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NEWS HIGHLIGHTS

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

AUGUST 2, 2022

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OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND[1]

PORTLAND 15 OF 15 ALTERNATIVE FUND[1] COMPANY NEWS

Amazon.com, Inc. ("Amazon") – reported solid second quarter ("Q2") results, with total revenue coming in ~2% above consensus and operating income well ahead of expectations. The eCommerce business showed signs of stabilizing, with growth improving sequentially on a constant currency basis despite the shift of Prime Day into the third quarter of 2022 ("3Q22") versus ("vs.") the second quarter of 2021 ("2Q21") as the macro environment has not yet impacted demand materially. Total revenue grew 7.2% year-over-year ("y/y") to US$121.2 billion in Q2 (+10% foreign exchange ("FX") neutral, vs. +9% in quarter one ("Q1")), ~2% above consensus. Amazon Web Services, Inc. ("AWS") was once again a bright spot as growth remained strong, with the cloud business now approaching a ~$80 billion annualized revenue run rate. Operating income was above the upper end of the guidance range and included $4 billion of incremental costs vs. 2Q21 related to inflation and the deleveraging of some fulfillment operations. Q3 revenue guidance of $125-130 billion, up 13-17% y/y and was slightly ahead of consensus at $126.5 billion at the midpoint, inclusive of a ~4 percentage point ("pp") headwind from FX, and the operating income outlook was below expectations as inflationary pressures and ongoing investments in AWS and Prime Video content offset an expected improvement in fulfillment costs, with the company noting it is slowing its 2022 and 2023 operations expansion plans to better align with expected customer demand.

Reliance Industries Limited ("Reliance") – Reliance Jio Infocomm Ltd. ("Reliance Jio") spent more than US$11 billion, emerging the top buyer in India's airwaves auction as it sought to cement its edge over the rivals. India sold spectrum, including 5G (generation) airwaves, worth 1.5 trillion rupees across multiple bands, India's telecom minister Ashwini Vaishnaw told reporters in New Delhi on Monday, confirming the government's forecast of a record collection. Reliance Jio, India's largest wireless operator, bought 24,740 megahertz of airwaves for 880.78 billion rupees, he said. Smaller rivals Bharti Airtel Ltd. and Vodafone Idea Ltd. spent 430.8 billion rupees and 188 billion rupees respectively. Adani Data Networks Ltd., ("Adani") the surprise entrant from Gautam Adani's conglomerate, bought airwaves across six Indian states for 2.12 billion rupees in its debut auction, allaying fears of a bigger telecom play for now. Adani said it was buying airwaves to build a private 5G network after the initial frenzy around its entry last month. The latest auction spending by Reliance underscores its transformation from being an energy conglomerate to a tech player, a process that can be accelerated with the help of speedy 5G airwaves. Reliance Jio will roll-out the world's most advanced 5G network across India, it said in a statement. It has started field trials for 5G services and plans to launch nationwide operations very soon, parent Reliance said last month. The companies can make full or part upfront payment for the total bid amount within 10 days of auction completion leading to lesser financial outgo. The buyer will also have an option to avail a moratorium, offered by the government, for the corresponding number of years of payment. The second option is to make payment in 20 equal annual installments. India will get 133.65 billion rupees upfront from the auction, the minister said.

Softbank Group Corp. ("Softbank") – a pair of managing partners who help oversee SoftBank's Vision Fund and Vision Fund 2 are leaving to join a new investment firm led by the platform's key architect Rajeev Misra, according to people with knowledge of the matter. Yanni Pipilis and Munish Varma, both managing partners at SB Investment Advisers Ltd., which oversees SoftBank's Vision Fund operation, notified their teams of their pending departures to the new start-up, explained the people, who requested anonymity as the communications are private. Their exits are slated to occur in coming weeks, after a period of transition, some of the people said. The Misra-led platform will have a flexible mandate and the ability to invest in both the debt and equity of public and private companies. Abu Dhabi conglomerate Royal Group LLC., which is led by Sheikh Tahnoon Bin Zayed Al Nahyan, and ADQ, one of the emirate's sovereign wealth funds, have committed capital to the new venture, according to Bloomberg. Mubadala, an anchor investor in the first Vision Fund, is also set to invest, according to people with knowledge of the matter.

Meta Platforms Inc. ("Meta") – reported revenues of US$28.8 billion in the second quarter, the first ever decline since became a public company. Marketers are spending less due to various economic pressures, leaving Meta and its peers to compete for the smaller budgets. Meanwhile, in an effort to compete with TikTok, the Meta controlled social networks have been showing more users short-form videos called Reels, a format which advertisers are still becoming comfortable with. Revenue for the current quarter will be $26 billion to $28.5 billion, the company said Wednesday in a statement. Every day, 2.88 billion people are using one of Meta's social networks. Meta is undergoing a period of immense change, with Zuckerberg trying to rally his employees to work more diligently to retain users, attract young people and prevent a migration to ByteDance's TikTok app. Meta put more Reels in its apps, and started paying creators to post them. The company also made a significant change to the social apps' algorithms, to focus on showing people new kinds of content from those they don't follow. Currently, approximately 15% of the content in a Facebook users' feed is from accounts they don't follow; on Instagram, the percentage is higher. Meta said the proportion will more than double by the end of next year. Zuckerberg called the change "one of the main transformations in our business right now." Reels is currently bringing in advertising revenue at an implied rate of $1 billion a year, the company stated. To combat the slump, Facebook has tried to rein in costs by slowing hiring and focusing on fewer priorities, like developing its short-form video strategy and its algorithmic recommendation engine. The results marked Chief Operating Officer ("COO") Sheryl Sandberg's last earnings report; she departs the company in September. Chief Financial Officer ("CFO") David Wehner will become the company's chief strategy officer, and Susan Li, the current vice president of finance, will be the new CFO.

Samsung Electronics Co., Ltd. ("Samsung") – on Thursday said its net income rose to 10.95 trillion won (US$8.3 billion) in the three months ended June. Sales from the semiconductor division grew a smaller-than-predicted 24% to 28.5 trillion won (US$21.7 billion). The smartphone and networking division however grew 29% to 29.3 trillion won (US$22.3 billion), slightly ahead of expectations. A tricky balancing act lies ahead for Samsung, as the company, its manufacturing clients and its suppliers all struggle to gauge the extent of future weakness in consumer demand amid component shortages and rising materials costs. Lead times remain long for tools to make semiconductors, due to chronic issues with parts supplies. In the long run, this could mean delays in adopting new lines that process more powerful chips faster according to the company. As structural constraints affect production the company expects market bit growth of Dynamic random access memory ("DRAM") to be significantly lower next year. Regarding short-term investments in equipment, the company's stance is to flexibly respond by regularly reviewing changing market conditions.

Ares Management Corporation ("Ares") – Ares Capital Corp ("ARCC"), a business development company backed by Ares sold 8 million shares. Offering prices of US$19.30, were a 4% discount to stock's last sale, bottom of $19.30-$19.50 marketed range, according to capital markets sources. Earlier, ARCC reported net asset value/share of $18.81 as of June 30. ARCC will use the net offering proceeds to pay down debt and make new investments. ARCC has ~496.3 million shares outstanding for a $10 billion market cap. Ares Management reported quarterly results earlier in the week, with growth momentum still strong, in particular in good in Credit & Real Estate. Private Equity had some re-valuation impacts. Capital deployment was also strong but seemed to have moved up the risk curve. Fund raising continued to perform well, the company raising $16.4 billion in Q2. As of June 30, 2022, the assets under management ("AUM") sits at $334 billion relative to $306 billion at the end of 2021.

Stryker Corporation ("Stryker") – reported organic sales growth of 6.1% for the second quarter, of which Medical Surgery and Neurotechnology clocked in at 7.9%; Instruments had U.S. organic sales growth of 12.1%; The U.S. NeuroCranial business posted organic sales growth of 9.4%; Endoscopy had U.S. organic sales growth of 15.4%, reflecting very strong performances across all of the portfolio, including video products and double digit growth of communications and sports medicine businesses; Orthopaedics and Spine had organic sales growth of 3.9%, including organic growth of 1.6% in the U.S. and organic growth of 9.5% internationally; U.S. hips business grew 4.5% organically, reflecting strong primary hip growth reflected by the recent launch of Insignia Hip Stem and continued procedural growth; U.S. knee business grew 5.3% organically, reflecting Stryker's market-leading position in robotic knee procedures. Demand for capital products remains strong however sales growth was restricted because of ongoing headwinds related to supply chain challenges, raw material shortages related to electronic components and installation delays in parts of the business due to hospital staffing challenges. Expectations are for full year 2022 organic sales growth to be in the range of 8% to 9%. This performance assumes that the market environment experienced in Q2 continues to improve throughout the rest of the year with supply chain disruptions easing in the back half of the year. And due largely to foreign currency exchange challenges, expectation of adjusted earnings per share to be in the range of $9.30 to $9.50 per share.

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

The Coca-Cola Company ("Coca-Cola") – reported 2Q22 Comparable earnings per share ("EPS") of US$0.70, which compares to the consensus of $0.67. Operating margins was at -100 basis points ("bps") vs. expectations of -200 bps with the gap driven by selling, general, and administrative expenses ("SG&A") while gross margins were in-line. Better sales fueled a 7 operating beat that was partially offset by a ~2 drag from below the line items. Currency a -6% drag to sales; -9% headwind to earnings per share ("EPS"). Unit case volume +8%. Concentrate sales were +4% as over-shipments from Q1 started to reverse out. Europe, the Middle East, and Africa ("EMEA") had a price/mix of +21% yet held concentrate flat. Asia Pacific volumes were +15% with strength from India and Philippines more than offsetting pressure from China lockdowns. Latin America had a price/mix of +12%. Guidance 2022: Organic revenue up +12-13% (from +7-8%), Comparable EPS up +5-6%

Coloplast A/S ("Coloplast") – has guided for 6-7% organic growth for 2021/22 with an adjusted earnings before interest and taxes ("EBIT") margin of "around 31%". Cost inflation, including wage inflation in Hungary (in the high teens), energy prices and logistics remain potential negatives going forward. Potential positives include effects from re-opening of hospital care post the pandemic, but staffing shortages could dampen any such tailwind.

Compass Group plc ("Compass") – announced trading results for the third quarter ended June 31, 2022: Underlying revenue at 109% of 2019 revenues; Organic revenue growth of 43.4%, an acceleration from 37.9% in half-year ("HY") 2022; Business & Industry above 100% of 2019 revenues on a run-rate basis; Very strong net new business growth of 9.1% or 6.9% rebased to 2019, with retention 96.1% year-to-date ("YTD"); Underlying operating margin up 40bps from 5.8% in HY 2022 to 6.2% in Q3; 6% YTD; Completed £237 million of £500 million share buyback programme and Launched Sustainable Financing Framework, supporting its 2050 Net Zero target. The strong growth momentum seen throughout the first half of the year continued into Q3 with all three regions operating above 2019 levels. Net new growth was very strong at 6.9%, more than double the historical rate of 3%, and continues to be driven by increased first time outsourcing. Net mergers and acquisitions ("M&A") totalled £223 million year to date as Compass continues to expand its portfolio of brands, focused on digital innovation and delivered-in solutions.

Kimberly-Clark Corporation ("Kimberly-Clark") – reported 2Q22 Core EPS of US$1.34, which compares to the consensus of $1.30. Total company organic sales growth was +9%, driven by stronger-than-expected pricing (+9%). Gross margins was -170 bps y/y with the upside expected to have come from stronger-than-expected revenue growth. Improved organic sales guidance, now +5-7% vs. prior +4-6%, but EPS guidance now moves to the low-end of previous $5.60-$6.00 range.

Nestle S.A. ("Nestle") – reported 2Q2022 organic sales growth of +8.7%, ahead of co-compiled consensus of +7.2%, resulting in a 3 year compound annual growth rate ("CAGR") of +6.1% (vs. +6.5% in Q122, +4.7% in Q421, +5.1% in Q321, +4.5% in Q221, +5.1% in Q121). Real internal growth ("RIG") was +0.9% in the quarter, a tad below the consensus of +1.1%, and pricing increased +7.7% (ahead of consensus of +6.0%). Q222 sales totaled CHF 23.342 billion (US$24.4 billion) (+2.9% vs. consensus). The first half ("H1") of 2022 underlying trading operating profit came in at CHF 7.683 billion (+2.5% vs. consensus), with underlying trading operating margin at 16.9% (20bps ahead of consensus). Underlying EPS for H122 was CHF 2.33 F(+5% ahead of cons). Fiscal year 2022 ("FY22") guidance: "We expect organic sales growth between 7% and 8% (previously around +5%). The underlying trading operating profit margin is now expected around 17.0% (previously 17% to 17.5%). Underlying earnings per share in constant currency and capital efficiency are expected to increase". Note that FY22 consensus currently looks for organic sales growth of +6.7% (RIG +1.3%, price +5.4%), an underlying trading operating profit of CHF 15.910 million), an underlying trading operating margin of 17.0% and an underlying EPS of CHF 4.73

The Procter & Gamble Company ("Proctor & Gamble") – reported fiscal fourth quarter ("F4Q") 2022 Core EPS of US$1.21, which compares to consensus $1.23. Total company pricing 2 points ("pts") higher than expected with volumes in line at -1%. Health Care organic sales +9%. FY 2023 Guidance: EPS: +0-4% y/y growth (Implied $5.81-$6.04). Current Consensus assumes +4% y/y growth and $6.05 EPS. FY23 organic growth: +3-5%. Consensus +4.2%.

TD Canada Trust ("TD") – announced that it has entered into an agreement to acquire Cowen Inc.("Cowen") , a U.S.-based investment bank with 1,700 employees. The all-cash deal is valued at US$1.3 billion or US$39.00 per Cowen's common shares (~10% premium to July 28's close). The deal is expected to close in the first calendar quarter of 2023, subject to regulatory approvals. TD expects the transaction to be modestly accretive to a fiscal 2023 estimate ("E") EPS and generate ~14% return on invested capital ("ROIC") (run rate), both post-synergies, and increase the bank's wholesale segment revenue by more than a third (~$6.8 billion in pro forma revenue vs. last twelve month's ("LTM") revenue of ~$4.8 billion). In terms of valuation, TD is paying ~1.7x P/Tangible Book Value and ~8.1x price-earnings ratio ("P/E") (2023E). On synergies, the bank expects to generate $300-350 million in revenue synergies by year three; no expense synergies were disclosed. The deal will incur pre-tax integration costs of ~ $450 million over three years and the transaction is expected to be neutral to TD's Core Equity Tier 1 ratio when combined with the impact of sale of Charles Schwab Corporation ("Schwab") shares from yesterday (TD reduced its ownership stake in Schwab to 12.0% from ~13.4% via share sale).

Unilever plc ("Unilever") – Q22022 Sales / H122 results: Q222 underlying sales growth ("USG") increased +8.8%, ahead of co-compiled consensus +7.0%, resulting in a 3 year CAGR of +4.4% (vs. +4.3% in Q122, +3.3% in Q421 and Q321, +2.8% in Q221). Volumes declined -2.1% in the quarter (slightly below consensus -1.8%) and price increased +11.2% (well ahead of consensus +9.0%). Q2 22 sales totaled €15,842 million , +3.8% vs. consensus. H122 underlying operating profit came in at €5,044 million, +5.9% vs. consensus, and H122 underlying operating margin was 17.0%, +60bps ahead of consensus. Underlying EPS for H122 was €1.34 (US$1.36), 5.5% ahead of consensus- €1.27 (US$1.29). On a divisional view, the biggest topline beat in Q222 came from Home Care (underlying sales growth ("USG") 3.5% ahead of consensus) and Foods (+1.6% ahead of consensus). On a regional view, USG in the Americas and Europe came ahead of consensus, by 3.2% and 2.4% respectively. Of the 180bps operating margin decline, gross margin contracted 210bps while brand investment contracted 40bps (+€0.2 billion (US$203 million) in absolute constant FX terms). Overheads increased 10bps. The underlying tax rate was 24.4%, up from 21.9% in H121. Guidance: "Our guidance for underlying sales growth in 2022 was previously at the top end of a range of 4.5% to 6.5%. We now expect underlying sales growth to be above that range, driven by price with some further pressure on volume. We expect net material inflation for the year to remain high at around €4.6 billion with our forecast for the second half largely unchanged at around €2.6 billion (previously €2.7bn). We will continue to invest in the health of our brands. In the first half, we increased absolute brand and marketing investment, and we will again invest competitively in marketing, R&D and capital expenditure in the second half. Our full year underlying operating margin expectation remains at 16%, which is within our guided range of 16% to 17% (previously: bottom end of this range). The medium-term macroeconomic and cost inflation outlooks are uncertain and volatile, but delivering growth remains our first priority. Against this backdrop, we continue to expect to improve margin in 2023 and 2024, through pricing, mix and savings."

Vodafone Group plc ("Vodafone") – delivered a largely in-line earnings reports with group organic service revenues ("OSR") in line with consensus and guidance reiterated. Revenues €11.278 million (), organic growth 2.7% y/y (Q4 21/22 2.1%). Service revenue €9,514m organic growth 2.5% y/y (Q4 21/22 2.0%). Excluding Turkey service revenues grew 1.6% (Q4 FY21/22 +1.4%). Europe service revenue €7,386 million, organic growth 0.5% y/y (Q4 21/22 0.3%). Group OSR of 2.5% was 20bp ahead of consensus (2.3%) but this was partly driven by strong hyper inflation growth in Turkey (where revenues grew 37% y/y i.e. adding ~30bp to group revenues). Revenue trends in Europe were slightly light vs. consensus in Germany/Italy/Spain although the UK beat. There were no strategic updates (nothing on M&A) and a reiteration of guidance despite growing macro pressures ("Whilst we are not immune to the current macroeconomic challenges, we're on track to deliver financial results for the year in line with our guidance"). The main highlight in our view was the commercial trends, most notably in Germany where Vodafone halved the subscriber losses in fixed (Q4 -12,000, Q1 -64,000) while stabilising postpaid subs (Q4 -105,000, Q1 +6,000). This was encouraging given the weak performance in Germany has been the key operational concern. However it will take some time to turn the business around with the cumulative effect of weaker net ads leading to worse revenue trends. So financially trends are set to get worse before they get better in our view even as the key performance indicators ("KPI") start to turn. The one caveat to the better performance in Germany postpaid/broadband was that TV ads were negative (-8,000 vs Q4 +150,000 and Q3 +238,000). It is unclear if this is the new telco law or a shift in focus. Outside Germany the commercial highlights were largely stable with: Italy postpaid ad largely unchanged (postpaid Q4 -33,000, Q1 -41,000 and broadband Q4 15, Q1 -18); UK a touch light as VOD hiked back- and front-book prices (postpaid Q4 37,000, Q1 18,000, UK Q4 59, Q1 22) and ; Spain postpaid adds improved (postpaid Q4 -14,000, Q1 38,000, fixed Q4 -32, Q1 -30,000)

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Amgen Inc. ("Amgen") – IDEAYA Biosciences ("IDEAYA") announced it has entered into a clinical trial collaboration and supply agreement with Amgen to evaluate the efficacy and safety of IDE397, its investigational, potential best-in-class, small molecule methionine adenosyltransferase II alpha ("MAT2A") inhibitor, with Amgen's AMG 193, an investigational small molecule MTA-cooperative inhibitor of Protein arginine methyltransferase 5 ("PRMT5"), in a Phase 1 clinical trial. IDEAYA is evaluating IDE397 in an ongoing Phase 1/2 clinical trial. The company has initiated and is actively enrolling patients into monotherapy expansion and combination cohorts of the IDE397 Phase 1 clinical trial, including in combination with docetaxel in non-small cell lung cancer (NSCLC), paclitaxel in esophagogastric cancer and pemetrexed in NSCLC. IDEAYA is leading early clinical development of IDE397 in collaboration with GSK plc ("GSK"). Subject to exercise of its option, GSK will lead later-stage clinical development of IDE397. Amgen is developing AMG 193, an investigational small molecule methylthioadenosine ("MTA") cooperative inhibitor targeting PRMT5, as monotherapy and in combination with docetaxel in MTAP null solid tumors, in an ongoing Phase 1 clinical trial. Under the mutually non-exclusive clinical trial collaboration and supply agreement, IDEAYA will provide IDE397 drug supply to Amgen, who will be the sponsor of the Phase 1 clinical combination trial. IDEAYA and Amgen will jointly share external costs of the clinical trial and will jointly oversee clinical development of the combination therapy. IDEAYA and Amgen each retain all commercial rights to their respective compounds, including as monotherapy or as combination therapies.

BridgeBio Pharma, Inc. ("BridgeBio") – announced that the Committee for Medicinal Products for Human Use ("CHMP") of the European Medicines Agency ("EMA") has recommended that the European Commission authorize marketing under exceptional circumstances for NULIBRY® (fosdenopterin) for Injection as the first therapy for the treatment of patients with molybdenum cofactor deficiency (MoCD) Type A. MoCD Type A is an ultra-rare and progressive condition, known to impact less than 150 patients globally with a median survival of four years. NULIBRY is a first-in-class cyclic pyranopterin monophosphate ("cPMP) substrate replacement therapy that was approved by the U.S. Food and Drug Administration ("FDA") in 2021 to reduce the risk of mortality in patients with MoCD Type A. If approved by the European Commission, NULIBRY would be the first and only approved therapy in the EU for MoCD Type A. The positive CHMP opinion is supported by data from three clinical trials that demonstrated efficacy of NULIBRY for the treatment of patients with MoCD Type A compared to data from a natural history study. These studies showed that NULIBRY reduced the risk of death by 86% and increased the probability of survival to 86% at three years compared to 52% in the untreated, genotype-matched, historical control group in the natural history study. "Our work on NULIBRY and MoCD Type A epitomizes BridgeBio's belief that no disease is too rare to address. With this positive CHMP opinion, we are closer to delivering a treatment option to all children across the globe who suffer with MoCD Type A," said BridgeBio founder and Chief Executive Officer ("CEO") Neil Kumar, Ph.D.

BridgeBio Pharma, Inc. (" BridgeBio") – released an interim Phase II readout of infigratinib for dwarfism — and it's coming up positive in one cohort. The topline figure is for the highest dose for the oral FGFR1-3 tyrosine kinase inhibitor. The California biotech reports today that its Phase II study hit its marks at the highest dose used, to date. The rest missed, and now BridgeBio will move forward by continuing to watch cohort 4 while doubling the dose in the next cohort now being enrolled. On the upside, researchers mapped an annualized height increase of 1.52 cm in cohort 4 after tracking the median duration of follow-up for just under 27 weeks. It's a small group, with just 11 cases. And there was one case of grade 1 (or mild) hyperphosphatemia (abnormally high serum phosphate levels) in a lower dose cohort, which is a closely-watched safety issue on the radar here. If the numbers hold up, that would beat BioMarin Pharmaceutical Inc.'s baseline improvement for their drug at 1.35 cm — which is what BridgeBio is using for the apples to apples comparison. There was a 1.57 cm height increase over placebo in a year that won the approval for Voxzogo — sold at a net price of US$240,000 a year — last fall. BridgeBio's task is to prove that it can track or outpace the injectable on height increase with a safer, easier-to-take oral drug.

Guardant Health, Inc. ("Guardant Health") – a leading precision oncology company, announced that Palmetto GBA, a Medicare administrative contractor for the Molecular Diagnostics Services program ("MolDX"), has conveyed coverage for the Guardant Reveal™ molecular residual disease ("MRD") test. Guardant Reveal is a blood test that detects circulating tumor DNA (ctDNA) in blood after surgery to help oncologists identify cancer patients with residual or recurring disease who may benefit most from adjuvant therapy. It is the first blood-only liquid biopsy test available for MRD testing in patients with colorectal cancer (CRC). The decision means Guardant Reveal is covered for fee-for-service Medicare patients in the United States with stage II or III CRC whose testing is initiated within three months following curative intent therapy. "We are pleased that Medicare has taken this important step to make MRD testing more widely available and help oncologists make more informed treatment decisions for their patients with colorectal cancer," said Helmy Eltoukhy, Guardant Health co-CEO. Medicare's policy decision adds to the coverage of Guardant Health tests for cancer patients. In December 2019, Palmetto GBA LLC ("Palmetto GBA") expanded local coverage determination ("LCD") of the Guardant360® assay, making it the first liquid biopsy to be broadly covered for use across the vast majority of advanced solid tumors. In March 2022, Palmetto GBA also conveyed coverage for Guardant360 TissueNext™, the company's first tissue-based test to help oncologists identify patients with advanced cancer who may benefit from biomarker-informed treatment.

OncobBeta GmbH("OncoBeta") – announced that the University Clinic of Rostock is participating 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 German patients were treated on 21st July, and are now 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, United Kingdom and Germany. Rhenium-SCT has been used in Rostock and in other parts of Germany as an Nonmelanoma skin cancer ("NMSC") treatment for some time. In addition to this EPIC-Skin Study, The University Clinic of Rostock has also been involved in a local clinical study using Rhenium-SCT, with results due to be presented later this year. Treating physician in the EPIC-Skin study - University Clinic of Rostock, Dr. Martin Heuschkel (Nuclear Medicine) said, "Rhenium-SCT is viewed as a favourable treatment due to its ability to be applied directly to an affected area, without harming or scarring surrounding tissue. This study presents the unique opportunity to further evaluate this new non-invasive epidermal radioisotope therapy and its long-term efficacy in improving patient outcomes."

Telix Pharmaceuticals Limited ("Telix") – Illuccix has been used in combination with the uEXPLORER, a first-of-its kind total-body Positron emission tomography ("PET") scanner from United Imaging for the first time. This week, nine men with prostate cancer underwent the procedure at BAMF Health on the "Medical Mile" in Grand Rapids. The uEXPLORER is the world's first and only medical imaging 3D scanner capable of capturing the total human body in a single bed position and allows physicians to conduct a total-body PET scan in less than 10 minutes – compared to 30-40 minutes in a conventional PET/CT (computed tomorgraphy). The scan may potentially open significant testing capacity for physicians, with some medical facilities able to image up to 40 patients per day with uEXPLORER. BAMF Health is a leading "theranostics" (therapeutic and diagnostic) cancer treatment center that delivers precision medicine through artificial intelligence-enabled molecular imaging and theranostics. Telix launched Illuccix for prostate cancer imaging in April in the United States and has a pipeline of imaging and therapeutic agents in development to potentially detect and treat a range of cancers and rare diseases through targeted radiation. Illuccix, after radiolabeling with Gallium 68, is a radioactive diagnostic agent indicated for PET of prostate-specific membrane antigen ("PSMA") positive lesions in men with prostate cancer with suspected metastasis who are candidates for initial definitive therapy, or with suspected recurrence based on elevated serum prostate-specific antigen ("PSA") level. PSMA-PET is a diagnostic tool clinically demonstrated to detect advanced diseases that may not appear in conventional imaging and is now included in key clinical practice guidelines for prostate cancer, such as the National Comprehensive Cancer Network Clinical Practice Guidelines in Oncology.

ECONOMIC CONDITIONS

Canada's real gross domestic product ("GDP") was flat in April, better than consensus expectations and above the Statistics Canada's preliminary estimate calling for a decline (-0.2%). Even though the economy has stalled, production rose in no less than 14 of the 20 industrial sectors covered in May. Goods sector output declined 1.0% as sizeable declines occurred in manufacturing (-1.7%) and construction (-1.6%) while utilities (-0.2%) and mining/quarrying/oil & gas extraction (-0.1) posted smaller pullbacks. Conversely, agriculture/forestry jumped in May (+1.6%). Industrial production was down 1.0% month-over-month ("m/m"). Output in services-producing industries, meanwhile, jumped 0.4%, with strong prints for arts/entertainment/recreation (+2.6%), accommodation and food services (+1.9%), and transportation/warehousing (+1.9%) while management (-4.7%) and real estate lagged (-0.1%). In May, there was a continuation of the recovery of pandemic impacted sectors with notably accommodation/food services, arts/entertainment/recreation and transportation registering steep increases in output during the month. Accommodation/food services has fully recovered from its pre-pandemic level while it still is not the case for the two other ones. Statistics Canada's preliminary estimate showed GDP increasing 0.1% m/m in May.

U.S. Real Gross Domestic Producd ("GDP") declined 0.9% annualized after contracting 1.6% in the prior quarter, disappointing expectations of a modest rebound. A big plunge in inventory investment chopped 2 percentage points from GDP growth, as retailers, in particular, are stuck with unsold goods that they over-ordered in anticipation of supply shortages and continued strong consumer demand. While pressuring profits, the resulting discounting should at least take some steam out of inflation in our view. Consumer spending downshifted to a modest 1.0% rate, with strength in services tempered by a decline in goods. Households tapped excess savings, but a modest decline in real disposable income didn't help. Residential investment plunged 14.0% amid less home building and cratering realtor commissions as sales plummeted below pre-pandemic levels. Non-residential structures spending sank 11.7% as recession chatter put long-term expansion plans on ice and the office segment continues to wrestle with unneeded space. Government spending fell 1.9%. . At least exports outperformed, bouncing 18% despite slower global demand and a stronger dollar. But that strength is unlikely to last in our view. We believe, the economy is highly vulnerable to slipping into a recession. That might discourage the Federal Reserve System ("the Fed") from ramming through another large rate hike in September. However, until inflation subsides, further rate hikes are in the cards. And they clearly won't reduce the odds of a real recession.

U.S. Real personal spending in June rose 0.1%, an improvement after May's 0.3% decline. Real goods spending and services spending both rose similarly, the former led by automobiles and the latter by health care and travel-related areas (restaurants and hotels). This puts real consumer spending on track for another modest 1% gain in Q3. Nominal spending increased 1.1%, but about 90% of the increase reflected higher prices. Core prices increased 0.6% higher in the month, or 7.4% annualized, breaking a four-month string of 0.3% advances. This lifted the yearly core rate to 4.8%. While consumers will catch a break from lower gasoline prices in July, the core measure suggests inflation will take a while to unwind. The employment cost index increased 1.3% in Q2, taking its yearly rate to 5.0%, the highest since 1990. Personal income jumped 0.6% for a second straight month, and 5.7% y/y. However, real disposable income fell 0.3% and -3.2% y/y. To bridge the gap, households are using their savings, cutting the personal saving rate to 5.1% from 5.5% the prior month. The tug of war on consumer purse strings is slowly being won by high inflation, rising borrowing costs, and dismal confidence. While elevated savings and higher wages are resisting, this battle will likely come down to whether companies slash their workforce.

U.S. durable goods orders exceeded expectations, jumping 1.9% in June. Consensus was for a 0.4% decline and even the upper range of the estimates were more than 1 percentage point ("ppt") off the mark. That makes for the biggest monthly tally in more than a year (May 2021). The strength was more concentrated in select sectors such as transportation, which climbed 5.2% and averaged nearly 2.9% growth for the quarter. Part of that increase stems from the motor vehicles and parts subsector posting another healthy month as chip shortages eased. Within the aircraft and parts subsector, it was defense aircraft and parts surging more than 80% in June that accounted for much of the strong showing. Public sector spending is typically more resilient in the face of inflationary and interest rate pressure than private spending. Also posting a strong month for new orders in June were the computers (5.9%) and electrical equipment (2.5%) subsectors. Excluding transportation, orders ticked up 0.3% as primary metals (-1.1%) fell alongside machinery (-0.2%) and communications (-2.3%). The latter shouldn't be a surprise as it declined each month this quarter, but the dip in machinery orders marks the first reversal since February. Similarly, core capital goods orders, which underpin equipment spending in GDP, rose 0.5%. That puts equipment spending on track to increase 6% (annualized) in the quarter.

The US goods trade deficit narrowed in June more than expected to US$98.2 billion and wholesale and retail inventories both posted healthy increases.

FINANCIAL CONDITIONS

The US Federal Open Markets Committee ("FOMC") raised the Fed funds target range by 75 bps to 2.25%-to-2.50% (2.375% midpoint). Also as expected, the Fed repeated the forward guidance, that the Committee "anticipates that ongoing increases in the target range will be appropriate". This sets the stage for the next rate hike on September 21… size yet to be determined. In the press release, Chair Powell said "another unusually large increase" could be appropriate but that it's data dependent. There were tweaks to the economic assessment, which mentioned that "recent indicators of spending and production have softened", replacing the phrase about things appearing to have picked up from Q1's pace. "Food" was now given a specific mention beside energy prices. On balance, this is a slight tilt in the Fed's perception towards slower economic growth and more stubborn inflation (a mixed signal for policy). There were also tweaks to the risk assessment. Russia's invasion of Ukraine was now called a "war", but the previous mention of China's COVID-19-related lockdowns was removed. This hints to a little less concern about supply chain disruptions than before. The decision was unanimous, 12-0. Kansas City President George didn't dissent like last time in additionnew Vice Chair of Supervision Barr voted. Indeed, this was the first time there were 12 voters in nine years. And so Fed Funds at 2.25 – 2.50% is now in Fed's neutral range of 2.4% long term estimate of Fed Funds rate. In our view the Fed needs to get monetary policy to a moderately restrictive level. The markets are now pricing in +50bps hike in September, +25bps November, +25bps December, and no change at February 2023 meeting. Taking market estimates of +100bps rate hike for remainder of 2022 implies 3.25 - 3.50% Fed Funds vs. June median projections of 3.40 - 3.80% for end-2022/23. Based upon current market estimates and Powell's, the Fed in our view appears to have finally caught up with market expectations.

The U.S. 2 year/10 year treasury spread is now -0.32% and the U.K.'s 2 year/10 year treasury spread is 0.11%. 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 5.30%. 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 22.69 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: *"If we knew what it was we were doing, it would not be called research...." ~ Albert Einstein*

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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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