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

NEWS HIGHLIGHTS

EST. 2007

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

NOVEMBER 21, 2022

The views of the Portfolio Management Team contained in this report are as of November 21, 2022 and this report is not intended to provide legal, accounting, tax or specific investment advice. Views, portfolio holdings and allocations may have changed subsequent to this date. This research and information, including any opinion, is compiled from various sources believed to be reliable but it cannot be guaranteed to be current, accurate or complete. It is for information only, and is subject to change without notice. The contents of this Newsletter reflect the different assumptions, views and analytical methods of the analysts who prepared them. For Advisor Use Only.

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") - Amazon revealed recently that it is rolling out Amazon Clinic across 32 states in the U.S. Amazon Clinic serves as a virtual health "storefront" and enables users to search, connect, and pay for telehealth care via a marketplace, although the offering does not currently sync with health insurance and pricing can vary depending on providers, conditions, and locations. The launch comes on the heels of Amazon's decision to shut down Amazon Care, the telehealth service that it created for its own employees and had intended to roll out more broadly. Amazon Clinic is serving as a new avenue for penetrating the healthcare market, enabling third parties to leverage Amazon's platform and reach customers while also serving as a funnel for other Amazon operations like Amazon Pharmacy, which fulfills prescriptions and allows users to purchase other over-the-counter drugs. Amazon says its new service fills a gap for providing users with health consultations for less serious issues. "We also know that sometimes you just need a quick interaction with a clinician for a common health concern that can be easily addressed virtually," the company noted in its blog post announcing the service.

Meta Platforms, Inc. ("Meta") - Meta announced that it is launching the XTADIUM app on Meta Quest, which provides 180-degree virtual reality footage in up to 8K video quality. The app was developed by Yerba Buena Virtual Reality, an immersive streaming company, and users can also toggle on real-time statistical overlays as well as choose from eight different camera angles to obtain the best view. XTADIUM is only available in the U.S. currently and will offer live events, on-demand replays, and highlights, and Meta expects more sports content to come to the app in the coming months. Fans will also be able to obtain a ticket to live pay-per-view events or access subscription-only content via authentication from their favorite leagues and networks.

Meta's former policy head for India is set to take a similar role at Samsung Electronics Co., Ltd ("Samsung")'s local unit, people with knowledge of the matter said. Rajiv Aggarwal will take up the position, which entails liaising with and lobbying government officials on domestic policy matters, from December, one of the people said, asking not to be identified because the appointment hasn't been made public. Aggarwal is joining one of the most successful foreign multinationals in India, a top seller of smartphones as well as other electronics. The executive was among several key executives to depart Meta's local operations this year, as U.S. internet giants including Alphabet Inc.'s Google grapple with increasingly stringent oversight of content. Meta, on Tuesday, said Aggarwal and Abhijit Bose, the head of WhatsApp in India, had resigned. The announcement came just a fortnight after Meta's India head Ajit Mohan resigned from the tech giant to join rival Snap Inc. in a key position. Announcing Aggarwal and Bose's exits, Meta said it remained deeply committed to India as its priority and that their resignations were completely unrelated to the recent news cycles, alluding to the U.S. tech giant's move to cut 11,000 jobs or 13% of its workforce globally.

Aggarwal takes up the public policy role at Samsung at a time when Narendra Modi, Indian Prime Minister, has stepped up efforts to make the South Asian nation a force in electronics manufacturing like neighboring China. Samsung has been a key beneficiary of financial incentives that have helped India become the world's second-biggest maker of mobiles. Rival Apple Inc. ("Apple") has also expanded production in India, crossing US$1 billion in iPhone exports this year. Aggarwal's move also coincides with India trying to achieve chip sovereignty by making semiconductors locally, and New Delhi pushing back against Chinese smartphone makers.

Samsung - Samsung said the global technology industry is in search of alternative sources for advanced semiconductors given rising political risks. Speaking at the South Korean company's investor briefing, Sim Sang-pil, the head of corporate planning for its foundry business, laid out ambitious goals for the operation, which competes directly with Taiwan Semiconductor Manufacturing Company Limited ("TSMC"). Samsung expects to increase its foundry capacity by 3.3 times by 2027 compared with 2022. TSMC manufactures the world's most advanced semiconductors, crafting silicon to meet the designs of clients like Apple and NVIDIA Corporation ("NVIDIA"). The world's reliance on that single company, based in Taiwan, which China considers part of its territory, has grown into an area of concern for political leaders in the U.S. and Europe. As geopolitical tensions have risen between the U.S. and China, businesses have been preparing contingency plans in case foreign companies are no longer able to operate in China or there is a military confrontation around Taiwan. Samsung, the world's biggest maker of memory chips, has been investing heavily to compete for logic processor production orders from large-scale customers like Qualcomm Inc. ("Qualcomm") Sim said that Samsung's foundry was a little behind TSMC in 4-nanometer ("nm") and 5nm technology, but it sees an opportunity to catch up in more advanced nodes. Samsung's development of a new iteration of chip design called GAA, is one area where the company thinks it will gain an edge over TSMC and U.S. rival Intel Corporation. Samsung is also working closely with the American government, which passed legislation this year to subsidize development of domestic chip manufacturing. The company is building a new fabrication plant in Taylor, Texas, in large part to supply the domestic U.S. market.

SoftBank Group Corporation ("SoftBank")– Saurabh Jalan, an investing partner at a SoftBank subsidiary, has left the company. Jalan, who joined the Japanese conglomerate in 2015, is on the board of WeWork Inc. ("WeWork"), the co-working company that counts SoftBank as its largest shareholder. SoftBank plans to appoint another director to the WeWork board in coming weeks. A SoftBank spokesman said Jalan departed SoftBank Group International to pursue other opportunities, and declined to comment further. The company last month appointed an executive committee to oversee its second Vision Fund, Latin America funds and future vehicles following a decision by Rajeev Misra, who oversees its first Vision Fund, to step back from some responsibilities in order to establish a new firm, One Investment Management.

Berkshire Hathaway Inc. ("Berkshire") – Berkshire has raised its stakes in each of Japan's five biggest trading houses by at least 1 percentage point to more than 6%, according to regulatory filings. The move is line with Berkshire's statement in 2020 that its investments in the Japanese trading houses were for the long term and the stakes could rise to 9.9%. Japanese regulatory rules require disclosure within five business days when an investor who owns more than 5% of a listed company raises or cuts a stake by 1 percentage point.

Berkshire's increased investments in the trading houses come as it bought more than US$4.1 billion of stock in TSMC, a rare significant foray into the technology sector by billionaire Warren Buffett's conglomerate. TSMC's other foreign investors include U.S. asset managers BlackRock, Inc. and The Vanguard Group, Inc., and Singapore sovereign wealth fund GIC Private Limited. Berkshire also disclosed new stakes of $297 million in building materials company Louisiana-Pacific Corporation and $13 million in Jefferies Financial Group Inc. It exited an investment in STORE Capital, a real estate company that agreed in September to be taken private. While Berkshire does not normally make big technology bets, it often prefers companies it perceives to have competitive advantages, often through their size. TSMC, which makes chips for the likes of Apple, Qualcomm and NVIDIA, posted an 80% jump in quarterly profit last month, but struck a more cautious note than usual on upcoming demand. Berkshire disclosed the TSMC stake about two and a half months after it began reducing a decade-old, multi-billion dollar stake in BYD Co. Ltd., China's largest electric car company. In the third quarter, Berkshire added to its stakes in Chevron Corporation, Occidental Petroleum Corporation, Celanese Corporation, Paramount Global and RH. It also sold shares of Activision Blizzard, Inc., The Bank of New York Mellon Corporation, The General Motors Company ("General Motors"), The Kroger Company and U.S. Bancorp.

Workers at the largest U.S. rail union voted against a tentative contract deal reached in September raising the possibility of a strike in the coming weeks that could cause significant damage to the U.S. economy. Train and engine service members of the transportation division of the International Association of Sheet Metal, Air, Rail, and Transportation Workers ("SMART-TD") narrowly voted to reject the deal, while members of the Brotherhood of Locomotive Engineers and Trainmen ("BLET") voted to ratify the agreement and SMART-TD yardmasters voted to ratify their national agreement. The split vote by the two largest unions representing conductors and engineers could put pressure on Congress to intervene to prevent a strike ahead of the holiday season. "The ball is now in the railroads' court. Let's see what they do. They can settle this at the bargaining table," said Jeremy Ferguson, SMART-TD President in a statement. "This can all be settled through negotiations and without a strike." The railroads showed no sign of being willing to reopen talks and said "Congress may need to intervene – just as it has in the past – to prevent disruption of the national rail system." Beginning on December 9, SMART-TD would be allowed to go on strike or the rail carriers would be permitted to lock out workers — unless Congress intervenes. If there is a strike by any of the unions that voted against the deal, BLET and other rail unions that have ratified agreements have pledged to honor picket lines. The U.S. Chamber of Commerce said Congress should step in to prevent a potential rail disruption, warning it would be catastrophic for the economy. Automaker General Motors has said a halt would force it to stop production of some trucks within about a day. A rail shutdown could freeze almost 30% of U.S. cargo shipments by weight, stoke inflation, cost the American economy as much as $2 billion per day and unleash a cascade of transport woes affecting U.S. energy, agriculture, manufacturing, healthcare and retail sectors. The deal included a 24% compounded wage increase over a five-year period from 2020 through 2024 and five annual $1,000 lump sum payments. The unions represent 115,000 workers at railroads, including Union Pacific, Berkshire's Burlington Northern Santa Fe, CSX Corporation, Norfolk Southern Corporation and The Kansas City Southern railway Company. Labor unions have criticized the railroads' sick leave and attendance policies and the lack of paid sick days for short-term illness. The railroads say the deal has the most "generous wage package in almost 50 years of national rail negotiations".

Brookfield Asset Management Inc. ("Brookfield") – Circular economy investor Closed Loop Partners, LLC ("CLP") announced the launch of Circular Services, a developer and operator of recycling and reuse infrastructure, established with over 1 million tons of annual recycling capacity across the U.S. The platform, which will be majority-owned by CLP is launching with US$700 million in backing from Brookfield, including a $200 million initial investment, and $500 million committed for growth opportunities. The Partnership Fund for New York City is also joining as an investor. According to CLP, the new platform is being launched as zero-waste goals become a top-priority for cities across North America, with the expansion of recycling and reuse services enabling municipalities and businesses to avoid landfill costs and achieve emissions reduction goals. Circular Services will be the largest privately held recycling company in North America, owning and operating municipal recycling facilities across the U.S., major municipal and commercial contracts to recycle and reuse paper, metal, glass, plastic, organics, textiles and electronics in states including New York, New Jersey, Pennsylvania, Arkansas, Florida, Texas and Arizona. The company owns or operates twelve facilities, several long-term municipal and commercial contracts, and has a pipeline of growth opportunities. Brookfield's commitment marks the first circular economy-focused investment by its Brookfield Global Transition Fund ("BGTF"). Launched last year, the fund raised $15 billion, making it the largest private equity fund to date dedicated to facilitating the global transition to a net-zero carbon economy.

Reliance Industries Limited ("Reliance") – Jio Platforms ("Jio") is now the only operator to provide 5G services across Delhi-National Capital Region ("NCR"), including Delhi, Gurugram, Noida, Ghaziabad, Faridabad and other major locations. Jio is rolling out its 5G network at a rapid pace, now covers major parts of this geography. This transformational network will be present across all important localities and areas including, but not limited to most residential areas, hospitals, schools, colleges and universities, government buildings, malls and markets, footfall fields, areas such as tourist spots and hotels, tech-parks, roads, highways and metros. Millions of Jio users in Delhi-NCR are already enjoying the unlimited data package at up to 1 Gigabit per second + speeds, at no additional cost. That offer is possible because of stand-alone 5G architecture with zero dependency on 4G network, the largest and best mix of 5G spectrum across 700 MHz, 3500 MHz, and 26 GHz bands. The carrier aggregation approach seamlessly combines these 5G frequencies into a single robust data highway using an advanced technology.

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

Vodafone Group plc ("Vodafone") - Vodafone announced in-line revenue trends with organic service revenue growth steady sequentially at 2.5% year over year ("y/y") at the group level but slowed in Europe to -0.2% (first quarter +0.5%), i.e. 40 basis points ("bp") worse than consensus. More importantly, earnings before interest, tax, depreciation, and amortization ("EBITDA") was 4% below consensus (underlying EBITDA -1% y/y). Some of the decline in EBITDA is related to one-offs and group EBITDA fell 1.2% y/y excluding the impact of the Italy settlement in the prior year period. Nonetheless, a 7% y/y decline in Germany EBITDA is very poor and far worse than the low single digit decline that had been expected. There are some encouraging operational Key performance Indicators ("KPI") in Germany (contract adds 65,000 versus 6,00 last quarter, broadband losses -17,000 versus -64,000 last quarter) and some of the decline relates to one-offs in the first half of 2022 fiscal year. But the weakness in Germany remains an acute operational headwind, in our view, given the unit contributes ~40% of Operating Free Cash Flow ("FCF"). Outside Germany the performance was mostly steady to a bit worse: UK had sustained strong service revenue at 7% y/y with 7% EBITDA growth; Italy service revenue declines worsened slightly from -2% y/y to -3% y/y. EBITDA growth ex one-offs worsened from the second half of fiscal year 2022 -2% y/y to -7% y/y in the first half of fiscal year 2023 and; Spain service revenue weakened from -3% y/y to -6% y/y but the first half of fiscal year 2023 EBITDL was steady y/y (second half of fiscal year 2022 -2%). Vodafone cut guidance for fiscal year 2023 EBITDA by 1% (at the mid-point; guidance €15.0-15.2 billion vs €15.0-15.5 billion previously) and by 4% for fiscal year 2023 FCF (€5.3 billion versus €5.1 billion previously). The revised guidance is in line with consensus (€15.1 billion and €5.1 billion respectively) suggesting that some of the first half of fiscal year 2023 miss was simply phasing related.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

GO TO ITM AG INVESTMENT TRUST[1]

GO TO ITM AG INVESTMENT LP[1]

Amgen Inc. ("Amgen") – Early data from a trial of Amgen's new drug treatment for obesity shows promising results. Amgen announced that participants in the trial lost up to 15% of their weight and that it plans to accelerate development of the drug. In 2017, nearly 42% of American adults were obese, which means this drug should have a large potential market and provide real help to tens of millions of people in the U.S. alone.

Clarity Pharmaceuticals Ltd. ("Clarity") – Clarity announced the approval of its Investigational New Drug ("IND") application by the United States Food and Drug Administration ("U.S. FDA") to evaluate its SAR-Bombesin product for identification and treatment of metastatic castrate-resistant prostate cancer (mCRPC). This IND gives Clarity clearance to proceed with a U.S.-based Phase I/IIa 64Cu/67Cu SAR-Bombesin theranostic trial for identification and treatment of mCRPC that is expressing the Gastrin-Releasing Peptide receptor ("GRPr"). COMBAT (Copper-67 SAR Bombesin in metastatic castrate resistant prostate cancer) is a dose escalation study with a cohort expansion. The aim for the study is to determine the safety and efficacy of 67Cu-SAR-Bombesin in participants with GRPr-expressing mCRPC in patients who are ineligible for therapy with 177Lu-PSMA-617. "This trial with SAR-Bombesin marks our third therapy program, and sixth program overall, in the Targeted Copper Theranostic pipeline that is progressing through clinical trials in the U.S. Receiving clearance from the FDA is yet another significant milestone for the Company as it continues to showcase the capabilities of Clarity's small but high performing team in developing next-generation theranostics from the benchtop, through preclinical studies and into clinical trials in the largest pharmaceutical market in the world. This is Clarity's fifth IND, highlighting our strategy of developing radiopharmaceuticals for the very large U.S. market." said Dr. Alan Taylor, Clarity CEO.

ECONOMIC CONDITIONS

Canadians see consumer price pressures stuck at elevated levels over the next two years despite higher interest rates, suggesting policymakers still have plenty of work to do to rein in inflation. The median response in a new Bloomberg poll by Nanos Research Group is for a headline rate of 7% in 12 month's time. In two years, it's seen at 5% -- casting doubt on the Bank of Canada's most recent quarterly forecast, which shows inflation returning to its 2% target by the end of 2024.

Canada's Consumer Price Index ("CPI") increased 0.7% in October, below consensus expectations calling for a 0.8% print (not seasonally adjusted). This comes after a 0.1% increase the prior month. In seasonally adjusted terms, headline prices were up 0.6%. Prices increased in all categories, namely transportation (+1.6%), shelter (+0.8%), alcohol/tobacco (+0.5%), health/personal care (+0.5%), food (+0.4%), recreation/reading (+0.4%) and clothing/footwear (+0.3%). Year on year, headline inflation was unchanged at 6.9%. Although the inflation data came in below consensus expectations, the price increase was strong enough to keep annual inflation at 6.9% in October. The lack of progress should not be surprising given the 9.2% rebound in gasoline during the month after four consecutive months of decline. Heating cost also registered steep price increases. Still, there is some good news when looking at the details of the report. Food rose 0.4% on a seasonally adjusted basis, which is still an uncomfortably high number but the smallest growth in four months. Excluding food and energy, prices rose just 0.2% over the month, the smallest increase in 20 months.

U**.S. retail sales** climbed 1.3% in October after stalling a month earlier, as consumer demand for goods stayed healthy despite high inflation. The better-than-expected gain marks the fastest pace in eight months. Purchases at motor vehicle and parts dealers rose 1.3% amid easing supply chain snags and gas station receipts jumped for the first time in four months, up 4.1% on higher prices. Excluding autos and gas, sales were up 0.9%, with broad-based gains suggesting consumers remain resilient despite risks of a looming recession. Sales for building materials jumped 1.1% in the face of higher borrowing costs, while furniture purchases also gained 1.1%. Restaurant receipts rose, though largely due to higher services costs. Importantly, the control measure (ex-food services, autos, gas, and building materials) climbed by a solid 0.7% after an upwardly revised 0.6% gain. This figure feeds directly into Gross Domestic Product ("GDP") estimates and flags a healthy start for fourth quarter household consumption. Compared to a year ago, sales climbed 8.3% as a robust job market continues to support consumers, though much of the increase reflected higher prices (CPI +7.7%). In summary, consumers—the biggest engine of the U.S. economy—are still holding up. Strong job and wage growth are shoring up households, despite still-high inflation, tightening financial conditions, and a weaker economy.

U.S. housing starts fell 4.2% to 1.425 million in October. That comes after a revised 1.3% drop a month earlier, better than the 8.1% decline initially reported. Construction of single-family homes plunged 6.1% to the lowest level since May 2020, while volatile multi-units declined 1.2%. Starts fell in most regions though the densely populated South managed to climb 6.7%. Meantime, building permits fell 2.4% to 1.526 million, amid dwindling confidence in the housing market. Looking ahead, weaker construction is likely amid prices that are still elevated, a cloudy economic outlook and mortgage rates that have topped 7%.

U.S. existing home sales fell for the ninth straight month as conventional mortgage rates remained elevated in October. The decline was slightly better than expected, as sales of existing homes only slid 5.9% to 4.43 million units annualized (consensus was for a 7.3% drop). However, that's still the lowest level of activity since 2011 (excluding the pandemic). The report was weak across the board, as sales in all regions saw month-over-month and year-over-year declines, ranging from 4.8% month over month in the South, to 9.1% on the West Coast. There was similar weakness across property types as singles fell 6.4% and condos dropped 2.0%. Median prices dropped for the fourth month in a row, and are now more than 8% below their peak earlier this year. Limited housing inventory remains the primary supportive factor in the market. Months supply increased only modestly to 3.3 and is likely to remain contained in the months ahead, as elevated mortgage rates are discouraging households from upgrading and freeing up more inventory. That puts more pressure on new-home construction to expand supply, but that isn't fairing much better against the rising tide of rates. The combination of high prices and elevated rates is pushing many first-time buyers out of the market. Their share of sales fell to 28% in October and according to the National Association of Realtors will average 26% this year—the lowest share ever recorded.

U.S. industrial production fell 0.1% in October, leaving it 3.3% above its year-ago level. Moreover, the previously sturdy 0.4% gain in September was revised down to just 0.1%. While industrial production remains above trend, the revisions indicate that growth has slowed significantly since the Fed begin its hiking cycle this spring—the overall index has risen just 0.4% since April. However, the details of the report were stronger than the weak headline suggests. Manufacturing output increased 0.1% with motor vehicles and parts leading the way (+2.0%). Weighing down the headline reading was a 0.4% decline in mining output and a 1.5% drop in utilities. Even though nondurable goods production fell in October, energy-related sectors were also to blame there, as petroleum and coal products sank 1.9%. Rising rates are also starting to weigh on more interest rate sensitive parts of the economy (e.g., housing), as wood products output fell 2.5% - the third consecutive decline of more than 2%.

UK employment data saw 74,000 new jobs and last month's gains grow to 94,000 from the previous 69,000 reading. The average earnings ex-bonus rose to 5.7%, but real earnings remained negative as total real pay dropped 2.6% y/y.

UK CPI showed inflation hit its highest level since Oct 1981 at 11.1% y/y (expectations were at +10.7%). The core number came in at 6.5% y/y while food and drink prices climbed a massive 16.4% y/y and hits its biggest increase since 1977.

FINANCIAL CONDITIONS

The new chief executive of FTX, an insolvency professional who oversaw the liquidation of Enron Corporation, has said that the bankruptcy of the cryptocurrency exchange group is the worst case of corporate failure he has seen in more than 40 years. John Ray III, who was appointed to run the FTX bankruptcy, said in a U.S. court filing that he had never seen "such a complete failure of corporate controls and such a complete absence of trustworthy financial information"…FTX, which has filed for U.S. bankruptcy court protection, said it owes its 50 biggest creditors nearly US$3.1 billion.

The U.S. 2 year over 10 year treasury spread is now -0.72% and the UK's 2 year over10 year treasury spread is 0.0%. 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 6.56%. 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 volatility index("VIX") is 22.71 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

And finally: *"No problem can withstand the assault of sustained thinking." ~Voltaire*

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

Individual Discretionary Managed Account Models - SMA

Net Asset Value:

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

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

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

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

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

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

PIC22-058-E(11/22)