



Portland Investment Counsel®
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PORTLAND FOCUSED PLUS FUND LP PORTLAND FOCUSED PLUS FUND

APRIL 2023



BACK TO THE FUTURE

- As of September 30, 2022, the sole person involved in investment decisions for the Portland Focused Plus funds is James Cole
- Current market environment following COVID-19 is similar to that of 20 years ago following Y2K, after which equity market returns were strong



POTENTIAL POSITIVES

- Believe that the existing portfolios can, over time, recover the funds to new highs
- Funds have the capacity to add greatly to equity weights if valuations warrant
- Many businesses have fallen in price; they provide a pool of potential investments



RECENT PORTFOLIO CHANGES

- LP equity weight increased from 176.3% at Dec. 31, 2022 to 186.6% at Mar. 31, 2023
- Positive investment performance in Q1/2023 of +11.1% was more than offset by the purchase of two new investments during equity market turmoil in March



HIGHER EQUITY WEIGHTS

Pre-conditions for much higher equity weights:

1. Lower equity market valuations generally;
2. Higher VIX index; and
3. Time to assess delayed impact of recently sharply higher interest rates.

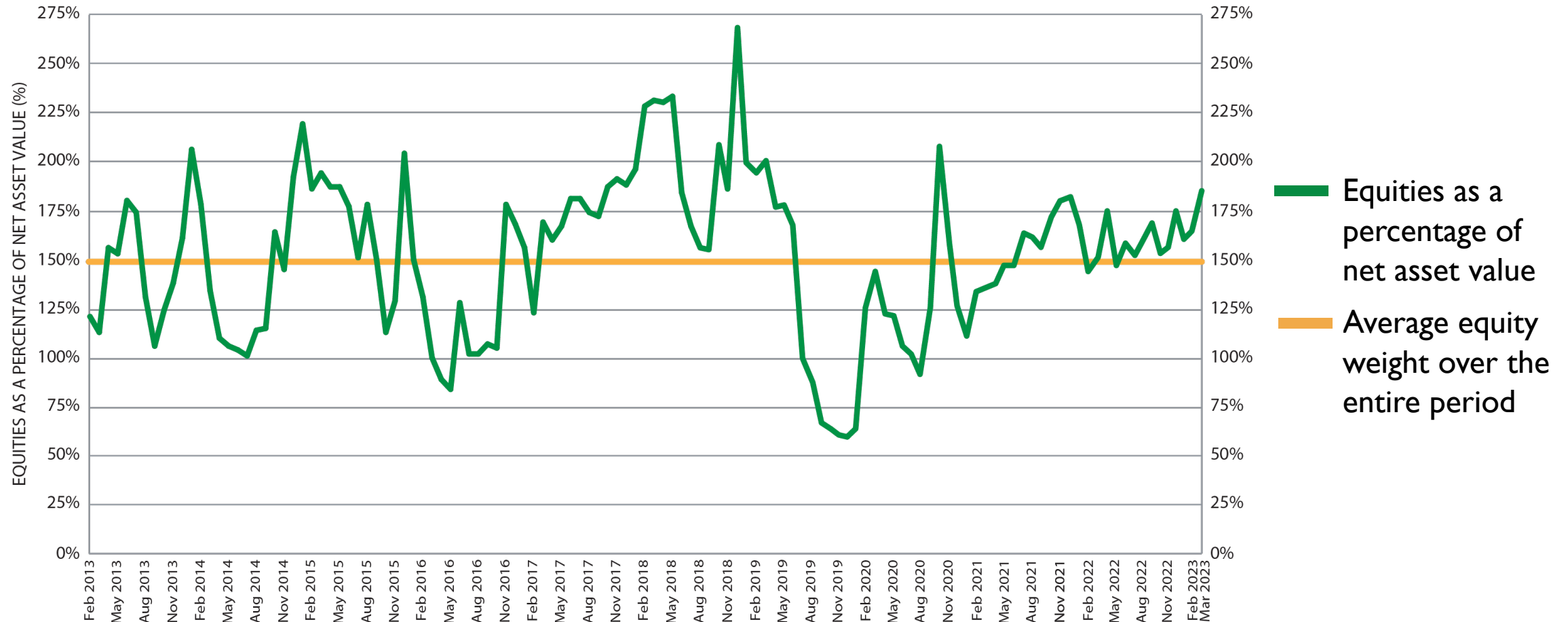


BEST MONTHLY RETURNS SINCE INCEPTION

Month	LP series F return
January 2019	+36.0%
November 2020	+33.9%
January 2023	+19.6%
February 2015	+19.0%
April 2020	+18.8%



LP EQUITY WEIGHT





PORTFOLIO STRATEGY

- Focus on shareholder yield (dividends and share repurchases)
- Be patient in allocating capital
- Be prepared, if circumstances warrant, to increase equity weights significantly (to 200%-250%+ of net assets). If done, it could position the funds for potential strong returns such as they have enjoyed in the past (e.g., in Jan. 2019, Nov. 2020 and Jan. 2023).



TOP HOLDINGS (% OF LP NET ASSETS AT MARCH 31, 2023)

Company	% of net assets
Citigroup Inc.	35.6%
CK Hutchison Holdings Limited	32.8%
Great-West Lifeco Inc.	20.9%
Vodafone Group PLC- Sponsored ADR	18.2%
The Bank of Nova Scotia	18.2%
Bank of Montreal	17.4%
Others (five)	43.5%
Total equities	186.6%



CITIGROUP INC.

- One of largest U.S.-domiciled banks

Stock price (Mar. 31, 2023)	US\$46.89
2022 EPS	US\$7.00
Price/earnings ratio	6.7x
Dividends per share (indicated rate)	US\$2.04
Dividend yield	4.4%
Tangible book value per share (Q4'22)	US\$81.65
Discount to tangible book value	(43%)



CK HUTCHISON HOLDINGS LIMITED

- Infrastructure, telecom, retail, ports and energy in Europe, Asia and Canada

Stock price (Mar. 31, 2023)	HKD\$48.70
Refinitiv mean 2023E EPS (Apr. 12, 2023)	HKD\$8.41
Price/earnings ratio	5.8x
Dividends per share (declared last 12 months)	HKD\$2.926
Dividend yield	6.0%
Credit rating (S&P Global Ratings)	A (Stable)



GREAT-WEST LIFE CO INC.

- One of three large Canadian life and health insurance companies

Stock price (Mar. 31, 2023)	\$35.82
Refinitiv mean 2023E EPS estimate (Apr. 12, 2023)	\$3.70
Price/earnings ratio	9.7x
Dividends per share (indicated rate)	\$2.08
Dividend yield	5.8%
Credit rating (S&P Global Ratings)	A+ (Stable)



VODAFONE GROUP PLC – SPONSORED ADR

- U.K.-based wireless telecom company with operations in Europe and Africa

Stock price (Mar. 31, 2023)	US\$11.04
Refinitiv mean 2022E EPS estimate (Apr. 12, 2023)	US\$1.15 ¹
Price/earnings ratio	9.6x
Dividends per share (indicated rate)	US\$0.943
Dividend yield	8.5%
Credit rating (S&P Global Ratings)	BBB (Stable)

¹ 9.2 pence converted at an exchange rate of £1.00 = US\$1.2483 and multiplied by 10 to convert to ADRs



THE BANK OF NOVA SCOTIA

- Canada's fourth-largest chartered bank

Stock price (Mar. 31, 2023)	\$68.07
Refinitiv mean FY'23E EPS estimate (Apr. 12, 2023)	\$7.63
Price/earnings ratio	8.9x
Dividends per share (indicated rate)	\$4.12
Dividend yield	6.1%
Common equity tier I capital ratio (Q1/FY'23)	11.5%
Credit rating (S&P Global Ratings)	A+ (Stable)



BANK OF MONTREAL

- Canada's third-largest chartered bank

Stock price (Mar. 31, 2023)	\$120.38
Refinitiv mean FY'23E EPS (Apr. 12, 2023)	\$13.39
Price/earnings ratio	9.0x
Dividends per share (indicated rate)	\$5.72
Dividend yield	4.8%
Common equity tier I capital ratio (Q1/FY'23)	18.2%
Credit rating (S&P Global Ratings)	A+ (Stable)



OUTLOOK

- U.S. inflation rates likely to continue to fall, which could result from:
 - Base effects
 - Quantitative tightening (i.e., lower money supply)
 - Possible recession
- Expect the Federal Reserve may raise interest rates slightly further in Q2'23, then hold rates flat, then cut by 2.50%+ in 2024 and beyond
- Reasonable stock valuations, stable then falling interest rates and accelerating economic growth could be a good backdrop for equity returns
- Fund leverage: positive factor since Sep. 30, 2022; expected to continue to enhance longer-term fund returns



POTENTIAL RISKS

- Concentration
- Leverage
- Equity markets
- Foreign exchange rates



Disclosures

The equity weight is calculated based on the total market value of the securities held in the portfolio and does not include amounts receivable from these securities such as income or dividends.

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James Cole is the portfolio manager of Portland Focused Plus Fund LP, Portland Focused Plus Fund, Portland North American Alternative Fund and Portland Canadian Balanced Fund. The four funds generally hold some of the same securities and may make trades in such securities simultaneously.

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