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NEWS HIGHLIGHTS

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

MARCH 7, 2022

OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND[1]

PORTLAND 15 OF 15 ALTERNATIVE FUND[1] COMPANY NEWS

Reliance Industries – Reliance Retail Ventures Limited ("RRVL"), a subsidiary of Reliance Industries Limited ("Reliance") and the holding company of all retail companies within the group, has invested in Abraham and Thakore Exports Pvt Ltd. ("Abraham & Thakore") for a majority stake. RRVL seeks to leverage its deep understanding of the affluent Indian customer and their heft across digital, retail operations, marketing, and supply chain platforms, to build Abraham & Thakore's global appeal in the fashion and lifestyle category. Launched in 1992 by David Abraham and Rakesh Thakore, they were soon joined by Kevin Nigli to become the A&T brand. A&T's interpretation of Indian textiles started with loungewear and home collections that were first sold at The Conran Shop in London and later in global stores of repute such as Liberty, Browns, Harrods, and Selfridges. For almost 15 years the brand mostly retailed predominantly in international stores before coming to India with their first fashion show presentation. Each collection continues the exploration of developing a quiet and modern design voice while simultaneously drawing on the rich traditional vocabulary of Indian design and craft.

Reliance Industries ("Reliance") - Sanmina Corporation and Reliance Strategic Business Ventures Limited ("RSBVL"), announced that they have entered into an agreement to create a joint venture through an investment in Sanmina's existing Indian entity (Sanmina SCI India Private Ltd, ("SIPL"). This partnership will leverage Sanmina's 40 years of advanced manufacturing experience and Reliance's expertise and leadership in the Indian business ecosystem. The day-to-day business will continue to be managed by Sanmina's existing management team in Chennai, which will be seamless from an employee and customer perspective. The joint venture will create an electronic manufacturing hub in India and will prioritize high technology infrastructure hardware, for growth markets, and across industries such as communications networking (5G, cloud infrastructure, hyperscale datacenters), medical and healthcare systems, industrial and cleantech, and defense and aerospace. In addition to supporting Sanmina's current customer base, the joint venture will create a state-of-the-art 'Manufacturing Technology Center of Excellence' that will serve as an incubation center to support the product development and hardware start-up ecosystem in India, as well as promote research and innovation of leading-edge technologies. RSBVL will hold 50.1% equity stake in the joint venture entity with Sanmina owning the remaining 49.9%. RSBVL will achieve this ownership primarily through an investment of up to Rs 1,670 crore in new shares in Sanmina's existing Indian entity, while Sanmina will contribute its existing contract manufacturing business. As a result of the investment, the joint venture will be capitalized with over US$200 million of cash to fund growth. All the manufacturing will initially take place at Sanmina's 100-acre campus in Chennai, with the ability for site expansion to support future growth opportunities as well as to potentially expand to new manufacturing sites in India over time based on business needs.

SoftBank Group ("SoftBank") – WeWork Inc. ("WeWork") is in discussions to raise new equity, according to people with knowledge of the matter, after the co-working company's shares fell by more than half since its October public debut. The talks were kick-started by investor interest, said one of the people, who like the others requested anonymity discussing private plans. The capital raise may be structured as a so-called private investment in public equity, or ("PIPE"), some of the people said. New York-based WeWork is looking at bringing in more than US$200 million, another person said. WeWork's debt indentures show there are restrictions on the company's ability to raise new borrowings, explained people with knowledge of the matter. The firm has no plans to take on new debt, another person said. A transaction, if agreed, could be unveiled with the company's fourth-quarter earnings announcement, which is set for March 11, noted one of the people. No decisions have been finalized. "The company has no plans to issue additional equity at this time," WeWork said Friday in a statement after the close of regular New York trading. "Our liquidity at the end of the third quarter stands at $2.3 billion." WeWork said in November it had pro forma cash and unfunded cash commitments of $2.3 billion, including $477 million of available cash on hand as of September30. Fitch Ratings in October said WeWork had $669 million of principal outstanding on its May 2025 senior notes, as well as $2.2 billion in senior unsecured notes maturing in 2025 and $550 million in senior secured notes expiring in 2023. WeWork's funding obtained through the special purpose acquisition company ("SPAC") transaction included an $800 million PIPE. Among investors were Insight Partners, funds managed by BlackRock Inc. and Starwood Capital Group, Fidelity Management & Research Company. and Centaurus Capital Limited.

SoftBank Corporation – ("SoftBank"). has borrowed about 100 billion yen (US$870 million) using Z Holdings Corporation's ("Z Holdings") shares in its first such asset-backed financing to raise funds for business purposes. SoftBank is using about 361,440,000 shares, or 4.8%, of Z Holdings that it indirectly owns through A Holdings Corporation ("A Holdings"). for stock lending, according to company spokesperson Makiko Ariyama. The telecommunications giant received cash by lending out the Z Holdings shares, she said. She declined to comment on who SoftBank lent the shares to. A Holdings, which is jointly owned by SoftBank and South Korea's Naver Corporation., held about 59% of Z Holdings, according to latest data compiled by Bloomberg. Z Holdings owns internet portal operator Yahoo Japan Corporation. And mobile chat app Line Corporation. The stock lending is a part of SoftBank Corp.'s attempt at diversifying its finances. Its parent, SoftBank Group Corp., has been active in tapping complex financing tools to raise funds to expand its investment portfolio of technology startups.

SoftBank Group Corporation - ("SoftBank") has given responsibility for its Latin American funds to Rajeev Misra, who as Chief Executive Officer ("CEO") of SoftBank Investment Advisers, oversees its Vision Fund, according to people with knowledge of the matter. The SoftBank Latin America Fund and SoftBank Latin America Fund II now fall under Misra's purview. SoftBank has committed some US$8 billion across those vehicles. The change comes after the January departure of Chief Operating Officer ("COO") and SoftBank Group International Chief Executive Officer Marcelo Claure, who was responsible for the Latin American fund. The team leading Latin American fund investments remains the same, including managing investment partners Paulo Passoni and Shu Nyatta, and operating partner and head of Brazil, Alex Szapiro. Hired by Claure, they will all report to Misra, according to the people. Bloomberg reported last year that Claure advocated for a spinoff of the Latin American investment fund that he had overseen for SoftBank. Claure argued the spinoff would help build the business and create value, while boosting his compensation, explained people familiar with the matter at the time. Son saw little benefit to shareholders and thought a spinoff would complicate management and governance, explained the people. The Latin American venture isn't as high-profile as SoftBank's mammoth Vision Fund, but it has about 150 employees and invests in 80 companies, with a stake in about 75% of the region's unicorns. It aims to invest US$2 billion this year.

Meta Platforms ("Meta") - The Russian government is blocking Facebook in the country as part of a broader effort to silence dissent and limit information about its invasion of Ukraine. A post from Russia's communications regulator, Roskomnadzor, said Facebook would be blocked because of "discrimination against Russian media and information resources." Facebook previously banned Russia state-backed media accounts from operating in the European Union in an effort to cut down on Russian propaganda and misinformation. Other services operated by Meta, including WhatsApp and Instagram, haven't been impacted by the ban, but that could change, according to a person familiar with the situation. Just a few hours after the announcement, Meta said it would pause all advertising in Russia, and would stop selling ads to Russian businesses. Meta is the first U.S. tech giant to have a product prohibited in the country. Russia's block was an escalation of its earlier tactic, slowing down social media services to make them harder and more frustrating to use. Russia had already been slowing down Facebook in the country for almost a week, along with other social media sites such as Twitter and YouTube. The government has also enacted a new law that could result in 15 years in prison for spreading what it considers "false" information about the military. Two liberal broadcasters, Ekho Moskvy and TV Rain, went off air Thursday under pressure from prosecutors who had demanded that access be restricted because of their coverage of the war. The websites of the BBC, Deutsche Welle and Meduza, an independent news group, weren't accessible Friday.

Pershing Square – Billionaire investor William Ackman has built a new stake in railroad operator Canadian Pacific, returning to one of his most profitable investments as rail firms eye a boost from the drive to cut carbon emissions and as manufacturing is brought back to the United States and Mexico from abroad. Ackman's hedge fund Pershing Square Capital Management ("Pershing Square") reported owning 2.8 million Canadian Pacific Railway shares at the end of December. 31, 2021, according to a regulatory filing. That would value the stake at roughly CA$280 million (US$220 million) at the stock's closing price on Friday, a fraction of Canadian Pacific's market value of about CA$92 billion. By Monday, Pershing Square owned an additional 12 million shares through forward contracts that it intends to exercise, noted Ackman. The investment will make Pershing Square one of Canadian Pacific's top 20 shareholders. With this new stake in Canadian Pacific Railway, Ackman is going back to a company that had been one of Pershing Square's biggest winners, earning the firm some $2.6 billion on its investment. Six years on Canadian Pacific Railway is being run by Keith Creel, who took the top job in 2017 after his mentor Hunter Harrison left Canadian Pacific Railway to run rival railway CSX Corporation. "Keith and the team have done a superb job since," Ackman said, adding: "We are delighted to again be an owner of this remarkable and growing franchise at a time when transcontinental rail infrastructure could not be more important for our economy and our continent." Creel engineered a major win last year when Canadian Pacific Railway acquired Kansas City Southern after a protracted battle. The U.S. Surface Transportation Board still needs to give the deal full regulatory clearance. The merger would set Canadian Pacific Railway up as the first rail company to have a network that extends from Canada to Mexico.

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

Bayer Pharmaceutics Company ("Bayer"): Fourth quarter 2021 group sales grew 8% (6% beat versus ("vs") consensus), with a 7% beat in both Pharma and Crop Science. In Pharma, Eylea beat by 4% in the fourth quarter showing strong growth of 14%. Adalat was particularly strong in China with +40% growth but this was offset by a decline in Nexavar from volume-based procurement ("VBP"). We also note strength in prescription Aspirin. The radiology business also saw some normalisation post COVID-19. Fourth quarter crop volumes declined 1.1%, more than offset by price +9.9% (+3.5 percentage points ("pp") Foreign Exchange ("FX") benefit). LatAm and APAC saw strong growth at 12% and 20% respectively. Herbicide pricing also benefited in all regions. Group EBITDA ("Earnings Before Interest Taxes, Depreciation") margin of 21.5% lower than consensus ("cons") 22.9%. Combined with the sales beat, this brings absolute underlying EBITDA of €2,395m in line with expectations. Fourth Quarter 2021 Pharma margin of 30.4% was lower than cons 31.9% and Crop Science margin was in line at 16.2% (cons 16.0%). Consumer margin of 22.2% was 0.5pp lower than expected. Fourth Quarter Kerendia, Verquvo and Nubeqa and higher cost of goods solds ("COGS"). Core earning per share ("EPS") of €1.26 beat cons of €1.05 by 20%. Fiscal Year ("FY") 2022 guidance: Group sales €47billion at December 2021 rates (cons €45.6billion); Group underlying EBITDA €12 at December 2021 rates; Group EBITDA margin approximately ("~")26% (cons 26.7%); Core EPS. €7.10 at December 2021rates (cons €6.90); Pharma underlying sales growth +3-4%, margin 32%; Crop Science underlying sales growth +7%, margin 25-26% a significant uplift in margin off the 23.2% for FY21; Consumer underlying sales growth +4-5%, margin 22-23%; €1billion restructuring charges in 2022 and free cash flow ("FCF") €2-2.5billion after litigating outflow.

Bank of Montreal ("BMO"): reported first quarter 2021 adjusted EPS of CA$3.89 vs. cons. CA$3.28. The beat resulted from higher pre-tax pre-provision profit ("PTPP") (+46 cents) largely driven by Capital Markets and lower provision for credit losses (PCL") (+18 cents). Consolidated PTPP was up 18% year over year ("Y/Y"). Excluding trading revenues, consolidated revenue growth was 10% Y/Y. Canadian property and Casualty insurance ("P&C") adjusted PTPP growth was 19% Y/Y. PCLs of C$24 million compared to loan losses of $147 million last year and a recovery of $5 million last quarter. Segment loan growth was 9% Y/Y. Commercial loan growth was up 10% Y/Y (+3% quarter over quarter ("Q/Q")) and cards were up 8% Y/Y (+4% Q/Q). U.S. P&C reports 12% Y/Y PTPP growth (USD basis). BMO released $58 million of PCLs vs. release of $25 million last year (and a release of $24 million in the fourth quarter of 2021). Segment loans were up 8% Y/Y (+12% Y/Y excluding. Purchasing power parity ("PPP") and +6% Q/Q) with commercial loans up 9% Y/Y and up 7% Q/Q. Capital Markets adjusted net income growth of 47% Y/Y (PTPP up 30% Y/Y). Total adjusted trading revenues ("teb") were ~$909 million, compared to our estimate of $525 million. Advisory revenues were $434 million vs. forecast of $340 million. Wealth adjusted net income down 8% Y/Y (down 5% excluding. Europe, the Middle East and Africa ("EMEA") sale). This figure included a 1% decline Y/Y in Traditional Wealth and Insurance earnings down 33% Y/Y due to favorable market movements last year. The bank reported $138 million of securities gains this quarter vs. $102 million in the first quarter 2021. Core Equity Tier 1 capital ratio of 14.1% up from 13.7% last quarter. The ~40 basis points ("bps") increase from the fourth quarter of 2021 was primarily the result of +51 bps of internal capital generation, +29 bps from the sale of EMEA Asset Management, +13 bps of management of fair value changes related to offset by 42 bps from higher Risk Weighted Assets. Provisions for Credit Losses ("PCL"s), total release of $99 million vs. forecast of a PCL of $53 million and consensus forecast of a PCL of $12 million.

Bank of Nova Scotia: reported Q1/22 core cash EPS of CA$2.15 vs. consensus of CA$2.05. The beat reflected higher revenue (+19 cents), lower PCLs (+7 cents), offset by higher Non-Interest Expense ("NIX") (-9 cents) and higher taxes (-6 cents). Consolidated PTPP was down 1% Y/Y. PTPP of C$3.85 billion was above consof ~$3.7 billion. Excluding trading revenues, consolidated revenue growth was flat Y/Y. Canadian P&C adjusted PTPP growth of 10% Y/Y. Segment loan growth was 12% Y/Y, led by mortgages (+15% Y/Y and +4% Q/Q and commercial loans +16% Y/Y and +5% Q/Q. Cards balances were flat Y/Y (+3% Q/Q). International Banking adjusted PTPP up 4% Y/Y (constant FX). PCL ratio of 77 bps was down 72 bps Y/Y and down 14 bps Q/Q. Loan growth of 7% Y/Y (+3% Q/Q) was driven by mortgages up 11% Y/Y (+5% Q/Q), commercial up 8% Y/Y (+2% Q/Q). Cards balances were down 14% Y/Y, though up 8% Q/Q (first sequential increase since the first quarter of 2020.). Capital Markets adjusted PTPP up 2% Y/Y. Trading revenues of $735 million were above our above estimate and were down 4% Y/Y. Corporate loan balances were up 5% Q/Q (up 8% Y/Y). Global Wealth earnings down 1% Y/Y (PTPP down 2% Y/Y). Excluding a performance fee in the prior year, earnings growth was ~13%. Assets under management ("AUM") was up 11% Y/Y (highlighted by 14% growth domestically) and Assets under administration ("AUA") up by 11% Y/Y as well. Core Equity Tier 1 capital ratio of 12.0%.The ~30 bps decrease from the further quarter of 2021 was primarily the result of organic capital generation of +32 bps, less -29 bps for Risk Weighted Asset inflation and -23 bps for share buybacks (net of issuances). The recently announced stake increase in its Chilean subsidiary will have a negative 10 bps impact on Common Equity Tier 1 ("CET1") in the second quarter 2022 PCLs total of $222 million vs. $336 million forecast and cons of $359 million.

Citigroup Inc. ("Citi") risks losing roughly US$4 billion because of its exposure to Russia, the bank stated, as the war in Ukraine complicates its plan to pull out of the country. Earlier this week, Citi disclosed it had $9.8 billion of total exposures to the country at the end of last year.

TD Canada Trust ("TD") reported first quarter 2022 /cash EPS of CA$2.08 vs cons of CA$2.04. The beat was due mainly to higher PTPP (+$0.04) offset by higher PCLs (-$0.02). Consolidated PTPP (adjusted.) was up 8% Y/Y. Excluding trading revenues, consolidated revenue growth was 6% Y/Y. Canadian P&C posts 8% PTPP growth Y/Y. PCLs of $32 million were compared to loan losses of $142 million last year. Segment loan growth was 8% Y/Y (+2% Q/Q). Cards were up 1% Y/Y (+2% Q/Q). Net Interest Margin was down 4 bps Q/Q at 2.44%. U.S. P&C PTPP up 22% Y/Y (USD basis, excluding AMTD TD Ameritrade). Segment loans declined 6% Y/Y (down 3% excluding

Paycheck Protection Program ("PPP") loans). PCL of $17 million compared to loan losses of $103 million recorded in the first quarter of 2021. Capital Markets net income was down 1% Y/Y (PTPP was down 3% Y/Y). Total trading revenues ("teb") were $726 million Advisory revenues were $183 million. Canadian Wealth earnings were down 2% Y/Y. Wealth earnings were down largely due to an 11% decline in broker-dealer fees and commissions. Canadian insurance segment earnings were up 9% Y/Y. Core Equity Tier 1 capital ratio of 15.2% was flat Q/Q due to internal capital generation of +45 bps being offset by Risk Weighted Asset deflation (-13 bps), buybacks (-17 bps) and other items (-15 bps). Provisions for Credit Losses (PCLs) total of $72 million vs. consexpectation of a provision of $86 million.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Fate Therapeutics, Inc ("Fate"), a clinical-stage biopharmaceutical company dedicated to the development of programmed cellular immunotherapies for patients with cancer, reported business highlights and financial results for the fourth quarter and full year ended December 31, 2021. "We have begun 2022 with strong clinical and regulatory momentum driving our off-the-shelf, iPSC-derived NK cell programs in relapsed / refractory lymphoma, and look forward to working with the U.S. Food and Drug Administration ("FDA") under the Regenerative Medicine Advanced Therapy designation to accelerate therapeutic development in areas of significant unmet need, such as patients who have progressed following autologous CAR T-cell therapy, and to bringing transformative cell therapies to patients in the community setting including as part of early-line treatment," said Scott Wolchko, President and Chief Executive Officer of Fate. "We maintain a strong financial position and are poised in 2022 to achieve key clinical milestones and data read-outs across our wholly-owned disease franchises, to extend our leadership in the manufacture and CMC of iPSC-derived cell therapies with the launch of our second cGMP manufacturing facility, and to bring new multiplexed-engineered NK and T-cell product candidates to patients." The company reported cash, cash equivalents and investments as of December 31, 2021 of US$716.6 million. Cash use in the fourth quarter included a $20 million milestone payment to Memorial Sloan Kettering Cancer Center associated with the treatment of the first patient with FT819. Revenues were $17.1 million for the fourth quarter of 2021, which was derived from the company's collaborations with Janssen and Ono Pharmaceutical. Research and development expenses were $69.5 million for the fourth quarter of 2021, which includes $9.4 million of non-cash stock-based compensation expense. General and administrative expenses were $16.9 million for the fourth quarter of 2021, which includes $5.2 million of non-cash stock-based compensation expense. For the full year ending December 31, 2022, the company expects its Generally accepted accounting principles ("GAAP") Loss from Operations to be between $335 million to $365 million, which loss includes stock-based compensation expense, and its cash use to be between $290 million to $315 million, which use excludes any amounts that may be received under its collaborations with Janssen and Ono in connection with the achievement of development milestones. The company expects its cash, cash equivalents, and investments to exceed $400 million at year-end 2022.

RadNet, Inc –., ("Radnet") a national leader in providing high-quality, cost-effective, fixed-site outpatient diagnostic imaging services through a network of 347 owned and/or operated outpatient imaging centers, reported financial results for its fourth quarter and full year ended December 31, 2021. Dr. Howard Berger, President and Chief Executive Officer of RadNet, commented, "Despite being impacted from the Omicron surge of COVID-19 during the quarter, I am pleased that we were able to increase our Revenue by 8.0% and our Adjusted EBITDA by 7.5% from last year's fourth quarter. This was the result of ongoing strong demand for our services and the continuing migration of patient procedures from hospitals to free-standing ambulatory outpatient imaging centers. The improvement in our operating metrics during the quarter overshadowed the negative impact from the Omicron surge, which reduced our Revenue by over $4 million and our Adjusted EBITDA by approximately $3 million in the fourth quarter. The COVID-19 surge not only disrupted normal patient volumes, particularly in December, but also created staffing issues at our facilities. At the height of the Omicron surge in December, we had 565 employees out on COVID leave, representing 6.3% of our entire work force. I am pleased to report that currently the percentage of our employee base out with COVID-19 has decreased to 1.2% and patient volume is returning to normalized levels." "Moving into 2022, the demand for diagnostic imaging remains robust and is growing. Our strong financial position and operating model has presented us with targeted opportunities to expand our business, particularly through the construction of new centers to meet the growing demand and utilization in strategic markets. Currently, we have 15 new sites in various stages of construction and development, with almost half of this expansion occurring within existing health system joint ventures. We believe these sites should be positive contributors to our performance in the second half of 2022 and throughout 2023," added Dr. Berger. He concluded, "Subsequent to the end of the fourth quarter of 2021, we completed the acquisitions of Aidence Holding B.V. and Quantib B.V., two Netherlands-based Artificial Intelligence ("AI") companies focused on creating population health screening tools primarily for lung cancer and prostate cancer, respectively. During 2022, we will continue to develop the technical offerings and commercial expansion of these two businesses, along with that of our DeepHealth's breast cancer AI screening algorithms."

Telix Pharmaecuticals Limited ("Telix") – announced that the company is cancelling the Share Purchase Plan ("SPP") announced on 24 January 2022. The cancellation of the SPP does not affect the recently completed share placement to institutional investors which raised US$175 million at $7.70 per share. The SPP was undertaken in order to enable eligible shareholders to subscribe for new shares at the same price as the shares issued under the placement. The decision to cancel the SPP was made by the Board after considering current market conditions, which have changed significantly in recent weeks. Telix has no current intention to undertake a new share purchase plan. Any application monies already received under the SPP offer will be refunded in full, without interest, per the terms set out in the SPP booklet and no new shares will be issued under the SPP.

ECONOMIC CONDITIONS

There has been absolutely no letup in the war in Ukraine. Over the weekend, Russia appears to have captured Mariupol, the port city on the Sea of Azov. And President Putin told Ukraine that it will stop when they stop fighting, or that "the suspension of the special operation is only possible if Kyiv stops military operations and carries out well-known Russian demands."

Statistics Canada released its GDP estimate for the fourth quarter of 2021. The economy reportedly expanded an annualized 6.7% in the quarter, a result roughly in line with consensus expectations (+6.5%). Following in the footsteps of a 5.5% expansion in the third quarter, this gain hoisted economic output above its pre-crisis level for the first time. It thus took eight quarters to erase the losses caused by COVID-19, an interval slightly shorter than those observed after other post-war recessions (8.75 quarters on average). In 2021 as a whole, the economy expanded 4.6%, the most since 2000. Despite slowing down a bit from the third quarter's unsustainable pace, domestic demand remained relatively strong in the last quarter of the year, growing at a 2.9% annualized rate. Government investment (+6.2%), business investment in non-residential structures, machinery and equipment (+8.7%) and residential investment (+10.2%) were the stars of the show, while household consumption mustered just a 1.0% gain. As might be expected given the favourable health context, spending on services continued to recover (+2.4% q/q annualized), while consumption on goods contracted 0.7%, a phenomenon that may have been caused by the supply bottlenecks plaguing the global manufacturing sector and accentuated by floods in British Columbia in November 2021. This notwithstanding, relative to their pre-crisis levels, services consumption was still down 2.9% while spending on goods was up 4.5%.Trade had just a small negative impact on growth as a surge in exports (+13.4% Q/Q annualized) was cancelled out by higher imports (+14.4%).The buildup in inventory, meanwhile, added no less than 4.2 percentage points to the headline growth figure. Nominal growth domestic product ("GDP") grew by 13.7% on an annualized basis, following a 10.5% increase in the third quarter. This is good news for the fiscal health of Canadian governments and businesses. Disposable income fell an annualized 5.1% and the household savings rate dropped from 9.0% to 6.4%. This was still comfortably above the indicator's pre-crisis level (roughly 2.5%). Finally, industry data showed a flat GDP reading in December, a small decline in the goods sector (-0.1%) having been offset by higher output in services-producing industries (+0.1%). Statistics Canada also released an advance estimate for January showing an increase of 0.2% month over month..

US Nonfarm payrolls jumped 678,000, the most since last July and more than 200k above expectations, while the prior two monthly gains were revised up a total of 92,000 to average above half a million. Payrolls growth the past three months has averaged more than three times the norm, though the level is still down 2.1 million (-1.4%) from pre-virus days. Receding Omicron infections led to a 179 thousand jump in leisure and hospitality positions in February (still off 1.5 million or -9.0% from February 2020). But nearly every other industry was also hiring in the month, reflecting strong domestic demand. In the household survey, employment jumped 548,000 after increasing by 1.2 million the prior month. This was enough to reduce the unemployment rate to 3.8%, now just three tenths above pre-pandemic levels. More surprising perhaps was a flat print for average hourly earnings after a string of hefty gains, partly helped by the jump in lower-paying leisure and hospitality positions in the month. This dropped the yearly rate to 5.1% from 5.5%. Another pleasant surprise was a 0.8% increase in aggregate work hours in the month, lifting the annualized rate so far in the quarter to 2.7%. While the flat wage print might provide some temporary relief to a Federal Reserve that has become increasingly worried about the inflation outlook, the surge in jobs and drop in the jobless rate should inspire a series of rate hikes beyond the March 16 lift-off in our view.

China's February Trade surplus was wider than expected, led by strong exports. The data though may be distorted by Lunar New Year holidays and uncertainty over the Ukraine war only increases at present. Data is showing that Covid-19-related demand issues have dissipated but that new headwinds arise from further supply chain disruptions, labour shortages and higher commodity prices. China also set economic growth targets of 5.5% for 2022, the lowest since 1991. Beijing will establish a financial stability fund and continue to work on keeping housing prices down.

FINANCIAL CONDITIONS

After nearly two full years of an effective lower bound policy setting, the Bank of Canada opted to increase its overnight rate target by 25 basis points to 0.50%—a move in line with the consensus. As for guidance on the policy rate, the statement notes that "interest rates will need to rise further", in line with prior communications by Bank officials after the January meeting. The Bank will continue to fully reinvest maturing GoC bonds for at least another month. The Bank notes that the policy rate is the "primary monetary policy instrument" and that it is still "considering when to end the reinvestment phase". The timing of the start of quantitative tightening ("QT") will "be guided by the Bank's ongoing assessment of the economy and its commitment to achieving the 2% inflation target". As for the ongoing Ukrainian crisis, the statement characterized it as a 'major new source of uncertainty'. It said this will "add to inflation around the world", but didn't hint at out how it might react to a longer, drawn-out war. Meanwhile on the Canadian economy, it characterized economic growth in fourth quarter as 'very strong' and said that first quarter growth looks 'more solid than previously expected'. While January's job losses were noted, the statement (appropriately) called these temporary and remained upbeat. Housing market activity was highlighted as being 'more elevated, adding further pressure to house prices'. When it comes to the all-important inflation outlook, the statement said that inflation has come in line with expectations "but remains well above" target. It also cited additional upside risks to inflation via food and energy prices. "All told, inflation is now expected to be higher in the near term than projected in January". The bank added "persistently elevated inflation is increasing the risk that longer-run inflation expectations could drift upwards".

Bank of Canada Governor Tiff Macklem said the central bank could be aggressive in pushing up borrowing costs this year, as inflationary pressures broaden and commodity prices move sharply higher in response to Russia's invasion of Ukraine. In a virtual speech to the CFA Society of Canada on Thursday, Mr. Macklem said the central bank has "considerable space" to raise interest rates this year. He added that he is not ruling out a half-percentage-point rate hike at a coming meeting, rather than the typical quarter of a point – something that hasn't happened since May, 2000. The central bank raised its policy interest rate to 0.5% last week from 0.25%. This was its first rate hike since 2018, and the first move in what is expected to be a rapid succession of interest rate increases that could bring borrowing costs back to prepandemic levels sometime next year. Mr. Macklem said some Canadians could be squeezed by rising interest rates. But he said higher borrowing costs are needed to prevent inflation expectations from becoming unmoored, and to ensure demand in the economy doesn't outstrip supply, further pushing up consumer prices. "For households and businesses that are already feeling the pinch of inflation, the higher cost of borrowing can be doubly painful. But tighter monetary policy is necessary to lower the parts of inflation that are driven by domestic demand," he said. (Source The Globe & Mail).

The U.S. 2 year/10 year treasury spread is now 0.23% and the U.K.'s 2 year/10 year treasury spread is 0.13%. 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 could be an early warning of an economic slowdown.

The U.S. 30 year mortgage market rate has increased to 3.76%. 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 33.60 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 could be encouraging for quality equities.

And Finally: "Facts are stubborn things" ~ Ronald Reagan

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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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