Portland Investment Counsel®
Buy. Hold. And Prosper.®

NEWS HIGHLIGHTS

EST. 2007

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

JUNE 6, 2022

The views of the Portfolio Management Team contained in this report are as of June 6, 2022 and this report is not intended to provide legal, accounting, tax or specific investment advice. Views, portfolio holdings and allocations may have changed subsequent to this date. This research and information, including any opinion, is compiled from various sources believed to be reliable but it cannot be guaranteed to be current, accurate or complete. It is for information only, and is subject to change without notice. The contents of this Newsletter reflect the different assumptions, views and analytical methods of the analysts who prepared them.

OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND[1]

PORTLAND 15 OF 15 ALTERNATIVE FUND[1] COMPANY NEWS

SoftBank Group Corp. ("SoftBank") – QUALCOMM, Inc. ("QUALCOMM") wants to buy a stake in SoftBank's ARM Ltd. ("ARM") in the chipmaker's upcoming initial public offering, Cristiano Amon, Chief Executive Officer ("CEO"), told the Financial Times. QUALCOMM is interested in investing alongside its rivals and could join other companies to buy ARM outright, if the consortium making the purchase was big enough, Amon told the newspaper. QUALCOMM has not yet spoken to SoftBank about a potential investment in ARM, he said. SoftBank opted for an initial public offering ("IPO") of ARM after NVIDIA Corporation ("NVIDIA")'s planned US$40 billion takeover collapsed earlier this year. SoftBank is seeking a valuation of at least $60 billion for ARM, Bloomberg L.P. ("Bloomberg") has reported.

Meta Platforms, Inc. ("Meta") – On June 1, 2022 Meta's Sheryl Sandberg, announced that she is stepping down as Chief Operating Officer ("COO"). Sandberg, will remain on the board of Meta, the parent company of Facebook, Instagram and WhatsApp, according to a post on the social network Wednesday. Javier Olivan, who has led the company's growth efforts for years, will take Sandberg's place as COO when she formally leaves in the fall. Sandberg joined Facebook, Inc. ("Facebook") in 2008 and was key to turning it into a social media giant that generated almost US$120 billion in revenue last year. Along the way, she became an influential author and served as the highest-profile face of the company next to Mark Zuckerberg, Chief Executive Officer. Alongside him, she championed Facebook's business culture of growing quickly and fixing problems later, leading to multiple public scandals over lapses in privacy and content moderation. Sandberg spent years trying to improve Facebook's relationship with the public and regulators. Formerly at Alphabet Inc., Sandberg joined the then-fledgling Facebook to oversee all its business functions ads, partnerships, business development and operations, so that Zuckerberg could focus on products. Meta, as the company became known in a rebranding last year, now has four products with more than 1 billion users, and its advertising business generated $27 billion in sales in the first quarter. A Meta spokeswoman said that Sandberg's decision has nothing to do with a recent investigation into whether she used Meta resources to try and quash a news story about her former boyfriend. The spokeswoman added that the investigation is over and has been resolved. Sandberg is departing as Meta shifts its focus to products that enable the virtual reality-driven metaverse, which require a significant evolution of its business model. She said that she made the decision to leave the company last weekend and told Zuckerberg of her plans then.

Reliance Industries Limited ("RBL") – RBL and Plastic Legno SpA have signed a joint venture arrangement through which RBL will acquire a 40% stake in Plastic Legno SpA's toy manufacturing business in India. This investment by RBL serves a dual purpose, bringing in vertical integration for RBL's toy business and helping diversify the supply chain with a long-term strategic interest in building toy manufacturing in India. Plastic Legno SpA is owned by Gruppo Sunino SpA, which boasts of more than 25 years of toy production experience in Europe. The group started its India business in 2009 out of a need to develop a strong production hub that would cater to global markets, but more importantly to the fast evolving and growing Indian market. RBL has a strong play in the toy industry with its portfolio of Hamleys, the British toy retailer and homegrown toy brand, Rowan, making RBL one of the leading toy distributors. Hamleys currently has a global footprint across 15 countries with 213 doors and is India's largest chain of toy stores.

Reliance Industries Limited ("RBL") - In a development that is expected to boost electric vehicle (EV) adoption and mobility in India, MG Motor India Private Limited ("MG Motor") and Castrol India Limited ("Castrol") are set to collaborate with the joint venture ("JV") of RBL and BP plc ("Jio-bp") to explore mobility solutions for electric cars. Under the partnership, Jio-bp, MG Motor and Castrol will explore setting up four-wheeler EV charging infrastructure and expand Castrol's existing auto service network to cater to EV customers. The partnership is in line with Jio-bp and MG Motor's commitment to provide a vast and reliable charging infrastructure to electric car customers and accelerating EV adoption in India. Jio-bp is creating an ecosystem that will benefit all the stakeholders in the EV value chain and last year, the company constructed and launched two of India's largest EV charging hubs. The JV's electric mobility business, offering charging infrastructure to Indian consumers, operates under the brand Jio-bp pulse. The strategic partnership is aimed at creating EV-friendly roads for inter-city and intra-city travel by setting up a robust EV charging & service infrastructure in the country. Along with the launch of India's first Pure Electric Internet Sport Utility Vehicle ("SUV") - the ZS EV which offers an updated range of 461 km in a single charge, MG Motor has taken multiple steps towards strengthening the EV ecosystem. Under the partnership, Castrol will develop and expand its existing multi-brand Auto Service network and Express Oil Change centers to start serving four-wheeler electric cars. These services will be offered across India at both Jio-bp mobility stations as well as select Castrol Auto Service workshops initially, to serve both EV and non-EV four-wheelers. Further, Castrol will help set up EV charging infrastructure across its auto service network. With rising EV adoption, car mechanics will require training on the latest automotive technologies. Castrol will leverage its access to a vast pool of car mechanics and offer them specialized EV training and certification.

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

Citigroup Inc. ("Citigroup") may record losses of at least US$50 million following a London staffer's fat-finger trade that caused a flash crash in European stocks last month. Jane Fraser, Citigroup CEO stated that Europe was more likely than the United States to slip into a recession, as she joined other global bank CEOs last week to warn about the health of the global economy

Walmart Inc. ("Walmart") Annual Associate/Shareholders' Meeting in Bentonville, Arkansas.: While uncertainties around the state of the consumer into the second half of fiscal year 2022 remain, Walmart addressed many key topics of investor interest including inflation/pricing, inventories, and recent consumer/macro trends. While price gaps are currently near where they were when the pandemic began, and the company discussed "flowing through" costs of product and fuel/shipping, we believe Walmart's tone around pricing was more aggressive. To be clear, the company noted that increasing the price gap to drive short-term performance that doesn't translate to increased loyalty and favorable behavior isn't a "good investment". However, we think Walmart is becoming more of an advocate for the consumer against inflation given Walmart said that it has now implemented rollbacks in non-discretionary (it had previously only discussed discretionary rollbacks on the first quarter of 2022 earnings call); mentioned working with some suppliers to reduce costs and "ensure that the price doesn't go up", resulting in price reductions in some cases; and discussed the need to "keep the top line growing" when asked about pricing – so Walmart continues to focus on share. In our view, the tone reflects a harder stance with suppliers in order to ensure wide price gaps and gain share as the consumer becomes increasingly value conscious. While inflation drove a portion of the approximate 32% year over year ("y/y") first quarter increase, Walmart noted that 20% of the "overage" in inventory was the part that it would "wish away and make disappear" if it could. Management believes the overage will take a couple of quarters to clear. Doug McMillon, CEO, said that he was concerned about the inflation rate and the negative impact it has on many U.S. families. Along these lines, the company noted that many customers aren't traveling or going out to restaurants as much because of inflation pressures. Notably, Walmart discussed an ongoing focus on cost containment, particularly working with vendor partners to keep costs down as well as automation in the supply chain to drive productivity benefits to help manage inflation. The company highlighted its wage investments from the last few years. Walmart noted that in the U.S. its average hourly wage exceeds US$17/hr. and average starting wages are $15.70/hr., which we believe is competitive. Along these lines, Walmart noted that it is not having any issues staffing stores or Distribution Centres. Management expressed confidence in the ability of the Walmart+ platform to retain and grow customers in the face of a potential macro slowdown as long as Walmart continues to focus on the platform's value proposition. The company has added more benefits to the program, including special shopping events for members and raising the fuel discount from $0.05/gal. to $0.10/gal. While Walmart launched the Walmart+ program at a time that the company was dealing with availability issues which frustrated some customers, Walmart has since improved several processes that have resulted in better performance. We believe that the platform is now primed for a more substantial increase in the member count. In the U.S. Walmart recently acquired Even Responsible Finance ("Even") and One Finance to continue to build its financial technology ("fintech") platform. Even enables Walmart associates to more easily save, budget, and access earned wages that they have already accrued on-demand, while One Finance is a direct to consumer fintech that combines saving, spending, and borrowing in one digital account. Walmart benefits from much lower customer acquisition costs relative to other fintech peers, and aims to offer financial solutions to its over 100 million weekly shoppers to continue to connect them more deeply into the Walmart ecosystem. While the company has not discussed the opportunity in much detail in recent quarters, Walmart will continue to build out its footprint of health clinics, focusing primarily on underserved communities. In April, Walmart expanded this initiative to Florida and will have five new Health Centers in North and Central Florida. The focus in healthcare will continue to be on innovation, high quality services, affordability, technology, and accessibility. We acknowledge that this initiative is still in the early innings, but believe the long-term opportunity in healthcare is sizable and highly synergistic/complementary with Walmart's other consumer offerings.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Amgen, Inc. ("Amgen") — Amgen announced positive topline data from the Phase 2 OCEAN (a)-DOSE clinical study, evaluating olpasiran (formerly AMG 890) in 281 adult patients with Lipoprotein(a) (Lp(a)), levels over 150 nanomoles per litre ("nmol/L") and evidence of atherosclerotic cardiovascular disease (ASCVD). Olpasiran is a small interfering ribonucleic acid ("RNA") designed to lower the body's production of apolipoprotein(a), a key component of Lp(a) that has been associated with an increased risk of cardiovascular events. These data demonstrated a significant reduction from baseline in Lp(a) of up to or greater than 90 percent at week 36 (primary endpoint) and week 48 (end of treatment period) for the majority of doses. No new safety concerns were identified during this treatment period. Lp(a) is genetically determined and reported to be an independent risk factor for cardiovascular disease (CVD). Although an agreed upon threshold for elevated Lp(a) is not firmly established, approximately 20% of adults have Lp(a) >125 nmol/L (or approximately 50 milligrams per decilitre ("mg/dL")). Evidence has emerged from pathophysiological, epidemiologic, and genetic studies on the potential role of elevated Lp(a) in contributing to myocardial infarction, stroke, and peripheral arterial disease. "Lp(a) has remained an elusive target since it was first discovered almost 60 years ago because diet and exercise have minimal influence on Lp(a) levels as do currently available medicines, leaving patients with limited options," said David M. Reese , Doctor of Medicine ("M.D")., executive vice president of Research and Development at Amgen. "We are very enthusiastic about these results and look forward to advancing olpasiran as a potential treatment for patients with elevated Lp(a)."

Clarity Pharmaceuticals Limited ("Clarity") — Clarity announced the acquisition of a targeted nanobody platform to its Discovery pipeline. The intellectual property, including a provisional patent and know-how, has been acquired from Doctor ("Dr.") Kurt Gehlsen, leading nanotechnology researcher, who developed the technology for a maximum consideration of 400,000 options over Clarity shares with a strike price of AUD$1.40 (US$1.00) together with cash consideration of up to US$250,000. Both the cash consideration and options are subject to certain provisions that relate to the achievement of development milestones for new products. In addition, Dr. Gehlsen has joined the Company as a consultant to help drive the new nanobody program forward within Clarity. Nanobodies are attractive targeting molecules which can be engineered to bind to a wide range of cancers. The nanobody platform allows the development of high affinity products suitable for targeting receptors specific to cancer cells. By only targeting cancer cells and not healthy cells, this approach aims to kill cancer cells while limiting the side effects elsewhere in the body. Dr. Alan Taylor, CEO, commented, "Clarity has always built its Transcatheter Cardiovascular Therapeutics ("TCT") products from the ground up, and the addition of targeted theranostic (diagnostic and therapeutic) nanobodies directed to novel cancer targets in combination with our proprietary synthetic-aperture radar ("SAR") Technology is a logical step for our platform. The introduction of the nanobody platform solidifies Clarity as a pioneering developer of next-generation radiopharmaceuticals.

Clarity — Clarity announced it has received approval from the U.S. Food and Drug Administration (FDA) of its investigational new drug (IND). The approval will enable a Phase 2 imaging trial to detect prostate cancer in up to 50 prostate-specific membrane antigen (PSMA)-negative using its SAR-Bombesin product. Further, the SABRE trial was developed in response to the strong demand from clinicians with prostate cancer patients whose cancer was not visible with currently approved prostate specific membrane antigen ("PSMA") diagnostic agents of conventional imaging like a computerized tomography ("CT") scan or magnetic resonance imaging ("MRI"). The primary objectives of the SABRE trial is to investigate the safety and tolerability of copper-64 SAR-Bombesin and, in addition, its ability to correctly detect the recurrence of prostate cancer. The company said there is a significant unmet medical need for approximately 20 per cent of prostate cancers which are PSMA-PET negative. These patients are most likely unable to respond to therapeutic PSMA-targeted products and have few treatment options available to them. Dr. Alan Taylor, Executive Chairman, said, "It shows our ability to develop cutting-edge theranostics from the lab, through preclinical studies and into clinical trials, with SAR-Bombesin being Clarity's fourth IND across five products which are clear for investigation in the U.S."

Telix Pharmaceuticals Limited ("Telix") —Telix announced a number of changes to its executive leadership team to enable the company to move into its next phase of growth. The company has appointed Darren Smith as Chief Financial Officer ("CFO"), replacing Doug Cubbin from July 31, 2022. Mr. Smith has over 20 years of executive finance and general management experience, including as Global CFO and Company Secretary at Sirtex Medical Limited ("Sirtex"). During his 11-year tenure at Sirtex, he was a key leader during a period of rapid workforce expansion and revenue growth and remained with Sirtex during its acquisition by China Grand Pharmaceutical Group Limited and CDH Genentech in 2018. Further, Gabriel Liberatore, Group Chief Operating Officer will also step down from his role, effective July 31, 2022. As COO, Mr. Liberatore delivered on the infrastructure and planning phases for the development of Telix's manufacturing facility at Seneffe, Belgium and the identification, recruitment and development of regional operating teams to support Telix's forward commercial activity. Regional COOs for the Americas, Europe, the Middle East and Africa ("EMEA") and Asia-Pacific ("APAC") regions, and the General Manager of Seneffe, will now lead the operations in their respective regions under the leadership of regional CEOs whilst working closely with global manufacturing, regulatory and quality counterparts. Telix has also appointed a new CEO for the Americas region and has identified an early third quarter 2022 start date. Since February 2022, Group CEO Dr. Christian Behrenbruch assumed the role of interim CEO, Telix Americas. "These leadership changes and new appointments are an immensely positive reflection of our transition to a commercial stage company and are part of our programmed succession planning," Dr. Behrenbruch said.

ECONOMIC CONDITIONS

Canadian real gross domestic product ("GDP") rose at a 3.1% annual rate in the first quarter, well below consensus expectations of over 5% growth. However, the economy did manage to mostly grind through the early-year Omicron-related restrictions in better shape than most others—recall the outright setback in both the U.S. (-1.5%) and Japan (-1.0%), and slow growth in the Euro Area (+1.1% a.r.) in the first quarter. The relative resilience of the Canadian economy in the quarter may be a broader theme for 2022, aided by its heavy commodity component and a greater capacity to rebound in the service sector following two years of heavy restrictions. The quarter was led by healthy domestic demand (+4.8%), as trade was the big drag (-2 percentage points ("ppts") from growth). Consumption (+3.4%), business investment (+9.0%) and housing (+18.1%) were all strong. (The latter is about to go into serious reverse, with home sales now reeling lower.) One notable detail is that the personal savings rate actually rose to a hefty 8.1% (from 6.9% in the fourth quarter) as compensation gains were huge in the quarter. So, even with an end to government programs and rising inflation, consumer excess savings rose even further at the start of the year (the average savings rate of the prior decade was 3.5%). On the monthly figures, March GDP was reported at +0.7%, two ticks above the flash estimate as reopenings provided a lift, although February was revised down two ticks (to +0.9%). And, notably, January was revised down 4 ticks from +0.2% to -0.2%, helping drive the weaker-than-expected first quarter print. A negative January makes much more sense in retrospect, as much of the country dealt with renewed restrictions at the start of the year. The flash estimate for April is a more normal +0.2%, a decent start to the second quarter, and still putting it on pace for solid growth assuming activity continues to grow modestly in May and June. However, it's unlikely that growth can reach the Bank of Canada's latest estimate of 6% for the second quarter in our view.

Canada: Reuters reported that data released by Statistics Canada showed the country's current account surplus turned positive. Canada's current account surplus was CA$5.0 billion in the first quarter, swinging from a revised $137 million deficit in the fourth quarter. It was the widest surplus since the second quarter of 2008. Industry observers note that the ongoing strength in commodities supported the current account surplus.

US Nonfarm payrolls rose 390,000, topping expectations, following an upwardly revised increase of 436,000 in April though downwardly revised gain of 398,000 in March. An increase in public education jobs flattered the headline increase, but the private sector gain was solid at 390,000, though the lowest since April 2021. Job gains were widespread across industries, apart from a hefty 61,000 drop at retail outlets...perhaps the first sign that consumers are pushing back against price hikes. Total payrolls are still down 822,000 or 0.5% from pre-virus days. The participation rate held the unemployment rate at 3.6% for a third straight month, still slightly above the half century low mined before the pandemic. Average hourly earnings rose a lighter 0.3% for a second straight month, pulling the yearly rate down to 5.2% with the help of a favourable year-ago comparison. Aggregate weekly work hours rose 0.3% for a second month in a row and are up 2.8% annualized so far in the second quarter. The jobs report will provide mixed feelings for the Federal Reserve, which will welcome the steadier jobless rate, firmer participation rate, and possible softening in wages, while worrying that the economy is still running too hot to convincingly drive inflation back to the target. For now, 25 basis points ("bp") to 50 bp rate increases are to be expected in our view.

European Union ("EU") leaders agreed on a partial ban of Russian crude oil and will ban seaborne oil imports. In a concession to Hungary, the agreement includes a temporary exemption for pipeline supply and Hungary secured a guarantee that it will be able to accept Russian crude if pipelines were disrupted. It is hoped that 90% of the crude supply from Russia will seize by the end of the year.

China's manufacturing and non-manufacturing Purchasing Managers Indexes ("PMI") remained in contraction in May but gained more than expected to 49.6 and 47.8, respectively. In the absence of strong stimulus, the economy is still on a slow path to recovery and is highly likely to miss the official forecast of "around 5.5%" this year in our opinion. China eased COVID-19 restrictions after claiming victory on the latest outbreak. Beijing residents are now allowed to move freely with a negative COVID-19 test within the last 72 hours. Public transport has resumed, dine-in services has begun and workers can return to offices.

Australia growth slowed in the first quarter, 0.8% quarter over quarter ("q/q"), 3,3% y/y, in line with forecast, pulling back from the strong fourth quarter GDP print at 3.6% q/q, 4.4% y/y (note that fourth quarter GDP was revised upwards, prior was 3.4% q/q, 4.2% y/y). The first quarter of 2022 q/q GDP print was slightly better than consensus (+0.7% q/q, 3% y/y) but likely fell short of the Reserve Bank of Australia's 1% q/q forecast as the Omicron wave and floods in New South Wales and Queensland affected economic activity.

FINANCIAL CONDITIONS

Bank of Canada: For the second consecutive meeting, the Bank of Canada opted to increase its overnight rate target by 50 basis points, a decision that was fully anticipated by the market and forecasters alike. This move brings the overnight target to 1.50%, half a percentage-point shy of the range that the Bank considers neutral (2.0 – 3.0%). Consistent with last two rate hikes, the Bank also raised its deposit rate proportional to the overnight target (i.e., by 50 bps to 1.50%. In 'normal times' the deposit rate is set 25 basis points below the overnight target). As for interest rate guidance, the statement reiterated that "interest rates will need to rise further" (unchanged from April). In addition, the Bank of Canada added more hawkish guidance: "The Governing Council is prepared to act more forcefully if needed to meet its commitment to achieve the 2% inflation target."

The U.S. 2 year/10 year treasury spread is now 0.30% and the United Kingdom's 2 year/10 year treasury spread is 0.46%. 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 5.09%. 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 consider a more normal range of 4-7 months.

The VIX (volatility index) is 25.22 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 is encouraging for quality equities.

And Finally: "Opportunity comes to the prepared mind" ~ Charlie Munger

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

Individual Discretionary Managed Account Models - SMA

Net Asset Value:

The Net Asset Values (NAV) of our investment funds are published on our Portland website at www.portlandic.com/prices

We want to share our insights with you and welcome your feedback. Our website has the latest, as well as archived videos, company profiles, and press articles. Please visit us at www.portlandic.com

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

Glossary of Terms: 'CET' core equity tier, 'EBITDA' earnings before interest, taxes, depreciation and amortization, 'EPS' earnings per share, 'FCF' free cash flow, 'GDP' gross domestic product, 'ROE' return on equity, 'ROTE' return on common equity, 'ROTCE' return on tangible common equity, 'conjugate" a substance formed by the reversible combination of two or more others.

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

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

PIC22-028-E(06/22)