MARCH 27, 2023

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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 sees Colombian delivery app Rappi Inc. (Rappi) going public as soon as the end of this year or early next year if global markets stabilize, according to Juan Franck, managing partner of the SoftBank Latin America Fund, which has invested in Rappi and many other start-ups in the region. The window shut with markets cooling amid interest rate increases, he said in an interview in Mexico City. When it opens up again, which Franck estimates could happen by the end of the year or in early 2024, at that moment, he believes many of SoftBank portfolio companies that are on a clear path to profitability will consider a public listing. The list also includes Kavak, Creditas Solucoes Financeiras Ltda., MadeiraMadeira, Unico Inc. and PayClip, Inc., he said. Back in 2021, Juan Pablo Ortega, Rappi co-founder, had targeted the first half of 2022 for an initial public offering (IPO). The delivery app was valued at US$5.25 billion in 2021. It's also backed by Sequoia Capital, Andreessen Horowitz and Tiger Global Management, LLC. SoftBank has already invested about $7.4 billion of a total $8 billion it plans to invest in the region as part of its Latin America fund. When it spends the remaining $600 million, Franck said the fund he manages will have access to $50 billion allocated in the Vision Fund II.

Israel-based social trading platform eToro Group Ltd (eToro) completed a $250 million funding round that values it at $3.5 billion, the company said in a statement on Tuesday. Investors including ION Trading Ireland Limited, SoftBank Vision Fund 2 and Velvet Sea Ventures participated in the round, which was an advance investment agreement reached in February 2021 as part of a proposed merger with a blank-check company that was later abandoned, eToro said. FinTech Acquisition Corp. V and eToro mutually agreed eight months ago to terminate a proposed $10.4 billion deal to take the trading platform public as the U.S. Securities and Exchange Commission cracked down on special purpose acquisition companies.

Alphabet Inc. (Alphabet) - Alphabet is opening its Bard AI platform to a limited number of users in the U.S. and UK who can now experiment with the generative AI product. According to a blog post, Alphabet said that it will expand availability to Bard over time to more countries and languages. "You can use Bard to boost your productivity, accelerate your ideas and fuel your curiosity. You might ask Bard to give you tips to reach your goal of reading more books this year, explain quantum physics in simple terms or spark your creativity by outlining a blog post. We've learned a lot so far by testing Bard, and the next critical step in improving it is to get feedback from more people," said the company. Alphabet said it would cap the number of exchanges in a dialogue "to try to keep interactions helpful and on topic," however, it will not limit the number of daily chats. Each prompt will produce three different drafts from Bard as a response, and Alphabet hopes to use this testing phase to understand how users are engaging with the platform.

Meta Platforms, Inc. (Meta) - Meta is rolling out two new tools on Instagram designed to open up additional avenues for advertising. Specifically, the company is beginning to test ads in search results to reach people actively searching for businesses, products and content, and ads will display in the feed that people can scroll when they tap into a post. Following the testing phase, Meta plans to launch ads in search results globally in the coming months, and users will be able to tell the difference between ads and regular posts through "sponsored" labels that will appear under the account's name. Separately, Instagram is also launching "reminder ads" which will make it easier for businesses to remind and notify users of future events or launches they might be interested in. Users will be able to opt into reminders and receive three notifications from Instagram. Meta is rolling out these features among other initiatives to boost advertising business amidst an uncertain macroeconomic backdrop.

Reliance Industries Ltd. (Reliance) - Piramal Realty, the real estate arm of the Piramal Group (Piramal) and Jio-bp, a fuel and mobility joint venture between Reliance and BP plc announced their partnership to provide world-class electric vehicle (EV) charging solutions across all Piramal's residential projects in the Mumbai Metropolitan Region. As part of this partnership, customers and visitors to Piramal's residential projects will be able to charge their electric vehicles seamlessly at Jio-bp pulse EV charging stations at sites with the Jio-bp pulse mobile app. The availability of EV charging infrastructure within its residential complexes ensures convenient charging of electric vehicles and boosts the confidence of potential EV buyers. Within few years of operations, Jio-bp has constructed and launched many of India's largest EV fleet charging hubs along with hundreds of public charge points in various cities and major highways across the country. Besides fixed charging, Jio-bp also offers Battery Swapping services through its large network of Battery Swapping Stations. With Jio-bp's state-of-the-art mobile app having Industry leading features and functionalities, EV customers can seamlessly avail both charging services. To give impetus to the EV adoption in the country, Jio-bp is working together with demand aggregators, original equipment manufacturers and technology partners. Backed by industry-wide partnerships and their rapidly expanding footprint, Jio-bp is on path to providing the widest, most reliable, and completely differentiated charging network at best value for money to Indian EV customers.

Ares Management Corporation (Ares) – Ares, a leading global alternative investment manager, and Mubadala Investment Company PJSC (Mubadala), a global sovereign investor, announced the formation of a joint venture to invest in global credit secondaries opportunities. The joint venture, anchored by Mubadala, will initially aim to deploy approximately US$1 billion as it seeks to capitalise on the anticipated growth and substantial demand from General and Limited Partners for customised liquidity solutions for the credit secondaries asset class. The joint venture is anticipated to scale alongside the growing market opportunity. The joint venture represents a key milestone for both organisations and will enhance Mubadala's positioning within the secondaries credit market, while enabling Ares to significantly scale its offering. The newly established strategy is a natural extension of Ares' leading Credit and secondaries platforms, which respectively had approximately $214 billion and $22 billion of assets under management as of December 31, 2022. By leveraging Ares' track record and Mubadala's global footprint, the joint venture will benefit from access to a broader network, differentiated market intelligence, and new transaction opportunities. Beginning in 2017, Ares and Mubadala have established a long-standing strategic relationship investing across the full spectrum of the credit sector.

Brookfield Asset Management Ltd. (Brookfield) – Brookfield is reportedly in exclusive talks to acquire a majority stake in Data4 Services (Data4), in a deal that could value the data center operator at close to 3.5 billion euros (US$3.8 billion) including debt. If negotiations and financing arrangements are concluded successfully, a deal could be announced as early as next week. Headquartered in Paris, Data4 operates at least 25 data centers across France, Italy, Spain and Luxembourg, according to its website. Its customers include cloud operators and companies. AXA Investment Managers acquired Data4 in 2018 for an undisclosed sum. In 2020, it sold a 20% stake in Data4 to Danish pension fund PFA. Investment interest in data centers has spiked as the inflation-adjusted contracts many of them enjoy have made them attractive assets in an environment of soaring prices.

American investment firm KKR & Co. Inc. (KKR) has agreed to divest its 50% stake in Spanish renewable energy firm X-ELIO Energy, S.L. (X-ELIO) to its joint venture partner Brookfield for an undisclosed sum. Established in 2005, X-ELIO has been engaged in the development, construction and financing of solar Photovoltaic plants, storage and hydrogen projects across the globe. KKR made its first investment in X-ELIO in 2015 and Brookfield acquired a 50% stake in 2019. With this deal, Brookfield will become X-ELIO's sole owner. Tara Davies, KKR European Infrastructure co-head said: "Since KKR's initial investment eight years ago, we have helped X-ELIO transform into a global leader in sustainable energy development." As a firm, we have been a long-term investor in energy transition. We are focused on continuing to identify the right opportunities to support companies with the right resources, and seeking to play a leading role in this space." I'm proud of what we have been able to accomplish together, and wish X-ELIO continued success on this exciting journey." Since its inception, X-ELIO has built or developed 3 gigawatts of renewables projects across five continents and has more than 10 gigawatts of advanced near-term pipeline. Subject to customary closing conditions, the deal is expected to close in second half of 2023. Ignacio Paz-Ares, Brookfield Renewable European Renewable Power and Transition Investments head said: "X-ELIO is a business we know well following our initial investment and we are thrilled to continue to support this leading global platform with significant growth ahead." This transaction is very much aligned with Brookfield's strategy as a leading owner, operator and developer of renewables worldwide, driven by the incredible tailwinds for this sector."

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

Novartis AG (Novartis) - Novartis reported positive topline results from its Natalee breast cancer trial. Natalee is a global Phase III multi-centre, randomized, open-label trial to evaluate the efficacy and safety of Novartis's Kisqali breast cancer drug with endocrine therapy (ET) as adjuvant treatment versus ET alone in patients with early breast cancer. Being conducted in collaboration with Translational Research in Oncology, the trial found that Kisqali significantly reduced the risk of disease recurrence when used with standard endocrine therapy compared to endocrine therapy alone.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

GO TO ITM AG INVESTMENT TRUST[1]

GO TO ITM AG INVESTMENT LP[1]

BridgeBio Pharma Inc. (BridgeBio) – BridgeBio announced the company's novel validated muscle tissue-based bioassay, which measures the amount of glycosylated DG in patients with Limb-girdle muscular dystrophy type 2I (LGMD2I), a form of limb-girdle muscular dystrophy, at the Muscular Dystrophy Association2023 Annual Meeting. Additionally, BridgeBio shared updated results at Month 15 for its Phase 2 clinical trial and the design for its pivotal Phase 3 study for patients with LGMD2I. The novel bioassay was developed by BridgeBio to measure the amount of glycosylated DG, and to evaluate the impact of BBP-418 treatment. When deficient, glycosylated DG is the direct cause of muscle breakdown in LGMD2I. The bioassay allowed the company to evaluate natural history and Phase 2 data to inform the Phase 3 study design. The planned Phase 3 registrational study in patients with LGMD2I is designed as a randomized, placebo-controlled, double-blind two-arm study comparing the effect of BBP-418 to standard of care. Key measures include glycosylated- DG using the validated bioassay and changes in the North Star Assessment for Limb-girdle muscular dystrophy (NSAD) scores and ambulatory measures over a 36-month period.

BridgeBio announced that the first patient with non-small cell lung cancer (NSCLC) has been dosed in its Phase 1/2 clinical trial of BBP-398, an investigational protein tyrosine phosphatase 2 (SHP2) inhibitor, with Bristol-Myers Squibb Co.'s OPDIVO (nivolumab) in advanced solid tumors with KRAS mutations. KRAS mutations occur in approximately 27% of NSCLC cases and approximately 17% of malignant solid tumors. By combining SHP2 inhibition with KRAS inhibition in patients, there is potential to prevent oncogenesis and overactive cellular proliferation. The Phase 1 study will include a dose escalation period followed by dose expansion, and is designed to evaluate the safety, tolerability, pharmacokinetics, pharmacodynamics and preliminary efficacy of BBP-398 in combination with OPDIVO. Both the dose escalation and expansion periods will enroll patients who were unresponsive to standard of care with advanced NSCLC with a KRAS mutation. The dose expansion period will evaluate the antitumor activity of BBP-398 in combination with OPDIVO. In May 2022, BridgeBio entered into an exclusive license agreement with Bristol Myers Squibb Co. to develop and commercialize BBP-398 in oncology worldwide, except for in mainland China and other Asian markets. These territories are part of BridgeBio's separate strategic collaboration with LianBio announced in 2020. The 2022 agreement with Bristol Myers Squibb Co. expands upon the earlier agreement between the companies signed in 2021 to investigate the combination of BBP-398 with OPDIVO (nivolumab) in patients with advanced solid tumors with KRAS mutations. Additionally, BridgeBio has a non-exclusive clinical collaboration with Amgen, Inc. to evaluate the combination of BBP-398 with LUMAKRAS in patients with advanced solid tumors with the KRASG12C mutation. BBP-398, as a monotherapy or in combination with other targeted therapies, could potentially be a promising therapy for patients with KRAS mutations. Initial Phase 1 data from the ongoing BBP-398 trial is expected in 2023.

Guardant Health Inc. (Guardant) – Guardant announced support for an investigator initiated study led and conducted by The Ohio State University Comprehensive Cancer Center – Arthur G. James Cancer Hospital and Richard J. Solove Research Institute (OSUCCC – James) to evaluate patient compliance with a blood-based test for colorectal cancer (CRC) screening. In this study, The Ohio State University Guardant Shield Colorectal Cancer Screening Project, individuals from minority and underserved populations aged 45 and older who are in need of CRC screening will have the option to receive the Shield blood test, administered by a mobile phlebotomist, as part of their engagement with a community health van. Integrating Shield into mobile health services will allow health care providers to bring blood-based screening directly to communities making it accessible for eligible individuals who are not compliant with CRC screening. Colorectal cancer is the second leading cause of cancer related death in the U.S. Although CRC screening has been shown to improve survival rates, one in three adults have not completed the recommended CRC screening. With a simple blood draw, the Shield test can assist in removing barriers associated with established CRC screening methods because it requires no special preparation, no sedation, no dietary changes, and no extra time away from family or work, and it can be completed as part of any patient office visit. Shield test performance was recently clinically validated by the ECLIPSE Study – one of the largest cancer screening studies of its kind – and achieved 83% sensitivity for the detection of CRC. Since the launch of Shield, it has shown approximately 90% adherence demonstrating the value of blood-based screening in a real-world clinical setting.

POINT Biopharma Global Inc. (POINT) – POINT announced financial results for the fourth quarter and full year ended December 31, 2022. Cash, cash equivalents and investments were US$541.3 million as of December 31, 2022, which is anticipated to fund operations into fiscal 2026. Net income was $163.3 million, or $1.55 and $1.53 net income per basic and diluted share, respectively, for the quarter ended December 31, 2022. Net loss was $14.2 million, or $0.16 net loss per basic and diluted share, for the quarter ended December 31, 2021. Net income was $98.3 million, or $1.04 and $1.02 net income per basic and diluted share, respectively, for the year ended December 31, 2022, as compared to a net loss of $45.9 million, or $0.62 net loss per basic and diluted share, for the same period in 2021. Research and Development expenses were $27.9 million for the quarter ended December 31, 2022, as compared to $9.5 million for the same period in 2021. Research and Development expenses were $82.1 million for the year ended December 31, 2022, as compared to $33.5 million for the same period in 2021. General and administrative expenses were $7.3 million for the quarter ended December 31, 2022, as compared to $4.6 million for the same period in 2021. General and administrative expenses were $19.0 million for the year ended December 31, 2022, as compared to $12.0 million for the same period in 2021.

ECONOMIC CONDITIONS

Canada's Consumer Price Index (CPI) increased 0.4% in February, less than consensus expectations calling for a 0.5% gain (not seasonally adjusted). In seasonally adjusted terms, headline prices were up 0.1% coming after a 0.3% increase the prior month. This translated into a 5.2% annual inflation, a 7-tick deceleration from the month before. Prices increased in 6 of the 8 categories surveyed, namely household operations (+0.9%), clothing/footwear (+0.7%) and food (+0.6%). Meanwhile, prices decreased in the transportation (-0.6%) and recreation/education (-0.2%) categories. Annual inflation was below the national average in Alberta (3.6%) and Ontario (5.1%), while it was above that mark in Québec (5.6%) and British Columbia (6.2%). Core inflation measures were as follow: 4.8% for CPI trim (down two ticks from last month) and 4.9% for CPI median (down one tick). As a result, the average of the two measures decreased from 5.0% to 4.9%.

U.S. existing homes sales exceeded expectations, surging 14.5% to 4.58 million annualized in February. That snapped the longest stretch of declines on record. Aside from the major swings seen during the summer of 2020, the 14.5% gain marks the biggest jump on record. Even sales of single-family homes catapulted 15.3%, the biggest ever (aside from the pandemic era). All regions saw a boost, with the West (+19.4%), South (+15.9%) and Midwest (+13.5%) posting double-digit gains, while the Northeast climbed 4%. The median selling price edged down 0.2% year over year to US$363,000, the first annual drop in 11 years. Meanwhile, the number of homes available for sale held steady at 980,000. At the current pace, it would take 2.6 months to sell all those homes on the market—slightly less than 2.9 months reported in January. This is still a tight market. In our opinion, sales will still remain relatively low this year if the economy slips into a mild recession.

U.S. durable goods orders fell 1.0% in February (consensus +0.2%), doubling-down on the now 5.0% drop last month. The decrease in headline was driven by transportation, which sank 2.8% after plunging 14% in January, and defense orders (-7.3%). Aircraft orders (from Boeing Co.) were fairly weak in February with only 5 gross orders from a single customer. Not a strong start to the year but the Federal Reserve is looking for activity to cool in order to bring inflation back to target. Excluding transportation, orders were flat, with primary metals, fabricated metals, and electrical equipment all trending higher in February.

FINANCIAL CONDITIONS

The U.S. Federal Reserve Open Markets Committee (FOMC) in one of the most widely-anticipated and uncertain meetings in recent memory, opted to raise the target range for the federal funds rate by 25 basis points. There wasn't a unanimous consensus from forecasters but this was discounted as the most likely outcome. This ninth straight rate increase brings the target range for the federal funds rate to 4.75 to 5.00%. The Fed will continue to reduce its holdings of Treasuries and Mortgage Backed Securities pursuant to a pre-existing program and subject to monthly caps for both Treasuries (US$60 billion/month) and agency Mortgage-Backed Securities ($35 billion/month). The interest rate on reserve balances increased an equivalent 25 basis points to 4.90%. There were no dissenters in the decision.

When it comes to stresses in the U.S. banking sector, the statement notes that the "U.S. banking system is sound and resilient". However, recent developments are "likely to result in tighter credit conditions" even though the extent of this is "uncertain". The characterization of the economy/inflation was upgraded as they note job gains have "picked up" and are running at a "robust pace". Meanwhile, the acknowledgement that inflation has "eased somewhat" is gone from the statement. The statement stresses that the Committee "remains highly attentive to inflation risks". As such, they anticipate that "some additional policy firming may be appropriate" (they'd previously signaled "ongoing increases"). They'll "closely monitor" incoming data/information to guide that view.

One of the key focuses leading up to the decision was the Federal Reserve's updated dot plot. Just a few weeks ago, economists expected the central bank to signal additional rate hikes beyond those flagged in December. No need to say that the banking crisis that unfolded in the past few days turned these expectations on their head, with markets moving to price rate cuts as soon as June at some point. In the end, the dot plot published today was not that different from the one presented three months ago. While a few dots moved higher in 2023, the median projection still saw rates culminating at 5.125% at the end of the year. On a more distant horizon, policymakers still expected policy rates to drop, but slightly less so than in their previous estimate. They saw policy rates go down to 4.25% at the end of 2024 (against 4.125% in the December dot plot) and 3.125% at the end of 2025 (unchanged). The points remained widely dispersed in the two most distant years of the horizon, a sign of the high level of uncertainty surrounding these forecasts.

The Bank of England moderated its pace of rate hikes this month, lifting its Bank Rate 25 basis points to a 14 and a half-year high of 4.25%. This was the eleventh hike in a row, but the smallest move since last summer. Even before the recent developments in global financial markets, this was not expected to be an easy decision, given that there was — and still is — plenty of debate within the Committee. But the Bank is likely not finished, particularly as it now expects an increase in second quarter real gross domestic product, citing comments from the Bank's agents (that activity was holding up better than the expected), and a still-tight labour market. So the economy can deal with higher rates. But inflationary pressures are still expected to "fall significantly" in the second quarter, and as "wage growth was likely to fall back somewhat more quickly" compared to what was expected in February. It was also noted that much of the upside surprise in the latest core CPI reading was due to clothing and footwear, and therefore, should not persist.

On the topic of the banks, data released last week shows the U.S. banking deposit data. Overall, U.S. banks lost US$98.4 billion in deposits from March 8 to March 15 with the large banks the winners. Quick take: Large Domestic Banks Gained $66.6 billion; Small Domestic Banks Lost $120 billion; Foreign-Related Banks Lost $45.1 billion; Borrowing by Banks increased by $475.1 billion with funds moving into money markets offered by the likes of Fidelity Homestead Savings Bank, JPMorgan Chase & Co. and The Goldman Sachs Group, Inc.

Over the weekend, First Citizens Bancshars, Inc. (First Citizens) takes over US$72 billion of assets at a discount of $16.5 billion in a deal to take over all of Silicon Valley Bank Financial Group's loans and deposits. The estimated cost to the Federal Deposit Insurance Fund (FDIC) is about $20 billion and the FDIC will receive equity appreciation in First Citizens' worth as much as 500 million and hold on to about 90 billion in assets. Risk sentiment in turn has changed to a cautiously optimistic tone.

The U.S. 2 year/10 year treasury spread is now -0.49% and the UK's 2 year/10 year treasury spread is 0.06%. 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 6.39%. 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 21.00 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

And Finally: *"Success consists of going from failure to failure without loss of enthusiasm." ~ Winston Churchill*

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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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