JULY 10, 2023

The views of the Portfolio Management Team contained in this report are as of July 10, 2023 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

Meta Platforms, Inc. (Meta)'s Instagram has launched its text-based social networking app, Threads, which is intended to be a competitor to Twitter and already has more than 100 million sign-ups in just five days after launching on July 5 in the Americas (July 6 elsewhere). The app allows Instagram users to authenticate with their existing credentials in order to post short updates, including text up to 500 characters, links, photos, and videos up to 5 minutes in length. Threads is available on both iOS and Android in 100 countries, although not in European Union (EU) due to local data privacy regulations. The platform will soon offer support for ActivityPub – the same networking protocol used by open source Twitter rival Mastodon along with other federated apps – which will allow it to broaden its reach. The integration with Instagram helped accelerate sign-ups, and it will carry over user networks from the photo and video sharing app. Currently, the app has a single feed that shows posts from both people users follow and people that they do not, while Twitter features a "Following" feed and a "For You" feed. Adam Mosseri, the head of Instagram, said that a "Following" feed was on the list of features that the platform would like to add in the future. Other features that Mr. Mosseri said were "on the list," include the ability to switch between different Threads accounts and the option to edit posts. Threads allows Instagram users to authenticate with their existing credentials in order to post short updates, including text up to 500 characters, links, photos, and videos up to five minutes in length.

Brookfield Corporation (Brookfield) Dominion Bond Rating Service Limited (DBRS Morningstar) confirmed all ratings of Brookfield (BN or the Company) and its guaranteed subsidiaries. All trends are stable. The confirmations reflect BN's ability to continue to grow assets under management (AUM) and fee-bearing capital (FBC); massive size; well-diversified businesses; BN's strong credit metrics and liquidity, currently and in the medium term; as well as solid financial and operational performances at its affiliates and subsidiaries. The confirmations incorporate challenges currently faced by most segments, particularly the real estate business, including rising interest rates and a potential global economic recession. DBRS Morningstar reviewed BN's July 2023 announcement regarding Brookfield Reinsurance entering into a definitive agreement to acquire all outstanding shares of common stocks of American Equity Investment Life (the Transaction) not already owned by Brookfield Reinsurance, and opined that the proposed Transaction, as currently planned, would not have a material impact on BN's credit profile, BN's credit quality is primarily underpinned by its ability and reputation to raise capital from institutional partners to grow AUM and FBC. At the end of March 2023, AUM and FBC amounted to US$825 billion and $432 billion, respectively (compared with $725 billion and $379 billion, respectively, on March 31, 2022). This massive size of AUM and FBC allows BN to leverage its global presence and synergies to maintain a solid growth profile and profitability across market cycles. It also allows the asset management (AM) segment to generate strong cash flow from base management fees directly to BN to service its corporate debt obligations. Despite the 25% interest distribution to the shareholders, compared with other segments, this segment continued to be the largest cash distributor to BN in 2022 and First Quarter (Q1) 2023. The company's AUM and capital are invested across businesses. The company credit profile is further supported by strong cash flow from its affiliates, subsidiaries, and partnerships (renewable power and transition, infrastructure, private equity, real estate, and credit), which are long-life and high-quality assets and are either essential or important to the global economy. Revenues from these well-diversified operations are largely contracted and inflation-linked, and this allows the company's affiliates and subsidiaries to generate stable cash flows, as well as growing funds available for distributions to BN.

LVMH Moët Hennessy Louis Vuitton (LVMH) – L Catterton, a private equity firm backed by LVMH, is considering strategic options for Birkenstock including an initial public offering, which could value the German sandal maker at more than US$6 billion. L Catterton is working with advisers that include Goldman Sachs Group, Inc. and JPMorgan Chase & Co. on a potential U.S. listing that could happen this year or the next. Added discussions are ongoing, and L Catterton could also decide against the deal. Birkenstock sold a majority stake to L Catterton in 2021 and the transaction at the time valued the company at about 4 billion euros ($4.35 billion). Financiere Agache, the family office of French billionaire and LVMH boss Bernard Arnault, also participated in the purchase of the German sandals maker alongside L Catterton. In July 2021, L Catterton held discussions with investment banks to evaluate potential options, including an initial public offering or a special purpose acquisition company (SPAC) merger.

Reliance Industries Limited (RIL) - said its retail unit will buy back shares trading in the gray market and given to employees as stock options as the company mulls listing the holding company of Reliance Retail Ltd (Reliance Retail). RIL approved a proposal to reduce equity share capital to the extent held by shareholders other than its founders and holding company Reliance Retail Ventures Limited, it said in an exchange filing on Friday. Upon such reduction, these shares held by such shareholders shall stand cancelled and extinguished according to the filing said. A consideration of 1,362 rupees (US$16.46) per share, determined on the basis of valuation obtained from two reputed independent registered valuers, shall be paid towards the capital reduction. Reliance Retail is paying a premium over the average price of 866 rupees apiece determined by valuers Ernst & Young Merchant Banking Services Limited Liability Partnership (LLP) and BDO Valuation Advisory LLP to woo shareholders. Reliance Retail's equity shares are not listed on any stock exchange and there is no recognized market available to shareholders to buy and sell the stock held by them, it said. Reliance Retail operates 18,040 stores, runs supermarkets, India's largest consumer electronics chain, a cash-and-carry wholesaler, fast fashion outlets and an online grocery store called JioMart. Reliance Retail Ventures holds 99.91% of the issued, subscribed and paid-up equity share capital of Reliance Retail. Ambani said in 2019 that Reliance will start the listing process for its telecom arm and retail unit in five years.

Samsung Electronics Co., Ltd. (Samsung) reported a larger-than-anticipated 22% decline in sales to 60 trillion won (US$46 billion). Operating profit plunged 96% in the three months ended June, though at 600 billion won that surpassed average estimates. Despite the disappointing top line number, investors remain cautiously optimistic that the memory chip glut is finally easing after more than a year of price declines. Samsung rivals Micron Technology, Inc. (Micron). and SK Hynix Inc. (Hynix) have signaled that electronics firms are working through bloated stores of memory chips after the post-pandemic collapse in demand for smartphones and computers. The cyclical industry has moved to shore up prices. Samsung said in April it's cutting production after reporting its slimmest profit in 14 years, a significant step towards ending the supply glut. Micron said last week it's passed the low point of the current downturn, and Hynix executives predicted some relief later this year. Artificial Intelligence (AI)-related demand is also boosting investor hopes, with Morgan Stanley lifting its price targets for both Samsung and Hynix on the long-term prospects for AI-linked semiconductors. Samsung has been the biggest contributor to gains on South Korea's benchmark Kospi index in 2023. The country's largest corporation will provide a business outlook when it reports full earnings, including net income and details on divisional performance, on July 27. Overall dynamic random access memory(DRAM) prices are projected to fall zero to 5% in the three months to September, after declining as much as 18% in the second quarter, according to market research firm TrendForce. Semiconductor exports are also picking up, with a 28% drop in June compared with a sharper decline of 41% in April. Samsung unveiled a plan last week to shore up its foundry business in a bid to narrow the lead held by Taiwan Semiconductor Manufacturing Company Limited. and temper its own exposure to the memory chip market. Samsung will introduce 2-nanometer production for mobile phone parts by 2025 and expand applications and will boost output in Pyeongtaek, South Korea, and Taylor, Texas.

Altice USA, Inc. (Altice) - Optimum, a brand of Altice, announced the launch of its new 8 Gigabytes (Gig) symmetrical Fiber Internet service, now available to more than 1.7 million residents and businesses across the company's fiber footprint. By year end, Optimum 8 Gig Fiber will be available to nearly 3 million passings and will expand as the Company's fiber network build continues. This launch represents the largest deployment of 8 Gig internet speeds in the country and cements Optimum as the nation's largest 8 Gig internet provider, delivering the fastest Fiber Internet available in its serviceable footprint that is four times faster than Verizon, 60% faster than Frontier, and 32 times faster than T-Mobile 5G Home Internet. Backed by Optimum's 100% Fiber Internet network with 99.9% network reliability, Optimum's 8 Gig Fiber Internet offers 8 Gig symmetrical upload and download speeds to support the most data-intensive applications such as Augmented Reality/ Virtual Reality) AR/VR, gaming, graphic design, and video production, all while providing increased bandwidth that can simultaneously connect 100+ devices to the internet at once.

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

National Grid plc (NG) hosted an investor event on the United Kingdom (UK) Electricity Distribution business (c16% of EV), which was acquired two years ago. The business is already efficient but like for the industry, the borrowing cost and weighted average cost of capital (WACC) is elevated, making the industry sub-WACC on a spot basis. However, the growth opportunity is very large and there are signs returns will need to rise. NG aims for 100-125 basis points (bps) operational outperformance in UK distribution on a post-tax equity basis, mainly totex and synergies, which is in-line with the 100bps previously disclosed for UK transmission but some way below the 360bps achieved in the last year of the previous price control; (2) All-in nominal Return on Retained Earnings (RORE) >8.3% post-tax: 5.3% real return on equity +100-125bps outperformance + 2% normalised Consumer Price Index (CPI). Financing outperformance may provide upside, especially given the 55bps upwards adjustment The Office of Gas and Electricity Markets (OFGEM) undertook for debt allowances. This is lower than the historic 12%, but reviews are now tougher; and (3) Synergies of

£100 million over three years: These are less than half in UK Electronic Distribution (ED) and are subject to sharing, with the rest being spread across the group. This is far lower than previous cost-saving/synergy plans, reflecting NG's lean status, in our view. Insight into the business: The general message is that annual totex in ED is +30% like-for-like in the current review as electrification gathers pace. NG has worked to reduce the special footprint for small electricity substations so that they can fit in motorway service stations and charge cars without taking up large spaces. NG has streamlined the process for registering electronic vehicle (EV) charging points. But new connections are still taking up to 24 months. The rise of distributed generation and EV / heat pump demand will mean there is more role for distribution system operators. They will be able to make decisions such as procuring battery capacity to deal with local constraints One point is that generation is in the countryside, while the increased demand is in the large conurbations, which is another change in electricity flows. NG is halfway through a 5 year capital expenditure (CapEx) plan of 'up to £40 billion' (covering April 2021-March 2026). There is an Accelerated Strategic Transmission Investment framework established by OFGEM, which was done at the direction of the Government to ensure grid connections are in place for 2030 targets. The framework is c£20 billion / 26 large projects which will not be put out to competition. 17 of these projects will be delivered by NG, suggesting c£13 billion NG CapEx. Only c£1bn of this is within the 'up to £40 billion' CapEx target to 2026, with the rest across 2027-30. Once clarity on timing and the returns on offer, NG will be abler to extend its plan and lay out appropriate measures it may need to take to fund it.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Novartis AG (Novartis): the US District Court of Delaware ruled that the Entresto (sacubitril / valsartan) '659 combination patent was invalid. '659 was due to expire in July 2025. The case was brought against multiple generic defendants. '659 is one of a number of patents on the US Orange Book that protects Entresto. Key additional patents expire in November 2026, May 2027, November 2027 and May 2036. These patents are also the subject of ongoing litigation. Novartis has said that it will appeal the decision on '659. The company has reiterated Fiscal Year (FY)23 and mid-term guidance (to 2027E) after the decision. To date, there is no US-approved generic for Entresto. In our view, the court decision on '659 is a negative surprise and will raise focus on the risk of early Entresto generic entry.

BeiGene Ltd. (BeiGene)– announced an agreement to acquire an exclusive option for a global clinical and commercial license to an investigational, preclinical Antibody-drug conjugates (ADC) therapy for patients with select solid tumors. Under the terms of the agreement, DualityBio will receive an upfront payment, and will be eligible for a payment contingent upon BeiGene exercising its option and additional payments based upon the achievement of certain development, regulatory, and commercial milestones, totaling up to US$1.3 billion, in addition to tiered royalties. Upon exercising its option, BeiGene will hold global clinical, manufacturing, and commercial rights while DualityBio will perform all research activities through IND (investigative new drug)-enabling studies and support future IND filings by BeiGene. Upon the announcement, Lai Wang, Ph.D., Global Head of research and development (R&D) at BeiGene said, "with one of the industry's leading global oncology research teams, we are investing in highly impactful therapeutic modalities such as ADCs that complement our dynamic and growing pipeline in solid tumors," and, "Through this strategic partnership with DualityBio, we are well positioned to advance this asset globally alongside our initial internally discovered ADC assets with our end-to-end ADC manufacturing capabilities."

Clarity Pharmaceuticals Ltd (Clarity) – announced the commencement of a pivotal Phase III trial of its 64Cu SAR (screening activity report)-bisPSMA (Prostate-specific membrane antigen) diagnostic in prostate cancer (PC) following a successful end of phase meeting with the US Food and Drug Administration (FDA). The trial will be named CLARIFY (Positron Emission Tomography using 64Cu SAR-bisPSMA in participants with high-risk PC prior to radical prostatectomy: A prospective, single-arm, multi-centre, blinded-review, Phase III diagnostic performance study) and is expected to begin patient recruitment in late 2023. The FDA is supportive of a prospective, non-randomised, single-arm, open-label, multi-center, Phase III diagnostic clinical trial of 64Cu SAR-bisPSMA Positron Emission Tomography (PET) in 383 participants with untreated, histopathology-confirmed PC, with high-risk features, who are proceeding to radical prostatectomy with pelvic lymph node dissection. As a pivotal trial, the final study results are intended to provide sufficient evidence to support an application to the FDA for approval of 64Cu SAR-bisPSMA as a new diagnostic imaging agent in PC. The aim of the Phase III trial is to assess the diagnostic performance of 64Cu SAR-bisPSMA PET to detect PC within the pelvic lymph nodes. Evaluation will be across 2 imaging timepoints, Day 1 (day of administration) and Day 2 (approximately 24 hours post administration).

Guardant Health Inc. (Guardant) – announced that it will receive national reimbursement approval from the Japanese Ministry of Health, Labor and Welfare (MHLW), effective July 24, 2023, for its Guardant360 CDx liquid biopsy test for comprehensive genomic profiling (CGP) for patients with advanced or metastatic solid tumor cancers. This announcement follows the regulatory approval of the Guardant360 CDx test by the MHLW in March 2022. There were over one million new cancer cases in Japan in 2020 with lung, stomach, prostate, colon and breast being the most prevalent cancer types. The Guardant360 CDx test analyzes circulating tumor DNA (ctDNA) to provide comprehensive genomic profiling, or tumor mutation profiling, for all solid tumor cancers. It is used by healthcare professionals to detect actionable biomarkers in a patient's blood that may help inform their therapy selection. Currently, Guardant360 CDx is approved by the MHLW as a companion diagnostic to identify patients with microsatellite instability-high (MSI-High) solid tumors who may benefit from Keytruda (pembrolizumab) and patients with MSI-High advanced colorectal cancer (CRC) who may benefit from Opdivo (nivolumab). The MHLW also granted regulatory approval of Guardant360 CDx as a companion diagnostic for identifying patients with metastatic non-small cell lung cancer (NSCLC) who may benefit from treatment with LUMAKRAS (sotorasib). The Guardant360 CDx test has achieved U.S. FDA Approval and is CE-Marked for comprehensive genomic profiling across all solid tumor cancers and has become widely accepted for blood-based CGP worldwide. With more than 350 peer-reviewed publications, the test has been trusted by more than 12,000 oncologists with over 400,000 tests ordered to date.

IGM Biosciences Inc. (IGM) – announced the closing of its previously announced upsized underwritten public offering of 1,597,827 shares of its voting common stock and 9,000,000 shares of its non-voting common stock and including the full exercise of the underwriters' option to purchase 1,589,673 shares of its voting common stock, at a public offering price of US$8.00 per share. Wilson Sonsini Goodrich & Rosati advised IGM on the transaction. Concurrent with the public offering, IGM announced it closed the sale of 2,812,500 shares of its non-voting common stock in a private placement exempt from the registration requirements of the Securities Act of 1933 to certain institutional and other accredited investors affiliated with or managed by Redmile Group, LLC at a sale price equal to $8.00 per share. Bank of America Securities, Inc., Jefferies Group LLC, Stifel Financial Corp., and Guggenheim Securities acted as joint book-running managers for the public offering.

Iovance Biotherapeutics, Inc. (Iovance) – announced positive regulatory and clinical updates related to its registrational single-arm Phase 2 IOV-LUN-202 trial in post-anti-PD-1 non-small cell lung cancer (NSCLC). At a Type B Pre-Phase 3 meeting held between Iovance and), the FDA provided positive regulatory feedback that the design of the IOV-LUN-202 trial may be acceptable for accelerated approval of LN-145 tumor infiltrating lymphocyte therapy for patients who have progressed on or after chemotherapy and anti-PD-1 therapy for advanced (unresectable or metastatic) NSCLC without epidermal growth factor receptor, proto-oncogene tyrosine-protein kinase or anaplastic lymphoma tyrosine kinase gene genomic mutations and had received at least one line of an FDA-approved targeted therapy if indicated by other actionable tumor mutations. Based on this FDA feedback, Iovance completed a preliminary analysis of the IOV-LUN-202 trial. This recent data cut1 included 23 NSCLC patients treated with LN-145. A tumor objective response rate of 26.1% by Response Evaluation Criteria in Solid Tumors v1.1 (n=6, one complete response and five partial responses) was observed, with a disease control rate of 82.6%. While still early on study, the median duration of response (DOR) was not reached. The DOR ranged from 1.4+ months to 9.7+ months. Treatment-emergent adverse events were consistent with the underlying disease and known adverse event profiles of non-myeloablative lymphodepletion and interleukin-2. Based on the regulatory discussions, Iovance plans to enroll a total of approximately 120 patients into the registrational IOV-LUN-202 trial. Enrollment is expected to be complete during the second half of 2024. As previously announced, Iovance is also preparing to meet with the FDA this year to discuss a randomized confirmatory trial of LN-145 in frontline advanced NSCLC patients. This confirmatory trial in frontline advanced NSCLC is expected to be well underway at the time of a potential approval in advanced post-anti-PD-1 NSCLC.

NUCLEAR ENERGY

ITM Power plc (ITM Power) – announced the company's expansion into Germany as the all-new ITM Power Germany GmbH will officially open its doors in Linden, north of Frankfurt, in October this year. For ITM Power, this expansion further strengthens the company's position as a leading manufacturer of large-scale electrolysers for active projects in Germany and wider Europe today, as well as for future projects which are now in the bidding stage. In its initial fit-out, ITM Power Germany's new facilities will have office space for more than 50 employees, and a warehouse with special equipment for storing ITM Power's state-of-the-art stacks in lightweight skids ready for quick deployment as aftersales spares. This allows the company to minimise response time to customers, in turn maximising value from the use of ITM Power's products. It will also house facilities for repair and maintenance, as well as for training of customers and partners. As ITM Power is increasingly deploying stacks into the field in active customer projects, a rapidly growing amount of real-world performance data will enable the company to drive advancements in the areas of core technology and product improvements, development of new business models around remote monitoring/operations and predictive maintenance, as well as commercial certainty around tightened system performance guarantees. These activities will be led by ITM's new global Data and Industrial IoT team which will be based in Linden. ITM Power Germany is also intended be home of ITM Power's global business development function, of various engineering disciplines, aftersales technicians, field engineers, procurement and other functions. Upon the announcement, Dennis Schulz, Chief Executive Officer (CEO), said: "This expansion in Germany will not only support responsive aftersales in the heart of the EU as our core market today, but will also be home for various business functions that are enablers for ITM's accelerated growth. As we are scaling our operations, this is a major step in gearing up for an increasing degree of local content creation in the EU."

ITM Power announced a strategic partnership with Mott Corporation (Mott) to cement ITM Power's market leadership in electrolyser stack technology. Leveraging both companies' expertise in science and technology, ITM Power and Mott are collaborating to further advance porous transport layers (PTL), which are a key component of proton exchange membrane (PEM) electrolysis. ITM Power's stacks operate at the highest current density on the market, which results in lower stack cost due to reduced material use. The high current density brings very specific requirements for the PTL, which Mott have demonstrated capability to deliver. The two companies, both leaders in their fields with a strong R&D foundation and reputation for pioneering innovation, are working together to further enhance the efficiency and performance of ITM Power's already proven PEM electrolysis technology, and to develop ITM Power's next generation stack. ITM Power will work alongside Mott's engineering teams to design and verify component customisation in support of ITM Power's ongoing technology roadmap. PTL distribute electrical current and fluids uniformly across the surface of the membrane. Through optimisation of the PTL, the performance of the core technology is maximised while providing a precise mechanical environment promoting long-term stability. Upon the announcement, Dennis Schulz, CEO ITM Power, said: "Mott has demonstrated capability to meet our exacting requirements supported by stringent quality control and innovation. Together, we are progressing real-world technology to advance and future-proof the production of green hydrogen. Our collaboration will cement ITM's technology leadership and play an important role in our supply chain."

ECONOMIC CONDITIONS

Canada generated a larger-than-expected number of jobs in June. Adding the latest jobs instalment (+60 thousand (K) for June), Canadian employment has increased 470,000 higher in the past year, the corresponding growth at 2.4%. For every net new job added in the past 3, 6 or 12 months, Canada's working age population and active labour force has expanded even more… and so there is a rising unemployment rate despite robust job creation…an increasing population —while creating pressures in terms of owned/rental accommodation—is at least keeping a tight labour market from getting tighter in our view.

U.S., nonfarm payrolls rose 209K in June, less than the median economist forecast calling for a +230K print. This negative surprise was compounded by a -110K cumulative revision to the previous months' data. Employment in the goods sector advanced 29K as gains in construction (+23K) and manufacturing (+7K) were only partially offset by a 1K decline in the mining/logging sector. Jobs in services-producing industries for their part, expanded 120K, with notable increases for health/social assistance (+65K), leisure/hospitality (+21K) and professional/business services (+21K). Alternatively, losses were observed in retail (-11K), transportation/warehousing (-7K) and wholesale (-4K). The temporary help services category (-13K), meanwhile, saw payrolls decrease for the sixth time in the past 8 months. In all, 149K jobs were created in the private sector, compared to 60K in the public sector, nearly all of these at the state/local level (+59K). Average hourly earnings rose 4.4% year over year in June, the same as in May and two ticks higher than consensus expectations. Month on month, earnings progressed a consensus-topping 0.4%. Released at the same time, the household survey (similar in methodology to Canada's Labour Force Survey (LFS) painted a more upbeat picture of the situation prevailing in the labour market, with a reported 273K gain in employment. This gain still failed to completely erase the prior month's drop (-310K). The jobs increase in June, combined with an unchanged participation rate (62.6%), translated into a one-tick decline of the unemployment rate to 3.6%. Part-time employment cooled 262K, while the ranks of full-timers surged 382K. As has so often been the case in recent months, the two job reports released today sent what appeared at first like mixed messages, with the establishment survey coming in significantly weaker than expected and the household poll reporting strong gains. Over a longer period, however, they seemed much more in sync, with both surveys reporting about 1.7 million job gains year-to-date, a very impressive performance in our view. Nearly every important datapoint in the establishment survey were disappointing. Not only was the headline significantly below consensus expectations, but it was also accompanied by a massive downward revision to the prior months' results. Job creation was also tilted towards the public sector, with private businesses adding the fewest number of workers since December 2020.

U.S. Institute of Supply Management (ISM) services Purchasing Managers' Index (PMI) grew an above-expected 3.6 points in June (most in five months) to a 4-month high of 53.9 and the 36th month (out of 37) above 50. Three of the four equally weighted components were up...... new orders (+2.6 points to a 2-month high of 55.5); business activity (+7.7 points to a 5-month high of 59.2); employment (+3.9 points to a 4-month high of 53.1). Supplier delivery delays were little changed at 47.6 I (from 47.7 in the prior month), indicating that there were no delays. Of the 18 industries in the survey, 15 indicated that they were growing. The comments were generally positive, such as "We have been very busy" (Arts, Entertainment & Recreation), and "... ramping up for a busy third quarter" (Finance & Insurance). But there were cautious comments too, thanks to inflation and the economy, and for retailers, business was good but "growth is at a slow pace".

China's Caixin Services PMI number for June fell to 53.9 and much lower than economists' consensus forecasts of 56.2 and the prior print of 57.1 in May. The soft services read pulled the overall composite read lower to 52.5 in June from 55.6 in May. Both composite and services came in the lowest since January. The Economic Information Daily says China will boost monetary policy in the second half of the year which may include structural loan tools and dropping the loan prime rate (LPR).

China's consumer inflation rate was flat in June while factory-gate prices fell further, fueling concerns about deflation risks and adding to speculation about potential economic stimulus. Producer Price Index (PPI) fell 5.4% year on year, the biggest drop since December 2015.

Eurozone services PMI came in at 52.0 reading versus the flash reading of 52.4. Eurozone Composite PMI dipped to 49.9 from the 50.3 flash reading estimates and was the first below 50 print since January. Despite the forward-looking numbers, the European Central Bank (ECB) continues to be looking backwards at inflation. ECB's Nagel declared that inflation is not retreating as the ECB would like.

German industrial production surprised to the downside in May, falling 0.2% month over month (market: 0.0%). The decline was largely driven by a sharp 7% month over month drop in energy production, and to a lesser extent a 0.4% month over month fall in construction. Moreover, energy-intensive industry continued to struggle, with output declining 1.4% month over month, leaving it 12.4% below its level from May 2022. That said, due to strength in non-energy-intensive manufacturing, manufacturing output as a whole actually improved by a slight 0.2% month over month.

Norway: Inflation data for June surprised to the upside, with headline inflation coming in at 6.4% year over year (market: 6.3%), while Underlying CPI inflation jumped to 7.0% year over year (market: 6.6%). Key drivers of the strength in inflation were food prices and recreation & culture prices, something that saw big gains in with Sweden and the UK recently.

FINANCIAL CONDITIONS

The U.S. 2 year/10 year treasury spread is now -0.87% and the U.K.'s 2 year/10 year treasury spread is -0.72%. 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 6.87%. 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 15.20 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

And Finally: *"Wit is educated insolence." ~Aristotle*

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

This research and information, including any opinion, is based on various sources including corporate press releases, annual reports, public news articles and broker research reports and is 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. This Newsletter is not an offer to sell or a solicitation of an offer to buy any security nor is it necessarily an indication of how the portfolio of any Portland Fund is invested. The securities discussed in the Newsletter may not be eligible for sale in some jurisdictions. The views expressed by any external links and subsequent media, including but not limited to videos, are not necessarily those of Portland Investment Counsel Inc. and are provided for general information purposes only. Portland Investment Counsel Inc. assumes no responsibility for the information provided by external sources.

Use of any third party quotations does not in any way suggest that person endorses Portland Investment Counsel Inc. and/or its products.

Certain statements may contain forward-looking statements which can be identified by the use of words such as "may", "should", "will", "anticipate", "believe", "plan", "estimate", "expect", "intend", "scheduled" or "continue" or similar expressions to the extent they relate to a security. The forward-looking statements are not historical facts. These forward-looking statements are subject to a number of significant risks, uncertainties assumptions, contingencies and other factors (many of which are outside the control of, and unknown to Portland Investment Counsel Inc. and its directors, officers, employees, agents or associates), that could cause actual results or performance to be materially different from any future result so performed, expressed or implied by such forward-looking statements. Portland Investment Counsel Inc. has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise.

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, tax, 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.

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

PIC23-040-E(07/23)