NEWS HIGHLIGHTS

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

JANUARY 24, 2022

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OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND

PORTLAND 15 OF 15 ALTERNATIVE FUND COMPANY NEWS

Amazon.com, Inc. ("Amazon") has halted a plan to ban customers using UK-issued Visa credit cards from this week, as the companies work on a "potential solution" to a rancorous dispute that threatened to severely disrupt shoppers. The world's largest online retailer announced the proposed ban in November, citing the "high fees Visa charges for processing credit card transactions."

Reliance Industries Limited ("Reliance") – Reliance reported a consolidated net profit of Indian Rupee ("Rs") 18,549 crore, denoted as ten million, for the quarter ended December 2021, up from Rs 13,101 crore a year ago. Reliance has reported a 37.9 percent jump in net profit (after exceptional items) for the quarter ended December 2021 at Rs 20,539 crore as against Rs 14,894 crore in the same period of last year. Gross revenue for the quarter vaulted by 52.2 percent to Rs 2, 09,823 crore, from Rs 1, 37,829 crore in the same period of last year. Its digital arm, Reliance's Jio Platforms, reported gross revenue of Rs 24,176 crore for the quarter, higher by 13.8 percent from Rs 22,858 crore a year ago. Net profit for the quarter was Rs 3,795 crore, higher by 8.9 percent from Rs 3,486 crore a year ago. Gross subscriber addition remains strong with total gross additions of 34.6 million in the third quarter of the 2022 fiscal year driven by both mobility and Fiber to the Home (FTTH) businesses. Reliance Retail, a subsidiary of Reliance, posted gross revenue of Rs 57,714 crore for the December 2021 quarter, higher by 52.5 percent from the same period of last year. Net profit for the quarter was at Rs 2,259 crore, higher by 23.4 percent. During the quarter, business added 837 stores taking the total count to 14,412 stores and 2.3 million square feet of warehousing space to bolster its service capabilities. The company said crude oil benchmarks surged during the quarter due to gas-to-oil switching, stronger refining margins and the continued decline in oil stocks in major consuming regions, while the rise in prices was kept in check due to emergence of Omicron variant.

Reliance Industries Limited ("Reliance") – Reliance is buying an Indian robotics start-up as the company scales up automation across its businesses, from e-commerce to new energy. Reliance paid US$132 million for a majority stake in Addverb Technologies Private Limited, also known as Addverb, which uses robots to make e-commerce warehouses and energy production more efficient, according to Sangeet Kumar, the start-up's co-founder and Chief Executive Officer. Reliance is investing in technology as competition from rivals such as Amazon.com, Inc. intensifies in the Indian e-commerce market. Addverb already works in dozens of warehouses of Reliance Retail, including online grocer JioMart, fashion retailer AJIO and internet pharmacy Netmeds.com, deploying robotic conveyors, semi automated systems and pick-by-voice software. Five-year-old Addverb, based in the Noida suburb of New Delhi, designs and makes software and installs robotic systems. This makes it one of a limited number of companies in the world to work in every aspect of robotics, from hardware and software to deployment. Addverb's robots help pack Reliance's oil and gas storage facilities, and it has designed automation for the conglomerate's refinery in Jamnagar in Western India. It is implementing solutions in Reliance's giant new solar factories, also in Jamnagar, a location where the company plans to make green energy investments of over $80 billion. According to Kumar, the biggest collaboration between the two is yet to come. Addverb and Reliance are planning to build the next level 5G robotics and battery systems as well as harness carbon fiber to build affordable, advanced robots. The start-up already has subsidiaries in Singapore, the Netherlands and Australia.

SoftBank Group Corp. ("SoftBank") – SoftBank's project to have unmanned aircraft with base stations provide wide-area telecommunications connectivity is set to soon receive funding. SoftBank on Friday priced 30 billion yen (US$264 million) of notes whose proceeds will go exclusively to its High Altitude Platform Station (HAPS) business explained the company. The bonds were sold as sustainability notes, the first from the company. SoftBank began exploring alternatives to terrestrial antennas after the 2011 earthquake and tsunami knocked out a broad swath of its network in Japan. The risk to vital telecommunications from natural disasters was again visible this month after a massive underwater volcanic eruption in Tonga disabled an undersea Internet cable, cutting off that nation's international communications. Google parent, Alphabet Inc., said last year it would wind down its high-altitude internet beaming project Loon. SoftBank announced in September that it had acquired about 200 patents from Loon. SoftBank has said it expects full-scale commercial services from its HAPS business to begin in 2027. Sunglider, the company's solar-powered unmanned aircraft, completed its first stratospheric test flight in New Mexico in 2020.

SoftBank Group Corp. ("SoftBank") – 6Sense Insights, Inc. ("6Sense"), a software platform that helps companies with sales and marketing, is valued in a new investment at US$5.2 billion, more than double the $2.1 billion the company said it was valued at last year. The $200 million financing round was co-led by Blue Owl Capital and MSD Partners LP. Other participants in the round included SoftBank Vision Fund 2, B Capital Group and Franklin Templeton, as well as existing investors Insight Partners and Tiger Global Management, LLC. The San Francisco-based company provides software that analyzes data to help sales and marketing teams be more effective and also better predict revenue. Its clients include companies such as Cisco Systems, Inc., Dell Technologies Inc., Experian PLC and Qualtrics International Inc. The shift to work-from-home has benefited 6Sense in some respects, said Jason Zintak, Chief Executive Officer of 6Sense. Now that representatives are no longer selling over steak dinners, they need more data to analyze their performance, he said. 6Sense will use the new capital to expand its workforce as well as its geographic reach, explained Zintak. He also advised that there is no timetable yet to become a public company, but that an initial public offering at some point is a possibility.

Ubisoft Entertainment SA ("Ubisoft") - Global gaming stocks rallied after Microsoft Corporation's landmark US$69 billion takeover bid for Activision Blizzard, Inc. ("Activision"), which is a move that could help enliven the sector after a cranky start to 2022. The U.S. rivals Electronic Arts Inc., Take-Two Interactive Software, Inc. ("Take-Two"), France's Ubisoft Entertainment SA and Poland's CD Projekt S.A. all rose on Tuesday, with some hyped talk as potential acquisition targets. The recent selloff in their shares and rising interest in gaming and the metaverse from large companies such as Meta Platforms Inc. has raised expectations for more deals in the industry. Ubisoft is seen as another potential target, but could be hurt by the family holding structure. Microsoft's push for Activision follows Take-Two's recent offer for mobile game maker Zynga Inc. suggesting that these companies carry a lot more strategic value than was being acknowledged by the market.

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

Microsoft Corporation ("Microsoft") has announced agreed terms to acquire Activision Blizzard, Inc. ("Activision") for US$95 per share, in an all-cash transaction valued at $68.7 billion, inclusive of Activision's net cash. When the transaction closes Microsoft will become the world's third largest gaming company by revenue, behind Tencent Holdings Limited and Sony Group Corporation. The planned acquisition includes franchises from the Activision Blizzard and King Studios like 'Warcraft', 'Diablo', 'Overwatch', 'Call of Duty' and 'Candy Crush' in addition to global eSports activities through Major League Gaming. Activision is a leader in the game development industry and is an interactive entertainment content publisher that will ultimately pave the way for the Metaverse in Redmond. Given recent news flow surrounding Pinterest Inc. and Discord late last year, the announcement of this deal isn't a particular shock as Microsoft has been wanting a deeper connection with digital consumer assets for some time. The deal is expected to accelerate Microsoft's gaming business growth throughout Mobile, PC, Console, and Cloud, that will be accretive to earnings per share upon close, and will not impact the current share buyback plan. We believe the purchase to be opportunistic, providing Microsoft with a significant content library (for an attractive price in our opinion of approximately 7 times calendar year 2023 Revenues) in an industry that has a long-term secular growth trajectory. From a network effect standpoint, we believe there are potential positives for Dynamics (from a CDP perspective), Azure (gaming in the cloud) & Teams (from a collaboration perspective) by having more digital signals and a place to expand voice and messaging into the consumer realm. We believe the acquisition will accelerate Microsoft's consumer business and strongly complement the Minecraft and Zenimax acquisitions all while raising the company to a top three player in the global gaming market. Minecraft was Microsoft's Chief Executive Officer Satya' Nadella's first deal, and now Activision will be his largest.

The Procter & Gamble Company reported fiscal year 2022 second quarter Core EPS of US$1.66, consensus $1.65. Total company organic sales growth +6% with volume +3% and pricing +3%. Baby, Family & Feminine Care +5% with stronger volume and pricing, including +high single digit growth in Baby and +double digit growth in Feminine Care. Beauty Care organic sales +2% and gross margins -400 basis points with gross productivity savings +80 basis points. The maintained 2022 fiscal year EPS was +3-6% year-over-year growth (implied $5.83-$6.00) and share repurchases now guided to be $9-$10 billion (from $7-$9 billion previously) despite guided $2.8 billion after-tax headwind from commodities, transportation and currency (versus $2.4 billion after-tax headwind previously) now $1.10/share headwind (versus $0.94/share previously).

Vodafone Group PLC ("Vodafone") is currently in active talks with Iliad to combine their Italian units, as reported by Reuters. In Italy, Iliad SA is the number four operator (7% market share in June of 2021) while Vodafone is the joint number one mobile operator (28.7% market share, on par with Telecom Italia Mobile at 28.8%; WindTre S.p.A. has 25%). A potential Vodafone and Iliad deal involves a large operator with a joint first market position and a remedy taker. As a result it would require a major shift in antitrust policy to get a deal approved, in our view. There have been no public statements from the European Commission (EC) supporting such a shift (the EC has talked about allowing antitrust policy more flexibility to adapt - but this is still vague).

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND

Guardant Health, Inc. ("Guardant Health") – Guardant Health, a leading precision oncology company, announced today the enrollment of the first patient in the SHIELD (Screening for HIgh-frEquency maLignant Disease) LUNG study, a nearly 10,000-patient prospective, registrational study to evaluate the performance of its next-generation Guardant SHIELD blood test in detecting lung cancer in high-risk individuals ages 50 to 80. The study is anticipated to run in approximately 100 centers in the United States and Europe. Lung cancer is a leading cause of death among both men and women in the U.S. and worldwide. The U.S. Preventive Services Task Force recommends yearly lung cancer screening using a low-dose computed tomography (CT) scan for people ages 50 to 80 years old who are at high risk for lung cancer because of their smoking history, but who don't have signs or symptoms. Despite these recommendations, only 14% of people eligible for a low-dose CT scan are up to date with screening recommendations. "Symptoms of lung cancer don't appear until the disease is already at an advanced stage. That's why it's so important to find lung cancer early, before symptoms start," said Craig Eagle, MD, Guardant Health Chief Medical Officer. "Unfortunately, many people do not follow recommended screening guidelines for lung cancer. We believe a simple blood test could help improve screening rates and detect lung cancer early, when it can most easily be treated." "The SHIELD LUNG study is the second large-scale screening study initiated by Guardant Health in just over two years to evaluate the performance of our blood tests for early cancer detection. Our unique combination of medical, clinical and operational expertise, in partnership with our clinical investigators and study sites, allows us to move forward rapidly with enrollment for this very important study," said AmirAli Talasaz, Guardant Health co-Chief Executive Officer. "Lung cancer screening is known to save lives. This study will add to the growing body of evidence that supports the use of our blood tests to screen for cancer early. It also reinforces our deep commitment to providing patients with a simple blood test that is accurate and easier than the current standard of care, to catch lung cancer at the earliest stages where there can be better patient outcomes."

Schrödinger, Inc. ("Schrödinger") – Schrödinger, whose physics-based software platform is transforming the way therapeutics and materials are discovered, announced the acquisition of XTAL BioStructures, Inc., a private company based in the Greater Boston area that provides structural biology services, including biophysical methods, protein production and purification, and X-ray crystallography, to the pharmaceutical and biotechnology industries. The acquisition of XTAL BioStructures enables Schrödinger to pursue scientific advancements in the field of structural biology, augment its ability to produce high quality target structures for its drug discovery programs, and expand its offerings to include an advanced and differentiated service that provides customers access to protein structures that have been computationally validated and are ready for structure-based virtual screening and lead optimization. "The acquisition of XTAL BioStructures enables us to continue to meaningfully advance the field of structure-based drug discovery. Through the integration of experimental and computational approaches, we can continue to improve techniques to prepare proteins for structure-based drug design methods," said Ramy Farid, Ph.D., Chief Executive Officer at Schrödinger. "Because high quality protein structures are core to our business, we wanted to bring these experimental capabilities in-house. With this acquisition, we will have access to more structures, and will leverage our protein structure refinement methods to scale up production of high-resolution structures, which are starting points for our physics-based computational platform."

Telix Pharmaceuticals Limited ("Telix") – Telix announced a successful US$175 million institutional placement of new, fully paid ordinary shares in the company at a price of $7.70. The placement will be followed by a Share Purchase Plan (SPP) to raise up to $25 million at the same offer price. Following completion of the Placement and SPP, Telix will be well funded to execute on its late stage clinical product pipeline and advance multiple programs towards commercialisation, particularly the ProstACT (prostate cancer therapy) clinical program. The company also intends to use the additional funds to further expand its pipeline and capabilities around Targeted Alpha Therapy (TAT). These activities are in parallel to launch of Telix's first commercial product Illuccix® (kit for the preparation of gallium-68 (68Ga) gozetotide (also known as 68Ga PSMA11) injection), which recently attained a marketing authorisation from the U.S. Food and Drug Administration (FDA). Dr. Christian Behrenbruch, Telix Group Chief Executive Officer stated, "We are delighted with the level of support for the Placement from new and existing investors. Funds raised under the Placement and SPP will provide the Company with the financial resources to execute on the next phase of Telix's growth strategy, which is to advance our core therapeutic clinical programs, expand our commercial diagnostic portfolio and proactively seek out new innovations that will cement Telix's position as a leader in the field of 'theranostic' radiopharmaceuticals. We are particularly pleased to attract high quality, specialist investors to the register and would like to welcome our new investors and thank our existing shareholders for their outstanding support." Concurrent with the placement, Telix co-founders, Dr. Christian Behrenbruch and Dr. Andreas Kluge have each agreed to sell 2 million shares representing 8.1% of their respective shareholdings in Telix (Sell-Down). The Sell-Down will take place at the same price at which new shares are being issued under the Placement and SPP, being $7.70. The Sell-Down reflects the first sale of shares by Dr. Behrenbruch or Dr. Kluge since the company's inception in December 2015. Dr. Behrenbruch and Dr. Kluge are each expected to remain Telix's largest shareholders, with each holding a relevant interest in 22,675,000 shares (representing approximately 7.3% of Telix's issued shares on completion of the Placement and SPP). Managing Director & Group Chief Executive Officer, Dr. Behrenbruch and Non-executive Director, Dr. Kluge remain committed to their continued service to Telix and have pledged to the Board of directors that they will not sell any further shares in Telix at any time in the 12 months following settlement of the sell down.

ECONOMIC CONDITIONS

Canadian retail sales rose 0.7% in November, less than the median economist forecast calling for a 1.2% gain. The prior month's result was revised downwards, from +1.6% to +1.5%. November's gain hoisted retail sales 11.7% above their pre-pandemic level. Consumer outlays increased in six of the eleven subsectors, with increases in gasoline stations the most in five months (+4.9%), building materials (+3.0%), food/beverages (+1.0%) and clothing/accessories (+3.0%) categories having more than offset declines for sporting goods/hobby items (-10.0%), furniture (-1.2%), electronics/appliance stores (-1.1%) and motor vehicles/parts (-0.3%). Without the latter category, retail sales advanced 1.1%. On a regional basis, sales were up in Quebec (+1.2%), British Columbia (+0.8%), Ontario (+0.5%) and Alberta (+0.1%). In real terms, retail sales progressed 0.2% month-over-month. Finally, Statistics Canada's early estimate for December showed a 2.1% decline in nominal sales. The outlook for retail sales in first quarter could be marred by COVID-19 induced shutdowns but a strong labour market and accumulated savings should continue to drive consumption in the new year.

Canada's consumer price index (CPI) decreased 0.1% in December (not seasonally adjusted), in line with consensus expectations. In seasonally adjusted terms, headline prices increased 0.3% on gains in three categories. Shelter (+0.6%), food (+0.4%) and household operations (+0.2%) experienced increases while clothing/footwear (-0.7%) and transportation (-0.3%) posted a pullback. Health/personal care, recreation/education and alcohol/tobacco prices were flat in the month. Year-over-year, headline inflation rose to 4.8%, one tick higher from the previous month, and was the highest level in over 30 years, since September 1991. On a provincial basis, the headline annual inflation rate was above the national average in Ontario (+5.2%) and Quebec (+5.1%) while it was in-line with the mark in Alberta (+4.8%) and undershot in British Columbia (+3.9%). On a 12-month basis, core inflation measures were as follow: 2.1% for CPI-common (up one tick versus the prior month), 3.7% for CPI-trim (up three ticks) and 3.0% for CPI-median (up two ticks). As a result, the average of the three measures rose two ticks to 2.9%.

Canadian housing starts fell 22% to 236,106 annualized units in December, but only after the number of housing starts in November was revised up to a massive 303,813 annualized units. Despite these monthly swings, the level of starts remains above its historic trend. The six-month moving average was 260,567 units, still comparable to building booms in the 1970s and 1980s. The volatile multi-unit segment fell 29% after surging over 40% in November. Meantime, single-family homes, which have fuelled much of the price gains during the pandemic, declined 4.2%. Among the major cities, Vancouver saw an increase while Toronto and Montreal posted declines in December. In summary, Canada's housing market remains extremely strong, and price strength is largely driven by sky-high demand rather than lack of supply. Housing starts remain at historically elevated levels and homebuilding is well supported, though future policy moves will likely be what ultimately cools still-robust demand.

U.S. housing starts unexpectedly rose in December for the third consecutive month. Housing starts were up 1.4% to 1.702 million units annualized, the highest since March. The Milder temperatures helped which also follows a downwardly revised November (was +11.8% but now +8.1%) and a big upward revision to October (was -3.1% and now +0.1%). For December, single homes (which make up 70% of the total), fell back 2.3% while multi homes jumped 10.6%. Regionally, gains in the Northeast and the Midwest managed to overcome declines in the all-important South and the West. Building permits increased 9.1% in the month to 1.873 million units, the highest since the start of the year, and for both singles and multi homes. The regional breakdown was similar to starts, led by a surge in the Northeast, where permits more than doubled but we should expect a decline to follow in January. And so there appears ongoing strong demand for homes, particularly with buyers getting in before rates really start to climb. Builders are gladly trying to meet demand, but supply problems and labor shortages are slowing them down. And softwood lumber duties are going to hurt this spring.

U.S. Existing home sales fell more than expected, down 4.6% to 6.18 million in December, ending a three-month winning streak. All regions posted a drop amid lean inventory and a pickup in mortgage rates that are now at the highest since the onset of the pandemic. Although contract closings lost some steam at the end of last year, throughout 2021 they managed to surpass the 6-million mark for the first time in 15 years. The median sales price climbed to $358,000, up 15.8% year-over-year as the number of homes for sale fell 14.2% year-over-year to 910,000. And, at the current pace, it would take a record low 1.8 months to sell all homes on the market.

U.S. jobless claims unexpectedly jumped again, up 55 thousand to 286 thousand in the January 15 week, marking the highest since mid-October as rising Omicron cases paused progress in an already-tight labour market. The data covered the same period that the government surveyed businesses for January's nonfarm payrolls, suggesting job growth may be constrained this month, even if temporarily.

FINANCIAL CONDITIONS

The U.S. 2 year/10 year treasury spread is now 0.80% and the U.K.'s 2 year/10 year treasury spread is 0.26%. 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 3.56%. Existing U.S. housing inventory is at 2.6 months' supply of existing houses - well off its peak during the Great Recession of 9.4 months and we believe a more normal range of 4-7 months.

The VIX (volatility index) is 29.90 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes could be encouraging for quality equities.

And finally: "*Those are my principles, and if you don't like them... well, I have others.*" ~ Groucho Marx

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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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