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NEWS HIGHLIGHTS

EST. 2007

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

JUNE 20, 2022

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OWNER OPERATED COMPANIES



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ALTERNATIVE FUND



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ALTERNATIVE FUND
COMPANY NEWS

SoftBank Group Corporation (“SoftBank”) – SoftBank is considering listing some of its stake in chip designer ARM Ltd. (“ARM”) on the London Stock Exchange, switching from an earlier plan to only use the U.S. market, according to people familiar with the matter. If it decides to also list in the UK, the Japanese company will likely still conduct its initial public offering (“IPO”) in New York, according to the people, who asked not to be identified because the matter hasn’t been made public. The size and timing of the sale hasn’t been finalized and plans for the listing still may change, according to the people.

ARM, which SoftBank acquired in 2016, is based in Cambridge, England. ARM was one of the UK’s most important technology companies before the purchase and still has the majority of its operations there. Boris Johnson, Prime Minister, has led overtures to senior SoftBank management in an attempt to convince them to list ARM in the UK, according to people familiar with the matter. ARM sells and licenses technology that’s used by semiconductors in everything from smartphones to super computers. The pervasiveness of its products has made its planned IPO a closely watched event in the US\$550 billion chip industry. Masayoshi Son, SoftBank founder, said he plans to sell a portion of ARM before the end of the company’s financial year next March. SoftBank is seeking a valuation of at least US\$60 billion for Arm, Bloomberg has reported. It’s aiming for a higher amount than it would have gotten from its proposed sale of the chip designer to Nvidia Corporation (“Nvidia”). That deal collapsed in the face of opposition from regulators. Son acquired ARM for about US\$32 billion and gave it the

resources to go on a hiring spree, aiming to crack new markets such as the server chips used in data centers.

Meta Platforms, Inc. (“Meta”) – Meta avoided the fines after offering to address French antitrust concerns over its online advertising market. In July last year, Meta proposed a series of commitments to address concerns that Facebook’s behavior may make it harder to view available ad space online, and on smart phones, as well as data linked to campaigns on the social network. The French regulator, which was seeking comments from rivals, accepted the concessions from Meta and closed the ongoing case, according to the Autorite de la concurrence statement published Thursday. According to the statement, Meta commits to allow any ad-tech firm targeting customers in France to access its business marketing partner program. It will also develop a new application to allow objective and transparent access to data in order to offer targeted ads on its social networks.

Reliance Industries Limited (“Reliance”) - Revlon, Inc. (“Revlon”) shares surged as much as 62% in New York trading on Friday after ET Now reported that Reliance is considering buying the firm. Reliance is mulling an offer just days after Revlon filed for Chapter 11 bankruptcy, the publication reported, citing people familiar with the matter. Revlon, owned by billionaire Ron Perelman’s MacAndrews & Forbes, suffered during the pandemic after years of declining sales and endured financial controversies that the company said Thursday could impede its restructuring process. Representatives for Revlon and Reliance didn’t immediately respond to requests for comment. Revlon got its start 90 years ago selling nail polishes in the throes of the Great Depression, and later added coordinated lipsticks to its collection. By 1955, the brand was international. Shares of Revlon had declined 83% since the beginning of 2022 through Thursday’s close.

Reliance – A fuels and mobility joint venture (“JV”) between Reliance and BP plc (“Jio-bp”), on Thursday announced that they have entered an agreement to support Zomato Ltd. (“Zomato”)’s commitment towards The Climate Group’s EV100 initiative of 100% electric vehicle (“EV”)

fleet by 2030. Jio-bp will provide EV mobility services to Zomato along with access to 'Jio-bp pulse' branded battery swapping stations for last mile delivery. Leveraging the best of Reliance and BP plc's strengths in electrification, Jio-bp is creating an ecosystem that will benefit all the stakeholders in the EV value chain. Last year, Jio-bp, 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. With the Jio-bp pulse mobile app, customers can easily find nearby charging stations and seamlessly charge their EVs. The collaboration is poised to accelerate EV adoption in the rapidly growing Indian delivery and transportation segment. With high-performance batteries resulting in superior on-road range and with swapping taking just a couple of minutes, battery swapping has become an ideal solution for two and three-wheelers, especially those playing in the last-mile delivery segment. Therefore, battery swapping is set to be the primary driver in electrification of the last mile delivery and passenger segments.

Reliance – Reliance dropped the pursuit of television (“TV”) broadcast rights to India’s top cricket league that Walt Disney Company (“Disney”) secured for US\$3 billion as the Indian conglomerate saw limited opportunity for long-term profit from the legacy platform.

The joint venture between Reliance and U.S. media giant Paramount Global (“Paramount”) instead focused on winning the rights to digitally stream the Indian Premier League (“IPL”), betting its advertising revenue will be four-fold bigger than that for TV in five years, a person familiar with the group’s strategy said. The view was that television would struggle to deliver double digit growth, according to the person, who didn’t want to be identified discussing deliberations that were private. While Viacom 18 Media Private Limited (“Viacom 18”), the Ambani-Paramount JV, bid for TV rights in the initial rounds of the auction, this person said the focus was always on ensuring it secured digital rights. A representative for Reliance declined to comment on the auction strategy. Viacom 18 paid 238 billion rupees (US\$3.1 billion) for the rights to stream the IPL tournament, one of the world’s most-watched sporting events, almost on par with what Disney shelled out. The decision gels with Mukesh Ambani’s ambitions for his digital unit Reliance Jio Infocomm Ltd. (“Jio”). Ambani wants to create a consumer ecosystem that marries entertainment and e-commerce to lure local users who are increasingly hooked to their smartphones. The decision to let go of television rights saved Reliance billions of dollars, funds that can potentially be used to boost the conglomerate’s chances in the upcoming India auction for fifth generation (“5G”) spectrum. A prized cricket broadcast, which can add millions of subscribers, streamed on a speedy wireless network can be a potent mix for turbocharging Jio.

Jay Shah, the head of Board of Cricket Control in India, said in a separate interview that the country may see 900 million internet users in five years, underscoring the potential of digital rights. While TV was the staple source of entertainment in Indian middle-class homes, the past few years have seen a rapid pivot toward online streaming, a trend exacerbated by the pandemic. Reliance will be using its IPL rights as a tactical asset to build out streaming and digital platforms including Voot, Jio and others, this person said. Viacom 18 has already secured media rights in soccer, badminton, tennis and basketball events, giving it a diverse portfolio of sports assets.

Berkshire Hathaway Inc. (“Berkshire”) – Warren Buffett donated about US\$4 billion to the Bill & Melinda Gates Foundation Trust and four family charities, part of the billionaire’s pledge to give away nearly all of his net

worth. Berkshire, which Buffett has run since 1965, said the donation comprises about 14.4 million of its Class B shares. Eleven million shares will go to the Bill & Melinda Gates Foundation, and 1.1 million will go to the Susan Thompson Buffett Foundation, named for Buffett’s late first wife. Another 770,000 shares will also go to each of three charities run by Buffett’s children Howard, Susan and Peter: the Howard G. Buffett Foundation, the Sherwood Foundation and the Novo Foundation. Since 2006, the 91-year-old Buffett has donated more than half of his Berkshire shares, with the donations worth about US\$45.5 billion at the time they were made. Despite the donations, Buffett still owns approximately 16% of Berkshire and controls about one-third of its voting power. Both percentages have been fairly stable in recent years because Berkshire has aggressively repurchased its own stock. Buffett has built Omaha, Nebraska-based Berkshire into a more than US\$600 billion conglomerate, owning dozens of businesses such as the Burlington Northern Santa Fe Corporation (“BNSF”) and Government Employees Insurance Company (“Geico”), and stocks such as Apple Inc. and Bank of America Corporation. He and Bill Gates also pioneered “The Giving Pledge,” where more than 200 people like Michael Bloomberg, Larry Ellison, Carl Icahn, Elon Musk and Mark Zuckerberg committed at least half their fortunes to philanthropy.

DIVIDEND PAYERS

 **GO TO**
PORTLAND GLOBAL
ALTERNATIVE FUND¹

 **GO TO**
PORTLAND GLOBAL
ARISTOCRATS
PLUS FUND¹

 **GO TO**
PORTLAND GLOBAL
BALANCED FUND¹

Consolidated Edison, Inc. (“Consolidated Edison”) – Consolidated Edison has hired an adviser to kick-off the sale of its renewable energy portfolio, which could be valued at as much as US\$4 billion, according to people familiar with the matter. The U.S. utility is working with Barclays PLC to help identify potential buyers for the business, the people said, asking not to be identified because the information is private. It may start a sales process in the coming weeks, one of the people said. The business is likely to draw interest from both financial and strategic firms seeking to boost their clean-energy portfolios, according to the people. Deliberations are ongoing, and plans for the auction may be delayed or falter, they said. Consolidated Edison announced it was considering strategic alternatives for its clean-power business in February. The unit operates about 3 gigawatts of utility-scale renewable projects, including solar farms in Texas and California and wind farms in Nebraska, South Dakota and Montana.

LIFE SCIENCES

 **GO TO**
PORTLAND LIFE
SCIENCES
ALTERNATIVE FUND¹

Guardant Health Inc. (“Guardant Health”) - Guardant Health announced it has purchased the remaining shares of Guardant Health

AMEA, Inc., held by SoftBank and its affiliates, giving the company full control over operations throughout the Asia, Middle East and Africa region (“AMEA”). More than half of the world’s estimated new cancer cases come from AMEA. This acquisition will allow Guardant Health to directly address the growing cancer burden in the region by accelerating the adoption of the company’s blood tests and services used by healthcare providers to detect and manage cancer across all stages of the disease. Guardant Health AMEA operations support 41 countries across the region. Near term, the company will prioritize bringing blood-based testing to healthcare providers and to patients with advanced cancer in Japan, where, in March 2022, the Japanese Ministry of Health, Labour and Welfare (“MHLW”) granted regulatory approval of Guardant 360 clinical diagnostic test, a liquid biopsy test for tumor mutation profiling in patients with advanced solid tumors. In May 2018, Guardant Health and SoftBank Vision Fund established the Guardant Health AMEA joint venture to expand commercialization of Guardant Health’s industry-leading liquid biopsy technology across the region. Under the terms of the parties’ joint venture agreement, Guardant Health paid approximately US\$177.8 million to acquire the Guardant Health AMEA equity interest held by SoftBank and its affiliates. “By acquiring the remaining shares of Guardant Health AMEA, we can focus on creating a unified and centralized global organization that delivers on our promise to help conquer cancer and improve patient outcomes,” said Helmy Eltoukhy, Guardant Health chairman and co-Chief Executive Officer (“CEO”).

OncoBeta GmbH (“OncoBeta”) — OncoBeta announced Perth’s Hollywood Private Hospital in Australia is the latest medical facility to participate in the global phase IV EPIC-Skin Study (Efficacy of Personalised Irradiation with Rhenium-SCT – for the treatment of non-melanoma skin cancer [“NMSC”]) treating its first patients with Rhenium-SCT as part of the international study. The first Perth patients were treated at Hollywood Private Hospital on June 3rd, and are part of 210 adults participating in the international study that will follow their progress over the next 24 months. The EPIC-Skin study is being conducted through study centres located in Australia, Austria, Germany and the United Kingdom. The first patients to be treated globally with Rhenium-SCT as part of the EPIC-Skin study occurred on the Gold Coast in late February, with other centres in Australian cities scheduled to participate in the study over the coming months. There are more than 7.7 million cases of NMSC each year, and incidence rates are increasing globally. Standard treatments for NMSCs are surgery-based approaches, which may have a risk of scarring or loss of function. Rhenium-SCT uses a non-invasive paste containing β -emitting particles directly to the lesion, which target cancer cells without the need for surgery, in one single session. Shannon D. Brown III, CEO and Managing Director at OncoBeta, says, “NMSC is a significant health concern in Australia and around the world. This study will offer new insights into the treatment of NMSC and the role of Rhenium-SCT in the suite of treatments available to patients. The EPIC-Skin Study will be critical in assisting us in improving patient outcomes for those suffering with NMSCs.”

Lantheus Holdings Inc. (“Lantheus”) — Lantheus announced two key management promotions. Paul Blanchfield has been promoted to Chief Operating Officer (“COO”) and will continue to report to Mary Anne Heino, President and CEO. In addition, Dottie Barr has been promoted to Senior Vice President, Manufacturing and Technical Operations (SVP, Mfg & Tech Ops) and will report to Paul Blanchfield. Both promotions are effective immediately. Mr. Blanchfield joined Lantheus as Chief Commercial Officer in January 2020. Together

with his team, he successfully launched the Company’s prostate-specific membrane antigen (“PSMA”) positron (“PET”) imaging agent for prostate cancer; continued to grow the Company’s microbubble franchise; and led the commercial team through the changing COVID-19 environment. In his new role, Mr. Blanchfield will have responsibility for Commercial, Manufacturing and Technical Operations, Quality, and Corporate Communications. Prior to Lantheus, he worked at Takeda Pharmaceutical Company Limited (“Takeda”) where he served as the Head of the U.S. Immunology Business Unit and managed a multi-billion-dollar profit and loss covering multiple rare disease products. Prior to Takeda, Mr. Blanchfield worked at Shire plc for almost six years across several different roles, including as the Head of U.S. Immunology, General Manager of Nordic-Baltics, Head of Corporate Strategy, and Chief of Staff to the CEO. Mr. Blanchfield started his career at McKinsey & Company, where he focused on health care, marketing, and sales. He earned a Master of Business Administration (“MBA”) degree and a Masters of Arts (“MA”) degree in Education from Stanford University and an Applied Baccalaureate (“AB”) in Economics from Duke University.

Ms. Barr joined Lantheus more than five years ago to lead Lantheus’ Manufacturing and Supply Chain. Under her leadership, the company completed the commissioning of GENESIS, a state-of-the-art manufacturing facility; integrated and improved the manufacturing process and facility in Somerset, New Jersey; built out the supply chain for the Company’s PSMA PET imaging agent; and navigated through on-site challenges associated with the global pandemic. In her new role, Ms. Barr will have responsibility for Manufacturing and Supply Chain, Employee Health and Safety, Engineering and Facilities, and Manufacturing Technology and Development. Ms. Barr came to Lantheus from T2 Biosystems Inc. (“T2”) where she was Vice President (“VP”), Supply Chain, Materials and Logistics. Prior to her role at T2, she was with Haemonetics Corporation for 22 years where she held roles of increasing responsibilities, including VP, Global Planning and Logistics. Ms. Barr earned an MBA from Babson F.W. Olin Graduate School of Business and holds a Bachelor of Science (“BS”) in Economics from Framingham State University.

Telix Pharmaceuticals Ltd. (“Telix”) — Telix announced that it has advanced a partnership with InviCRO LLC (“InviCRO”), a global, industry-leading imaging contract research organization (“CRO”), and part of REALM IDx, Inc. (“REALM”), to develop an artificial intelligence (“AI”) platform to accompany Telix’s PSMA-PET imaging agent, Illuccix (kit for the preparation of gallium Ga 68 gozetotide) - known as TelixAI. TelixAI seeks to increase the efficiency and reproducibility of clinicians’ imaging assessments using advanced analysis capabilities with an initial focus on prostate cancer. The platform is designed to do this by automatically separating healthy versus abnormal tracer uptake and then classifies lesions as either visceral (soft tissue) or bone lesions. InviCRO has a depth of experience in AI, machine learning and algorithm development for medical imaging. Its industry leading medical image analyst team consists of over fifty medical image processing scientists. The commercial objective of the development partnership is the submission to the United States Food and Drug Administration (FDA) 510(K) approval for software as a medical device. Telix Chief Scientist, Dr. Michael Wheatcroft said, “We are pleased to be advancing the TelixAI platform with InviCRO, which aims to further enhance the utility of molecular imaging starting with Illuccix. Our investment in TelixAI is expected to extend into multiple applications for Telix’s late-stage imaging assets, including TLX250-CDx, which is currently completing a Phase III pivotal trial in renal cancer imaging.”



ECONOMIC CONDITIONS

U.S. producer prices rose 0.8% in May, as expected, and after the far more moderate 0.4% in April. Most of the increase was on goods prices (+1.4%), or specifically, energy (+5%). Food was actually little changed (-0.04% to be precise), and consumer foods were up just 0.1%. Services and construction costs were up 0.4%. From a year ago we're still in double-digit territory, with the headline up 10.8% (down from 11.0% in April and 11.5% in March), and the core up 8.3%, from 8.8% in April and 9.6% in March.

U.S. retail sales fell 0.3% in May instead of rising 0.1% as per consensus. Adding to the disappointment, the previous month's print was revised from +0.9% to +0.7%. Sales of motor vehicles and parts contributed negatively to the headline result by dropping 3.5%. Without autos, retail outlays advanced 0.5% as gains for gasoline stations (+4.0%), food/beverages (+1.2%) and eating/drinking establishments (+0.7%) were only partially offset by declines for electronics (-1.3%), miscellaneous items (-1.1%), non-store retailers (-1.0%) and furniture (-0.9%). In all, sales were up in 7 of the 13 categories surveyed. Core sales (i.e., sales excluding food services, auto dealers, building materials, and gasoline stations), which are used to calculate GDP, were flat in the month.

Housing starts in Canada increased for a second month in a row by 21,500 in May to 287,300 (seasonally adjusted and annualized), the strongest print since November 2021 (at 305,900) and above consensus expectations calling for a 255,000 print.

U.S. industrial production inched up 0.2% in May, a few ticks below consensus. The good news was that April was revised up (1.4% rise instead of 1.2%). So far this year, output has increased every month with an impressive 0.8% average gain. That leaves production 4.3% above its pre-pandemic level, though there are warning signs that things are slowing against a backdrop of sharply rising producer prices and tightening financial conditions.

U.S. capacity utilization edged up 0.1 percentage points ("ppts") to 79.0% (also below expectations), which brings it within 0.5 ppts of its long-run average. Manufacturing capacity utilization fell 0.1 ppts to 79.1%. That still leaves utilization in the sector 3.6 ppts above its pre-virus level and 1.0 ppt above its long-run average.



FINANCIAL CONDITIONS

Federal ("Fed") officials followed through on market pricing and delivered a 75 basis points ("bp") increase in the Fed Funds target range to 1.50%-1.75%. This is the largest increase in the policy rate since 1994. The Fed Chair argued that recent strong consumer price index ("CPI") data and rising inflation expectations led the Committee to opt for a larger rate increase at this meeting despite guiding markets for a 50bp rate hike prior to the blackout period. The Fed remains nimble and ever more data-dependent.

The Bank of England ("The Bank") hiked rates 25 bps as expected. It is its fifth consecutive hike and raised rates to 1.25%. Three of the nine members dissented and voted instead for a 50 bps hike. All members agreed to act "forcefully" if needed. The Bank raised its forecast for peak inflation this year to "slightly above 11%".

The U.S. 2 year/10 year treasury spread is now 0.05% and the United Kingdom's 2 year/10 year treasury spread is 0.30%. 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 5.78%. 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 31.03 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: "Time is what keeps everything from happening at once." ~ Stephen Hawking

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

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