AUGUST 15, 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

SoftBank Group Corporation ("SoftBank") – SoftBank expects to post a gain of more than US$34 billion from selling down its stake in Alibaba Group Holding Ltd. ("Alibaba"), cashing in on its most storied investment to shore up finances as global markets deteriorate. SoftBank's Board approved on Wednesday the early physical settlement of prepaid forward contracts corresponding to about 242 million American Depositary Receipts. After the settlement, which will run from August to September, its stake in China's e-commerce leader will fall to 14.6% from 23.7% as of the end of June. The move raises the likelihood that SoftBank will reduce its stake in Alibaba over time, as the Japanese company's slice of Alibaba dips below the 20% threshold for counting this stake as an equity affiliate. Investors have long pressed SoftBank to cash in its shares in Alibaba, monetizing one of the most lucrative bets in venture capital history and one that made Masayoshi Son's reputation as a start-up investor. The time may also be ripe to reduce exposure to the regulatory uncertainties roiling the world's number two economy, and SoftBank has been trying to lower its holdings there. SoftBank has raised money by selling derivatives linked to Alibaba shares for years, opting for such complex transactions instead of a straight sale to reduce pressure on the Chinese company's share price. In just the last four months, it raised a large amount of capital by selling forward contracts on Alibaba, taking in $10.5 billion during the June quarter and another $6.8 billion through such contracts on and after July 1. Physically settling the contracts means SoftBank will relinquish its right to buy back the stock in the future, as it has often done. A rare moment when SoftBank committed to lowering its Alibaba holdings was in 2016, when it needed to finance its purchase of chip architect Arm Ltd.

SoftBank - Talk that SoftBank would be better off as a private company has re-surfaced after the Japanese investment powerhouse posted a record US$23 billion loss. SoftBank has evolved rapidly over the last ten years from a telecom company and strategic investor to the world's biggest pool of tech capital. It will look even more like a pure investment house as it continues to buy back its own stock and sell or pare assets, including its stake in Alibaba. Masayoshi Son, SoftBank's founder, who is also the company's top shareholder with a near-28% stake as of end-March, has debated the idea of going private with his inner circle for at least five years. When SoftBank's shares tumbled in 2020 at the outset of the coronavirus pandemic, he began conversations with advisors and lenders including Elliott Investment Management L.P. and Abu Dhabi sovereign wealth fund Mubadala Investment Company PJSC, Bloomberg News has reported. That speculation evaporated after Son unveiled plans to sell about US$43 billion in assets to pay down debt and buy back stock. Son, who said in February 2020 he thought SoftBank was better off as a public company, is now focused on getting chip linchpin Arm Ltd. publicly listed, a landmark deal that could re-establish SoftBank's credentials in the ailing global tech market. The company has committed to a series of big buybacks in recent years to bolster its stock price. This week, it said it would buy up to 400 billion yen (~US$3 billion) of its own shares, on top of a program to buy back up to 1 trillion yen worth of its stock through September.

Samsung Electronics Co., Ltd. ("Samsung") – Jay Lee, Samsung's vice chairman, won a presidential pardon from graft charges, allowing him to formally take the helm of the electronics conglomerate. Yoon Suk Yeol, South Korean President, cleared the heir to the country's biggest company of bribery charges, for which Lee spent 18 months in prison before his release on parole a year ago. The decision clears the way for Korea's most prominent business leader to officially take the reins of the world's biggest maker of memory chips and smartphones. Lee's return is regarded as a stabilizing force for a Korean economy buffeted by inflation, market disruption from the war in Ukraine and logistics snarls triggered by China's COVID-19 lockdowns. Rising tensions between the U.S. and China over chip technology also complicate long-term plans for Samsung, which runs major microchip fabrication plants in the two largest economies. Lee apologized to the Korean public on Friday and promised to start anew. Lee has been granted a special pardon effective as of August 15th, the country's independence anniversary. He had initially been sentenced to 30 months for alleged attempts to bribe a sitting president and win government support for his succession. The reinstatement will allow him to rejoin the board at the tech giant, as well as travel overseas for deals. Additionally, the pardon enables Lee to officially regain his leadership role. Under the conditions of his parole, he was prevented from taking up employment for a period of five years and has only been receiving reports from company executives without having a proper board title. Lee is widely expected to expedite major strategic decisions ranging from chipmaking deals to governance reforms.

Samsung - Samsung unveiled the latest generation of its foldable devices on Wednesday, keeping prices steady despite surging costs of materials and shipping. The new Galaxy Z Fold 4, which is about the size of a notepad and opens like one, and Z Flip 4, which is square when closed and opens out to regular smartphone size, come with a suite of incremental upgrades. This year's Fold has a 45% more durable main display with minimized bezels, a slimmer hinge and upgraded cameras both on the back and under the display, Samsung said. Responding to user requests, the company upgraded the battery on the smaller Flip and added a larger max storage option of 512GB. Samsung surprised industry observers a year ago when it launched the Flip 3 at $999, positioning it as a direct competitor to Apple Inc.'s iPhone range and a successor to the Galaxy Note lineup. The company benefited from its aggressive pricing with record sales of its foldable lineup since then and has stated its ambition to bring the category into the mainstream. Samsung is maintaining pricing at the same levels as last year with the Flip 4 and the Fold 4, which is $1,799. Prices are going up for Samsung's accessory lineup, however. The company's new smartwatch, the Galaxy Watch 5, costs $279 and its Galaxy Buds 2 Pro wireless earphones are $229, both $30 more than last year's models. Samsung opens pre-orders on Wednesday and will have its new foldable phones in stores August 26.

Brookfield Asset Management Inc. ("Brookfield") – Brookfield announced financial results for the quarter ended June 30, 2022. Nick Goodman, Chief Financial Officer of Brookfield, stated "We delivered strong results in the second quarter, supported by our resilient global portfolio of inflation protected real assets and record levels of fundraising. We have a record of CA$111 billion of cash and capital available for investment after generating $1.5 billion of net income and $1.2 billion of cash flow. We had asset sales of $21 billion and deployed $20 billion into new investments. The scale, stability and diversity of our business continues to differentiate our franchise with our investors and clients." He continued, "We remain on track to complete the distribution to shareholders and listing of a 25% interest in our asset management business by year end." Excluding the impact of realizations and disposition gains recorded in the prior year, distributable earnings and net income were up approximately 25% versus the prior year quarter. Funds from operations ("FFO") and net income totaled $1.4 billion and $1.5 billion for the second quarter, respectively. The firm's record inflows and capital deployment efforts drove an increase in fee-related earnings, before performance fees, of 30% compared to the prior year quarter. FFO from invested capital nearly doubled during the quarter. This performance supported a 29% increase in cash distributions received from principal investments. The continued strength of Brookfield's asset management franchise and strong performance of its underlying operations resulted in Distributable earnings ("DE") before realizations reaching $1.0 billion for the quarter, representing an increase of 26% compared to the prior year period. Total DE for the quarter and last twelve months totaled $1.2 billion and $4.9 billion, respectively. Brookfield reported record inflows of $56 billion since the end of the last quarter, of which $41 billion was raised during the quarter. Fee-bearing capital was $392 billion as at the end of the quarter, an increase of approximately $13 billion during the quarter and $67 billion over the past year. Brookfield held a final close for its transition fund of $15 billion during the quarter and is finalizing first closes for its sixth private equity flagship fund at $8 billion and its fifth infrastructure flagship fund for $20 billion (in which the Portland Private Income Fund has participated), with each well positioned to grow significantly in the coming months. The current credit environment is leading to a number of attractive investment opportunities within Brookfield's $16 billion opportunistic credit fund. The fund is currently 80% invested and/or committed. Fee-related earnings were $525 million in the quarter, and $2.0 billion for the last twelve months, representing a 21% increase over the last twelve months. Brookfield committed $16 billion and invested $20 billion of capital to acquire new high-quality businesses and assets. This included $8.5 billion to acquire a software business that is embedded in the car dealership business in the U.S., $3 billion of real estate at a significant discount to intrinsic value, a subscription-based residential maintenance business in the UK and subsequent to quarter end, Brookfield's infrastructure business announced a partnership to buy a majority interest in Deutsche Telekom AG's tower business in Germany for €17.5 billion. During the quarter, Brookfield Reinsurance also closed the acquisition of American National for $5.1 billion. Brookfield advanced or completed $21 billion of monetizations, with a robust pipeline ahead and generated $553 million of carried interest during the quarter, increasing accumulated unrealized carried interest by 7%. As at June 30, 2022, Brookfield had a record level of $111 billion of capital available to deploy into new investments.

Nomad Foods Ltd. ("Nomad Foods") – Nomad Foods reported second quarter results, which included revenue growth of 17.0% to €697 million, organic revenue decline of 3.2%, reported profit for the period of €75 million, an adjusted earnings before interest, tax, depreciation and amortization ("EBITDA") increase of 2.9% to €127 million, while the adjusted earnings per share ("EPS") remained unchanged at €0.40. Stéfan Descheemaeker, Nomad Foods' Chief Executive Officer, stated, "I am pleased with our second quarter performance, which saw our overall revenue base rise by 17% and our market share remain steady in a dynamic pricing environment. We are adjusting our business well to inflationary pressures and believe that supply chains are normalizing. However, in light of the continuing war in Ukraine, its collateral risks and European consumer sentiment, we are taking a more conservative posture to full year earnings. We are revising our Adjusted EPS expectation for the year to a range of €1.65 to €1.71 for 2022. Despite our cautious outlook for the year, we believe our business is stronger today than at any other time in our history and we are confident we remain on track to deliver our €2.30 Adjusted EPS target for 2025." Noam Gottesman, Nomad Foods' Co-Chairman and Founder, commented, "Nomad Foods showed extraordinary resilience this quarter, and we continue to recognize compelling near-term and long-term opportunities ahead of us enabled by strong underlying cash flow, our brands and our people. We are focused on execution and have maintained share in a highly competitive market while staying focused on investments in the business, especially the supply chain improvements necessary to navigate this historically difficult environment. Long term, we will remain focused on a disciplined capital allocation strategy to enhance the success of our operating results for shareholders. We remain well-positioned for 2022 and for growth beyond this year." Adjusted gross margin decreased 260 basis points to 28.2%, driven by higher raw material costs offset with higher pricing, and the inclusion of the Fortenova Group's frozen food business acquisition whose gross margins are above that of the base business. Adjusted operating expenses increased 19.1% to €92 million, driven by the inclusion of the Fortenova Group's frozen food business acquisition. The company updated its Adjusted EPS guidance to a range of €1.65 to €1.71 from the previous range of €1.71 to €1.75 for 2022, representing high-single digit Adjusted EPS growth.

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 AG ("Bayer") – An Arbitration tribunal has dismissed BASF Canada Inc. ("BASF") claims that Bayer inadequately reported costs in 2018 business sale. This dates back to when The Monsanto Company divested €7.4 billion of businesses to BASF during acquisition by Bayer. BASF claim costs were understated, which the tribunal has now dismissed. Bayer say a large part of the €3 billion contingent liabilities (off Balance sheet) is BASF arbitration.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Amgen Inc. ("Amgen") – Amgen announced new data from the DeLLphi300 clinical trial, a Phase 1 dose exploration and expansion study evaluating the safety and efficacy of investigational tarlatamab, a potential first-in-class half-life extended bispecific T-cell engager (HLE BiTE) molecule targeting delta-like ligand 3 ("DLL3"), in small cell lung cancer ("SCLC"). Updated data from the ongoing Phase 1 study were presented at the International Association for the Study of Lung Cancer ("IASLC") 2022. In heavily pretreated patients with SCLC (n=106), a population with few treatment options beyond first-line, investigational tarlatamab demonstrated encouraging antitumor activity with notable response durability. Tarlatamab delivered a confirmed overall response rate ("ORR") of 23%, a median duration of response of 13.0 months and a median overall survival ("OS") of 13.2 months. Treatment-related adverse events ("TRAEs") of any grade occurred in 97 patients (92%), and TRAEs grade ≥ 3 occurred in 33 patients (31%). Cytokine release syndrome ("CRS") was primarily grade 1/2, mostly occurred in Cycle 1, rarely occurred in subsequent cycles and was generally manageable. Overall, treatment discontinuation due to treatment-related AEs was low (4%). Based on these data, a potentially registrational Phase 2 study of tarlatamab in the third-line treatment of SCLC is currently enrolling patients. Additional studies investigating tarlatamab are underway, including DeLLphi-303, a Phase 1b study testing tarlatamab in combination with standard of care in first-line SCLC and a Phase 1b study in de novo or treatment-emergent neuroendocrine prostate cancer.

BridgeBio Pharma Inc. ("BridgeBio") – announced that the State of Israel Ministry of Health has approved NULIBRY (fosdenopterin) for Injection as the first therapy in Israel to treat Molybdenum Cofactor Deficiency ("MoCD") Type A with the indication to reduce the risk of mortality for patients with 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 was approved by the U.S. Food and Drug Administration ("FDA") in February 2021 and was BridgeBio's first approved therapy; Medison Pharma Ltd. acquired commercialization rights to NULIBRY in Israel in December 2019; Sentynl acquired global rights to NULIBRY in March 2022. NULIBRY is a substrate replacement therapy that was approved by the U.S. FDA in February 2021 to reduce the risk of mortality in patients with MoCD Type A. The approval by the State of Israel Ministry of Health 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 82% and increased the probability of survival to 84% at three years compared to 55% in the untreated, genotype-matched, historical control group in the natural history study.

Clarity Pharmaceuticals Ltd ("Clarity") – Clarity has signed a supply agreement with 3D Imaging Technology LLC. ("3DI"), a Contract Development and Manufacturing Organisation ("CDMO"), covering Clarity's diagnostic 64Cu SAR-bisPSMA product. The new agreement, effective on August 11, 2022, enables increased production and will create excess capacity in the supply of Clarity's differentiated prostate-specific membrane antigen ("PSMA") product in advance of two potential diagnostic Phase III trials in the U.S., ensuring reliable and seamless supply. 3DI will centrally manufacture and distribute the 64Cu SAR-bisPSMA products from its facility in Little Rock, Arkansas, U.S., located close to the Global FedEx hub. Clarity's 64Cu-based products can be centrally manufactured on existing cyclotrons and distributed broadly with a widespread geographical reach due to a significantly longer shelf-life of Clarity's Targeted Copper Theranostics ("TCT") products. A single cyclotron can supply 64Cu for the entire Phase III diagnostic clinical program. 3DI is a CDMO specializing in radiopharmaceutical development and supplying cyclotron produced radionuclides such as Cu-64, F-18, Zr-89, and I-124. Founded in 2001, 3DI moved to Little Rock, Arkansas in 2007 and opened its current custom built cGMP facility with over 10,000 square feet of office and laboratory space in 2018. Their facility operates a Siemens Eclipse 11 MeV dual beam cyclotron and associated hot cells dedicated to positron emitting radionuclides and custom radiopharmaceutical production.

Clarity – announced that it had expanded the TCTs manufacturing agreement with Evergreen Theragnostics, Inc. ("Evergreen") to include next-generation therapeutic products based on 67Cu SAR-Bombesin for Clarity's planned theranostic trial in the U.S. The new agreement, effective as of August 9th, builds on Clarity and

Evergreen's existing TCTs manufacturing agreement, entered into on 30 September 2021. Evergreen will now centrally manufacture and distribute the following products from its state-of-the-art facility in Springfield, New Jersey, U.S. Evergreen, established in 2019, is a leading U.S.-based radiopharmaceutical CDMO. With a state-of-the-art global GMP facility opened in 2021, Evergreen provides highly reliable manufacturing services for therapeutic and centrally distributed diagnostic radiopharmaceuticals, from early development through commercialization. The company was founded by a team that brings a strong track record in theragnostic radiopharmaceutical commercialization, manufacturing process development, and regulatory affairs management.

Fate Therapeutics, Inc. ("Fate") – Fate reported business highlights and financial results for the second quarter ended June 30, 2022. Revenue was US$18.5 million for the second quarter of 2022, which was derived from the company's collaborations with Janssen Pharmaceuticals and Ono Pharmaceutical Co., Ltd. Cash, cash equivalents and investments as of June 30, 2022 were $580.8 million. Research and development expenses were $81.3 million for the second quarter of 2022, which includes $13.6 million of non-cash stock-based compensation expense. General and administrative expenses were $20.4 million for the second quarter of 2022, which includes $7.0 million of non-cash stock-based compensation expense. Common shares outstanding were 96.9 million, and preferred shares outstanding were 2.8 million, as of June 30, 2022. Each preferred share is convertible into five common shares.

Guardant Health, Inc. ("Guardant Health") – Guardant Health, a leading precision oncology company, announced that the U.S. FDA has approved its Guardant360® CDx liquid biopsy test as a companion diagnostic ("CDx") to select patients with unresectable or metastatic HER2-mutant non-small cell lung cancer ("NSCLC") whose tumors have activating HER2 ("ERBB2") mutations for treatment with ENHERTU® (fam-trastuzumab deruxtecan-nxki), a HER2-directed antibody drug conjugate ("ADC") jointly developed and commercialized by Daiichi Sankyo and AstraZeneca. The approval means that Guardant360 CDx, a next generation sequencing ("NGS")-based assay that detects genomic alterations using circulating tumor DNA from blood, is validated as a CDx assay to identify NSCLC patients who have an activating HER2 mutation (SNVs and exon 20 insertions) and may benefit from treatment with ENHERTU. Mutations in the HER2 gene, also called ERBB2, drive approximately 2-4% of non-squamous NSCLC. Non-small cell lung cancer represents about 82% of all lung cancer, which is the leading cause of cancer death in the U.S. "This is great news for metastatic NSCLC patients with activating HER2 mutations, who now have, for the first time, an approved treatment for their cancer, but also the first blood-based companion diagnostic in Guardant360 CDx," said Helmy Eltoukhy, Guardant Health co-CEO. "We are proud to offer our Guardant360 CDx liquid biopsy as a companion diagnostic so that patients can access comprehensive genomic profiling to see if they are eligible to receive this therapy." For oncologists, the FDA-approved Guardant360 CDx test provides comprehensive genomic results from a simple blood draw in seven days, helping them move beyond the limitations of tissue biopsies to rapidly obtain clinically relevant information in time to match patients to the optimal personalized treatment. Guardant360 CDx covers all genes recommended by the National Comprehensive Cancer Network, including those most relevant to clinical care and NSCLC treatment guidelines. Since being introduced as a laboratory developed test ("LDT"), the Guardant360 test has become widely accepted for blood-based comprehensive genomic profiling with more than 300 peer-reviewed publications. It has been trusted by more than 12,000 oncologists, with more than 300,000 tests performed to date, and is broadly covered by Medicare and many private payers, representing over 200 million lives.

IGM Biosciences, Inc. ("IGM") – IGM announced its financial results for the second quarter ended June 30, 2022 and provided an update on recent developments. For the second quarter of 2022, collaboration revenue was US$0.4 million, compared to no revenue for the same period in 2021. For the second quarter of 2022, research and development ("R&D") expenses were $47.2 million, compared to $30.1 million for the same period in 2021. For the second quarter of 2022, general and administrative ("G&A") expenses were $12.4 million, compared to $8.6 million for the same period in 2021. Net loss was $58.6 million, or a loss of $1.33 per share, compared to a net loss of $38.7 million, or a loss of $1.16 per share, for the same period in 2021. The net loss included non-cash stock-based compensation expense of $11.3 million and $5.6 million for the second quarter of 2022 and 2021, respectively.

POINT Biopharma Global Inc. ("POINT") – POINT announced financial results for the second quarter ended June 30, 2022. As of June 30, 2022, POINT had approximately US$204.3 million in cash, cash equivalents and investments, which is anticipated to fund operations into the first quarter of 2024. Net loss was $24.6 million, or $0.27 net loss per share, for the three months ended June 30, 2022, as compared to a net loss of $8.8 million, or $0.15 net loss per share, for the same period in 2021. Research and development expenses were $20.8 million for the three months ended June 30, 2022, as compared to $6.7 million for the same period in 2021. General and administrative expenses were $4.1 million for the three months ended June 30, 2022, as compared to $1.9 million for the same period in 2021.

RadNet, Inc. ("RadNet") – RadNet today reported financial results for its second quarter of 2022. RadNet reported revenue from its Imaging Centers reporting segment of US$352.8 million and Adjusted EBITDA of $55.5 million, which excludes losses from the artificial intelligence ("AI") reporting segment. As compared with last year's second quarter, revenue increased $18.9 million (or 5.7%) and Adjusted EBITDA decreased $1.7 million (or 3.0%), also excluding provider relief funding received in 2021. RadNet reported net income was $7.9 million as compared with $2.9 million for the second quarter of 2021. Diluted net income per share for the second quarter of 2022 was $0.13, compared with a diluted net income per share of $0.05 in the second quarter of 2021, based upon a weighted average number of diluted shares outstanding of 57.0 million shares in 2022 and 53.1 million shares in 2021. For the second quarter of 2022, as compared with the prior year's second quarter, magnetic resonance imaging ("MRI") volume increased 7.7%, computed tomography ("CT") volume increased 7.0% and positron emission tomography ("PET")/CT volume increased 10.4%. Overall volume, taking into account routine imaging exams, inclusive of x-ray, ultrasound, mammography and other exams, increased 4.5% over the prior year's second quarter. On a same-center basis, including only those centers which were part of RadNet for both the second quarters of 2022 and 2021, MRI volume increased 4.5%, CT volume increased 2.4% and PET/CT volume increased 7.9%. Overall same-center volume, taking into account routine imaging exams, inclusive of x-ray, ultrasound, mammography and other exams, increased 2.2% over the prior year's same quarter.

Telix Pharmaceuticals Ltd. ("Telix") – JPMorgan Chase & Co.'s equities sold a block of about a 3% stake in ASX-listed Telix. The broker launched the block trade after market, seeking bids from $7.25 to $7.40

a share. The deal was priced at a 10.3% discount at the floor price, and 8.4% at the ceiling. The trade was worth $73 million at the floor price. The seller was disclosed as Grand Decade Developments Limited ("Grand Decade"), which had about a 7.6% stake prior to Thursday's block trade. Grand Decade is part of Grand Pharmaceutical Group Ltd. The stake represented half of Grand Decade's shares in the ASX-listed Telix. The rest would be put into a voluntary lockup of at least 12 months, according to terms sent to potential buyers.

ECONOMIC CONDITIONS

U.S. Consumer Price Index stayed flat in July instead of rising 0.2% as per consensus. This came after a 1.3% gain the prior month which was the strongest since 2005. Prices in the energy segment fell 4.6% on declines for fuel oil (-11.0%), gasoline (-7.7%) and utility gas services (-3.6%). The cost of food, meanwhile, sprang 1.1%, one of the strongest progressions recorded in the past 30 years. The core consumer price index ("CPI"), which excludes food and energy, rose 0.3%, two ticks less than the median economist forecasts of +0.5%. Prices for ex-energy services advanced 0.4% as gains for shelter (+0.5%), medical services (+0.4%) were partially offset by a 0.5% drop in transportation services, the latter caused by a 7.8% drop in airline fares. The price of motor vehicle maintenance (+1.1%) and insurance (+1.3%), meanwhile, continued to advance at a steep clip. The cost of core goods, for its part, progressed 0.2%. Prices for new vehicles (+0.6%), medical care commodities (+0.6%) and alcoholic beverages (+0.5%) continued to advance while the used vehicles (-0.4%) and apparel (-0.1%) segments showed declines. Year on year, headline inflation is at 8.5%, down from a 40-year high of 9.1% the prior month and below consensus expectation calling for 8.7%. The 12-month core measure stayed unchanged at 5.9%. On the services side, the CPI report showed a continuation of price gains led by the shelter component (+5.7%, the most since 1991). This remains concerning given that inflation in this category tends to be stickier and should make likely another Federal Reserve rate increase at the September meeting. Added to what has already been done so far, this new tightening will have repercussions on the economy, especially at a time when indebtedness remains very high. Gross domestic product ("GDP") has already fallen in two consecutive quarters and, at this time, the third quarter rebound looks rather subdued. This will surely keep recession talks alive. But we think there is still a way out for the U.S. economy. The condition is that the Federal Reserve halt its tightening sooner than the market expects. For that to happen, inflationary pressures must ease promptly. It's complicated.

UK GDP declined 0.6% month over month ("m/m") in June (market: -1.2%) leaving second quarter GDP growth at -0.1% quarter over quarter("q/q"), slightly better than the consensus and the Bank of England's latest forecast of -0.2%. Services output fell 0.5% m/m, largely driven by a significant 2.9% m/m drop in human health activities due to a further decline in Test and Trace activity. Arts entertainment & recreation and accommodation & food service activities provided some boost to the services sector, consistent with an increase in domestic travel in the month due to the extra bank holidays. Manufacturing production declined 1.6% m/m, slightly better than the consensus looking for a 1.9% fall. Again, the two extra bank holidays did distort this print, and because of this, the May, June, and July GDP releases should be taken into account together when assessing the general picture of the UK economy.

Chinese industrial production and retails sales growth both came in below analysts' expectations. Manufacturing investment slowed while a fall in real estate investment accelerated. China continues to struggle to fight off the impact of strict COVID-19 restrictions.

Japan's second quarter GDP disappointed at +0.5% q/q against forecasts of +0.7%. On an annualized basis that comes in at 2.2% versus the 2.6% expected. Fumio Kishida, Japan's Prime Minister, says the government will draw up more measures in September to deal with the rising inflation issue.

FINANCIAL CONDITIONS

Canada's inverted yield curve is signaling the Bank of Canada may raise interest rates to a level that triggers a recession, placing the central bank in a tough spot as it aims to tame high inflation and engineer a "soft landing" for the economy.

Investors are selling stakes in private equity and venture capital funds this year at the fastest pace on record, as the downturn in equities spreads to the private markets that boomed during the era of low interest rates. Pension and sovereign wealth funds were among those that sold US$33 billion worth of stakes in private funds in the first six months of the year, up from $19 billion in the same period in 2021, according to Jefferies, typically selling them below their face value.

People's Bank Of China unexpectedly cut interest rates by cutting the main rate at which it provides short term liquidity to banks from 2.1% to 2%. The central bank also cut the rate of its one-year lending facility from 2.85% to 2.75% and rolled over CNY 400 billion of maturing 1 year funds at the lower rate of 2.75%.

The U.S. 2 year/10 year treasury spread is now -0.42% and the UK's 2 year/10 year treasury spread is -0.02%. 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 5.22%. 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 19.97 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: *"An investment in knowledge pays the best interest."*
~ Benjamin Franklin

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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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RISK TOLERANCE

Risk tolerance measures the degree of uncertainty that an investor can handle regarding fluctuations in the value of their portfolio. The amount of risk associated with any particular investment depends largely on your own personal circumstances including your time horizon, liquidity needs, portfolio size, income, investment knowledge and attitude toward price fluctuations. Investors should consult their financial advisor before making a decision as to whether this Fund is a suitable investment for them.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. The indicated rates of return are the historical annual compounded total returns including changes in units [share] value and reinvestment of all distributions [dividends] and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. The rates of return are used only to illustrate the effects of the compound growth rate and are not intended to reflect future values of the mutual fund or returns on investment in the mutual fund. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Information presented in this Newsletter should be considered for background information only and should not be construed as investment or financial advice. As each individual's situation is different, you should consult with your own professional investment, accounting, legal and/or tax advisers prior to acting on the basis of the material in the Newsletter. Commissions, management fees and expenses may be associated with investment funds. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated. Please read the prospectus or offering document before investing.

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