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NEWS HIGHLIGHTS

EST. 2007

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

JULY 7, 2021

OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND

PORTLAND 15 OF 15 ALTERNATIVE FUND COMPANY NEWS

Softbank Group ("SoftBank") – Z Holdings Inc., a unit of SoftBank agreed to buy the rights to the Yahoo name in Japan for 178.5 billion yen to replace an existing licensing agreement. The deal follows the sale of Verizon Communications Inc.'s media division, the bulk of which is the original U.S. version of the Yahoo web portal, to private equity firm Apollo Global Management Inc. for US $5 billion. Yahoo! Inc. was one of Son's early big investments, who built a $100 million stake in one of the original web start-ups in the mid-90s. He subsequently formed the joint venture Yahoo! Japan Corp., which over the years morphed into tech and e-commerce platform Z Holdings as Yahoo sold off its core assets. While the Yahoo brand has fallen from favor on the English-language internet, it is a vital part of the Z Holdings portfolio, along with messaging app Line, fashion e-commerce outlet Zozo and mobile payment platform PayPay.

Yahoo brands made up four of the top-10 visited websites in Japan in 2020, according to a survey by Values Inc. The Yahoo Japan top page alone brought in almost the same number of users as YouTube. The Yahoo name is used on weather and maps apps, finance portals used by day traders, a discount mobile-phone brand run by SoftBank Corp. and Yahoo Auctions, Japan's top EBay Inc.-like portal. Last year, Z Holdings began switching the branding for many of its financial services, including its credit card and insurance arms, from Yahoo to PayPay. Z Holdings has indicated it expects to recoup its investment in seven to eight years according to a Citigroup analyst.

SoftBank - India's Paytm will seek shareholders' approval next week for an initial public offering (IPO) with an initial fundraising target of 160 billion rupees (US$2.2 billion), according to people familiar with the plan, setting in motion the process for the country's largest ever debut. If green-lit during a shareholder meeting slated for July 12, the digital payments start-up will have the option of raising that target to as much as roughly $2.6 billion, per regulatory guidelines. The board has decided to start smaller and could increase the size depending on investor momentum, noted the people who asked not to be named as the deliberations are not public. Formally known as One97 Communications Pvt, Paytm is backed by SoftBank Group Corp., Berkshire Hathaway Inc. and Ant Group Co. The people said that the IPO will bring the shareholding of Ant Group below 25%. While a price won't be specified in the initial documents, the company is expected to offer an equal amount of new and secondary shares and its valuation could eventually land between $24 billion and $30 billion.,

Facebook Inc. – Facebook Inc. ("Facebook") and Africa's largest fibre company, Liquid Intelligent Technologies ("Liquid"), are extending their reach on the continent by laying 2,000 kilometers (1,243 miles) of fibre in the Democratic Republic of Congo. The move will make Facebook one of the biggest investors in fibre networks in the region. The cable will eventually extend the reach of 2Africa, a major sub-sea line that's also been co-developed by Facebook, the two companies explained in a statement on Monday. "We know that deploying fibre in this region is not easy, but it is a crucial part of extending broadband access to under-connected areas," said Ibrahima Ba, Facebook's director of network investments, emerging markets. Facebook has been striving to improve connectivity in Africa to take advantage of a young population and the increasing availability and affordability of smartphones. The social-media giant switched to a predominantly fibre strategy following the failed launch of a satellite to beam signal around the continent in 2016.

The new build will stretch from central Congo to the eastern border with Rwanda and eventually connect with the 2Africa cable, which is expected to be completed by 2024. Liquid will own and operate the fibre, and has plans to employ 5,000 people to work on the project, the companies said.

Reliance Industries Ltd. - Reliance Industries Ltd. ("Reliance") is planning to invest in petrochemical facilities in Abu Dhabi as it strengthens energy ties with the Middle East and taps into the region's vast hydrocarbon resources. The Indian conglomerate plans to join projects at Abu Dhabi National Oil Co.'s Ruwais refining hub to produce chemicals that can be used for infrastructure and consumer goods, according to a statement. ADNOC, which pumps almost all the oil and gas in the United Arab Emirates, is hoping to attract around $5 billion into Ruwais under a program called Ta'ziz. The country is seeking to boost investments in higher-value petroleum products such as chemicals. Reliance, the operator of the world's biggest refining complex, and ADNOC signed a framework in 2019 to explore joint investments in petrochemicals. The Indian company will help construct a plant with the capacity to produce 940,000 tons of chlor-alkali annually, 1.1 million tons of ethylene dichloride and 360 thousand tons of PVC, a type of plastic. This will be Reliance's first major investment in the Middle East, according to ADNOC. Reliance, led by Asia's richest person Mukesh Ambani, is also in talks with Saudi Armaco about refining ventures. Ambani expects to finalize a deal this year that will see the Saudi firm invest billions of dollars in Reliance's oil-to-chemicals projects.

Ares Management Corporation ("Ares") – announced that funds managed by Ares have committed more than US$1 billion of investments over the last six months in the sports, media and entertainment sector. Ares employs a global flexible private capital strategy that invests in both debt and equity investments, including senior debt, junior debt, preferred equity and minority equity while leveraging its relationships and capabilities across the Ares platform. "We believe the strong secular demand for content in the sports, media and entertainment sector is driving the need for flexible capital," said Mark Affolter, Partner and Co-Head of U.S. Direct Lending at Ares. "Ares provides scalable capital solutions and invests across both debt and equity in the sports, media and entertainment sector," said Jim Miller, Partner and Co-Head of U.S. Direct Lending at Ares. "In the past, sports franchises, leagues and clubs borrowed through traditional bank facilities, but there is now a growing need for more flexible capital to meet the needs for expansion. Ares seeks to use its significant capital base to provide innovative capital solutions to fulfill the sector's growing funding gap." Ares acquired a minority stake in Atlético de Madrid through a structured preferred equity investment. Ares served as the administrative agent and sole arranger for a senior secured credit facility to support the San Diego Padres' refinancing of its existing capital structure and provide growth capital for the team. The San Diego Padres are one of 30 professional baseball organizations that compete in Major League Baseball and are a member of the National League West division. Ares served as the administrative agent and sole arranger for a second lien credit facility to the Ottawa Senators. Ares made a minority investment as part of a consortium led by MSP Sports Capital to help finance the McLaren Racing carve out from its parent company McLaren Group. Ares served as the administrative agent and sole arranger for a senior secured credit facility to provide liquidity for Rugby Australia in the wake of the COVID-19 pandemic. Ares served as the administrative agent and sole arranger for a senior secured credit facility with equity participation to support the Professional Fighters League's global growth plans. Ares served as the administrative agent and sole arranger for a senior secured credit facility to support Rawlings' acquisition of Easton Diamond Sports. Established in 1887, Rawlings is a leading baseball and softball brand worldwide. Ares acquired a minority equity interest in Meadowlark Media to provide capital to support the company's business and growth strategy.

Brookfield Asset Management – Brookfield Business Partners L.P. (BBU)("Brookfield Business Partners") together with institutional partners announced an agreement to acquire DexKo Global Inc. ("DexKo"") for US$3.4 billion. DexKo is a global manufacturer of highly engineered components for trailer, recreational vehicle and towable equipment providers. The company has a leading presence in its core products across North America, Europe and Australia with vertically integrated production and distribution capabilities and a commitment to sustainability. DexKo manufactures and distributes over 65,000 products including highly engineered, customized solutions for a diverse range of customers across its global footprint. "We are pleased to grow our industrials operations with the acquisition of DexKo, a market leader known for quality and reliability," said Mark Weinberg, Managing Partner, Brookfield Business Partners. "DexKo's world-class management team has delivered consistently strong performance and we are excited to partner with them to further build on an established track record of value creation." Investment Highlights; Clear competitive differentiation, the company's hub and spoke, vertically integrated manufacturing network, broad product offering and distribution capabilities, allow it to play a strategic role in a fragmented value chain, providing a competitive advantage in servicing both customers and business partners. DexKo's track record of consistent cash flow generation is supported by resilient underlying demand, diverse end markets and geographical scale. Brookfield Business Partners' investment will be funded with approximately $1.1 billion of equity, of which Brookfield Business Partners intends to invest approximately $400 million. The balance of the equity investment will be funded by institutional partners. Prior to or following closing, a portion of Brookfield Business Partners' commitment may be syndicated to other institutional investors.

Clarios International Inc.("Clarios"), backed by Brookfield Asset Management Inc. ("Brookfield") revealed that it swung to an annual loss after taking a hit from the COVID-19 pandemic, even as the car battery maker is preparing for a high-profile stock market listing in the United States. The company reportedly filed for a listing in May and, with a potential valuation of over US$20 billion in its IPO, it could be one of the biggest U.S. floatations from the auto sector this year. Clarios is also backed by one of Canada's biggest state pension investors, Caisse de dépôt et placement du Québec ("CDPQ"). Entities affiliated with Brookfield and CPDQ will continue to hold more than 50% of voting power. Clarios recorded $7.6 billion in revenue for the year ended Sept. 30, 2020, its filing showed, an 11% drop from a year ago as the pandemic hit demand. Net loss attributable to the company was $399 million versus a $25 million profit a year earlier. It will start trading on the New York Stock Exchange under the symbol "BTRY". Bank of America Securities and JPMorgan Chase & Co. are the lead underwriters for the offering.

DIVIDEND PAYERS

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. ("JPMorgan") has taken a 40% stake in Brazilian digital bank C6 Bank, making its retail debut in Latin America's biggest economy. JPMorgan in January announced plans to expand in retail banking through digital channels, starting in Britain. French President Emmanuel Macron inaugurated JPMorgan's new trading hub in Paris last week, as France pitches for more banking jobs and tries to lure finance workers looking to leave London after Brexit. Banks are spending billions of dollars beefing up their European Union operations post-Brexit to avoid disruption to some of their activities. Flanked by JPMorgan Chief Executive Jamie Dimon, Macron visited the U.S. bank's trading base in central Paris, focused on European debt trading. It is set to employ 800 people in Paris by 2022, including some at its existing headquarters nearby. Of those jobs, some 265 already worked in France before Britain's EU exit, including in advisory roles, and 440 trading and sales staff will join by year-end, with some staff relocating from London. The bank said it will also hire locally. (Source: Reuters)

Walgreens Boots Alliance ("WBA") reported Q3 adjusted. Earnings Per Share (EPS) of US$1.51 or US$1.38 from continued operations, above consensus of US$1.10/1.16 driven by strong U.S. Retail gross margin. United States Operations Income ($1,471M versus consensus of $1,088M up 75% year over year) while International Retail Operations Income ($94M versus consensus of $161M) was mostly driven by lower operating margin (1.8% versus expected 2.9%) – Selling, General & Administrative Expense (SG&A) increased 5.2% year over year due entirely to costs associated with the formation of the German JV. The company increased fiscal year 21 EPS guide to ~10% implying ~$4.71 versus pre-EPS consensus estimates of $4.60 / $4.69 – the company cited "The revised guidance reflects strong results in the third quarter and greater clarity on the impact of COVID-19 vaccinations." Implied Q4 EPS is $0.98 versus pre-EPS consensus estimates of $1.15/$1.19. WBA has now administered 25 million COVID-19 vaccination shots to date versus the 26-34 million previously embedded in fiscal year21 guide from Q2, which is in line with estimates to vaccinate ~16 million people for ~$0.36 to EPS in fiscal year21.

SSE plc ("SSE") published their draft business plan on the low-voltage distribution units, Scottish and Southern Electricity Networks ("SHE") and Southern Electricity. The Final Business Plan will be submitted by December 2021 with Draft and Final Determination through to December 2022, The next 5-year regulatory review period (RIIO-ED2) runs from April 2023 to March 2028. SSE has proposed a baseline investment of £4.1billion over the period. This includes facilitating the need for 1.3 million all-electric vehicles (EV) cars and 800,000 heat pumps over the period. This is an increase of 35% over the previous equivalent period. This £4.1 billon is allocated as follows: £400 million to improving customer service and digitalization; £2.2 billion asset reliability and resilience; £1billion for net zero for communities and; £500mn for general running costs. The Regulated Asset Base (RAB) of these two businesses was nearly £4 billion as at March 2021. It is estimated the total expenditure of £1.4 billion in SHE and £2.1 billion in Southern, a total of £3.5 billion (2020 prices) leading to a RAB of £5.6 billion at March 2028. SSE believe this baseline expenditure would lead to a RAB of £6 billion by 2028. This is a 50% increase in RAB over 7 years – a 6% compound annual growth rate ("CAGR") in asset base.

ECONOMIC CONDITIONS

U.S. Non-Farm Payrolls: rose 850,000 in June, exceeding market expectations by around 150,000. The two-month prior revisions tallied +15,000, though payrolls remain 6.8 million (4.4%) short of pre-pandemic levels. State and local governments added back 130,000 education jobs and the private sector 39,000, though the two sectors still have 582,000 and 255,000 to go to return to pre-virus levels. The private sector overall added 662,000 jobs in June, accelerating from the prior month's 516,000 print. Leisure and hospitality accounted for over half of the gain (343,000; still 2.2 million to go), and retail tacked on 67,000. However, the household survey painted a darker picture of the labour market, shedding 18,000 positions. That, coupled with a flat participation rate (still), lifted the unemployment rate a notch to 5.9%. The "all in" U-6 (unemployment rate) measure fell to 9.8% though, as the number of involuntary part-time employees fell as businesses extend work hours given the difficulty of filling positions. Average hourly earnings rose 0.3%, simmering down from the prior month's (downwardly-revised) 0.4% pace, though still sending the yearly rate up to 3.6% from 1.9%. There are better measures of wage trends, which so far show a mixed to firmer trend. Aggregate work hours rose a modest 0.2% for a third straight month, lifting the Q2 average 4.5% annualized from Q1. The June jobs report actually casts a dimmer light on the economic recovery. Most of the new jobs now being created are in sectors that were slammed by the pandemic, while companies in other industries are struggling to find available workers...we believe this will not be encouraging for strong organic growth. (a source : Bank of Montreal Capital Markets)

U.S. Pending home sales. Signed contracts actually jumped 8% in May to the highest level since January, with gains spread across the country. This boosts expectations for June existing home sales although new mortgage applications are down about 2% so far this month.

Japan's services Purchasing Manufacturers' Index was revised higher in June (from 47.2 to 48.0) and while that is hopeful news, the 17th consecutive sub-50 reading outlines the sector's ongoing struggles with the pandemic.

FINANCIAL CONDITIONS

The Reserve Bank of Australia ("RBA") left rates unchanged at +0.10% as most economists and the markets expected but announced it was reducing the weekly bond purchases to 4.0 billion per week from 5.0 billion per week until mid-November when a review will be conducted. The RBA also maintained their three year yield target and pegged to the April 2024 bond rather than switching to a later maturity. Forward guidance stayed the same and RBA continues to see rates remain unchanged until 2024 at the earliest. The RBA Governor was upbeat on the economy but said wages and prices have lagged. He expects to see upward revisions and highlighted potential upside risks to wages due to extended border closures.

The U.S. 2 year/10 year treasury spread is now 1.09% and the U.K.'s 2 year/10 year treasury spread is .54%. 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 tends to be an early warning of an economic slowdown.

The U.S. 30 year mortgage market rate has increased to 2.98%. 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 what we consider to be a more normal range of 4-7 months.

The VIX (volatility index) is 16.37 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 could be promising for quality equities.

And Finally …..

"On (June 23rd 1994) - 'Forrest Gump' was Released. In the film, Gump puts his money from his shrimp business into Apple. Based on the timeline, he could've bought 3% for about $100,000. That's now worth $69 Billion, which would make him the 9th richest American today." ~Darren Rovell.

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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

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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