for treatment options in this patient population. ProstACT builds on a significant body of clinical data for TLX5912, which to date has been studied in over 200 patients with advanced prostate cancer, across five previous studies. TLX591 has demonstrated promising and competitive clinical potential that we believe warrants further confirmation in this second-line disease setting. It is also noteworthy that Telix's differentiated approach to integrating molecular imaging with PET alongside therapy, enables a comparatively streamlined study that we believe will support efficient patient enrolment and study execution."

ECONOMIC CONDITIONS

Canada Employment - Along with the third wave of the pandemic, Canadians entered in a third wave of weakness in the labour market with a sizable employment decline of 207,000 in April according to the Labour Force Survey, worse than consensus expectations calling for a 150,000 pullback. This drop, combined with a decline in the participation rate (64.9%), translated into a sharp increase in the unemployment rate from 7.5% to 8.1%. Job losses in April were driven by workers in the private sector (-204,000) and public sector (-13,000) while self-employed +10,000) posted a gain. Employment in the goods sector was down (-12,000) as losses in construction (-13,000), agriculture (-4,000) more than offset increases in resources (+5,000). Manufacturing and utilities jobs were essentially flat, Services-producing industries, for their part, plunged 195,000 jobs on sharp drop in trade (-89,000), accommodation/food services (-59,000), education (+36,000) and information/recreation (-26,000) while finance (+15,000), professional services (+15,000) and public administration (+15,000) experienced the strongest gains among services. Full time employment was down 129,000 while the ranks of part-timers dropped by 78,000. On a regional basis, all the four largest provinces experienced declines in employment. Ontario (-153,000) and B.C. (-43,000) saw the largest employment losses but Alberta (-13,000) and Quebec (-13,000) also posted negative prints. On a 12-month basis, hourly earnings dropped from 2.0% to 1.6%. Excluding those sectors directly impacted by the restrictions, employment in April remained resilient. And the performance would have been better without the education sector decline as schools were closed in a number of provinces. While significant restrictions are still in place in May they could gradually ease in the coming weeks with the advance of vaccinations, which means that these sectors could potentially rebound strongly during the summer. The Bank of Canada's latest Business Outlook Survey indicates confidence soaring with hiring intentions being the most favourable in almost three years.

U.S., nonfarm payrolls came in a lot weaker than expected in April. As COVID-19 caseloads continued to ease and several states gradually reopened their economies, expectations of 1 million were disappointed with just a rise of 266,000 in April. The negative surprise was compounded by a 78,000 downward revision to the prior month's results. The private sector added 218,000 jobs. Employment in the goods sector fell 16,000 as a decline for manufacturing (-18,000) was only partially offset by a small gain for mining/logging (+2,000). Employment in the construction segment was flat. Meanwhile, services-producing industries expanded payrolls by 234,000 in large part due to a 331,000 jump in the leisure/hospitality category. Alternatively, there were retreats observed for professional/business services (-79,000), transportation/warehousing (-74,000) and retail trade (-15,000). Employment in the public sector advanced 44,000 as state/local administrations added 39,000 jobs. Average hourly earnings slightly edged and rose just 0.3% on a 12-month basis, down from 4.2% the prior month. Released at the same time, was the household survey (similar in methodology to Canada's Labour Force Survey) reported a 328,000 job gain in April. Despite this increase, the unemployment rate ticked up to 6.1%, as the participation rate rose from 57.7% to 57.9%. Full-time employment surged 358,000, while part time positions fell 54,000. A reason for the disappointing results may lie with lack of skill transferability. For the most part, the people who have yet to return back to work after losing their jobs during the pandemic, were employed in the sectors hardest hit by social distancing measures. Their skill sets may not fit the industries that have fully recovered from the crisis where the highest demand for workers is at this time. In sectors where wages are relatively low, the generous unemployment handouts provided by Washington might also be acting as a disincentive to return to work. If this is the case, "artificial" labour shortages could persist until modifications to unemployment insurance are phased out (i.e. in September). In the meantime, employers might be forced to raise wages in an effort to lure workers back onto the job market. Anecdotal evidence suggests this is already happening in some low paid sectors (restaurants, retail, etc.).

The U.K. economy is expected to expand by 7.25% this year, with extra government spending helping to limit job losses. However, it follows a contraction of 9.9% in 2020, the biggest in 300 years. Andrew Bailey, the governor of the Bank of England, said the recovery was "strong" but likened it to "more of a bounce back" than a boom. He added that the surge in growth, while "good news", would only return the UK economy back to its 2019 size. Mr. Bailey told the BBC: "We're going to see a continued strong recovery this year, but let's put that into perspective That's two years passed with no growth in the economy." His comments came as Bank policymakers held interest rates at a record low of 0.1%. (Source BBC).

The Scottish elections in addition to the broader U.K. regional elections, where the Scottish National Party was narrowly unable) to secure an outright Parliament majority, is a result that is likely to give U.K. Prime Minister Johnson some slight breathing room in not having to immediately address the independence referendum issue.

FINANCIAL CONDITIONS

The Bank of England' Monetary Policy Committee (MPC) decided to keep the Bank Rate at a record low 0.1%; keep the Asset Purchase Facility, or the total target stock of asset purchases, at £895 billion [corporates £20 billion, gilts £875 billion] and maintain that, in their judgement, the existing stance of policy is appropriate. It wasn't unanimous. Outgoing hawk, Andy Haldane, voted to cut bond purchases by £50 billion but he was, of course, outnumbered. The line from the last meeting in March made its way back in the May release: "The Committee does not intend to tighten monetary policy at least until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% inflation target sustainably." However, the MPC raised its growth outlook for this year to 7.25% (was 5.0%), as it expects Q2 growth to rise sharply and for the economy to return to pre-COVID-19 levels this year. A 5.75% GDP increase is expected for 2022. But no rate hike until there is "clear evidence of significant progress". Although the Bank kept the target of asset purchases unchanged, "the pace of these continuing purchases could now be slowed somewhat." Perhaps knowing that markets would jump on this, the minutes immediately clarified the Bank's position, stating that "This operational decision should not be interpreted as a change in the stance of monetary policy" and that, if markets worsen materially, the MPC "stood ready to increase the pace of purchases to ensure the effective transmission of monetary policy."

The Reserve Bank of Australia (RBA) left both the cash rate target unchanged at 0.10% and the 3-year yield target unchanged. While the RBA did upgrade their GDP forecasts and noted the Australian recovery had been stronger than expected, they are still holding fast to the idea that there will be no rate increase until 2024 – although in our view we could see a hike from the RBA long before that.

The U.S. 2 year/10 year treasury spread is now 1.42% and the U.K.'s 2 year/10 year treasury spread is .76%. 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 2.96%. 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 17.23 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 is encouraging for quality equities.

And finally

"Logic will get you from A to Z; imagination will get you everywhere"
Albert Einstein

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

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