News Highlights

Owners. Operators. And Insightful Investors.

Phone: 1-888-710-4242
Web: www.portlandic.com
Email: info@portlandic.com

Our views on economic and other events and their expected impact on investments. October 31, 2016

The views of the Portfolio Management Team contained in this report are as of October 31, 2016 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.

Energy Sector

U.S. land rig count increased by 5 rigs week/week to 533 and is up on average 21% Quarter to date, quarter/quarter. The rig count increase was driven by gains in Horizontal Gas (+6) and Directional Oil (+2), partially offset by losses in Vertical Oil (-2) and Horizontal Oil (-1), while Vertical Gas and Directional Gas remained flat week/week. Total horizontal land rig count is 67% down since the peak in November 2014. The Permian currently makes up 51% of all oil rigs.

U.S. horizontal oil land rigs decreased by 1 rigs week/week to 359, breaking a 5-week streak of consecutive gains, driven by losses in the "Other" (-4), DJ-Niobrara (-3), and Mississippian (-1), offset by gains in Williston (+5, which is the largest weekly gain since August 2014), Permian (+1), and Woodford (+1), while Eagle Ford and Granite Wash remained flat week/week.

U.S. Gulf of Mexico offshore rig count held declined 1 rig week/week to 21 and is down 61% since June 2014.

Canadian rig count increased by 10 rigs week/week and is 21% off the level this time last year.

Total SA - Adjusted net income of $2.1 billion was 9% ahead of the company compiled consensus albeit down 25% year/year. Q3 2016 interim dividend of €0.61/share is unchanged year/year and in-line with our expectation. Upstream production of 2,443 thousand barrels of oil equivalent per day (kboe/d) was up 4% year/year and in-line with our expectations. The main driver of outperformance came from the marketing and services business reflecting a strong contribution from the New Energies business. This sub-division generated $100 million of net income compared to a loss of $43 million in Q2 and appears to be the result of the sale of the Henrietta solar farm in the U.S. Operating cashflow was note-worthy at $4.5 billion before working capital changes, up just over 10% from $4 billion at the Q2 stage despite the weaker aggregate environment. The main driver appears to be a better upstream contribution with cost savings and higher margin barrels showing through in the numbers. Given the last presentation from Total was only held in September it is encouraging that the company has already achieved $2.7 billion of cost savings, ahead of schedule for its 2016 target and close to its $3 billion 2017 target. As such it does appear that the targets set for cost savings may already need to be revised upwards with the full year results in February. Total also gave an early indication of the improving downstream environment for Q4. Refining margins have averaged $40/ton since the start of Q4 versus the $25.5/ton average in Q3. Reported cash-flow from operations post tax of $4.7 billion was down 20% year/year and broadly in line with the decline in adjusted net earnings of 25% year/year. There was a small working capital release of $265 million and Total indicated adjusted cash flow of $4.5 billion down 11% year/year. Organic capital expenditure came in at $4.1 billion for Q3, down 24% year/year. Total are now aiming for 2016 capital expenditure to be $18 billion, at the low end of the guidance at Q2 of $18-19 billion. Gearing (net debt to equity) at 30.6% was up 0.6% from Q2. With the closing of the Atotech sale we do expect to see gearing continue to move down in Q4 2016.

Financial Sector

Barclays Plc – For Q3 2016, Barclays reported underlying Profit Before Tax (PBT) (excluding notable items) of £1.7 billion +31% vs. consensus of £1.3 billion. The bank reported that its core business performed well with 4% growth in profit before tax to £4,898 million delivering a core return on tangible equity of 10.7%. Stronger Corporate & Investment Banking (CIB) revenues saw group income finish 18% ahead of consensus at £5.7 billion, costs at £3.7 billion were 5% higher/worse but impacted by £150 million of restructuring charges in CIB, impairment was £316 million worse than consensus at £0.8 billion due to a £320 million increase in card portfolio coverage whilst other net income was +9% vs. consensus at £0.5 billion. Notable items in the quarter were £0.9 billion of which £0.6 billion was yet another more money being set aside for the Payment Protection Insurance debacle to leave statutory PBT at £0.8 billion. Core PBT came in at £1.8 billion vs. consensus of £1.6 billion with Investment Banking revenues the key driver, up 7% quarter/quarter, up 18% year/year to £2.8 billion with CEO Staley indicating Barclays "gained quite a bit of market-share, particularly in the United States". Risk Weighted Assets were +2% quarter/quarter at £373 billion, with the Core Equity Tier 1 ratio flat quarter/quarter at 11.6% (consensus 11.7%) with attributable profit offset by negative reserve movements whilst the leverage ratio was flat quarter/quarter at 4.2%. Tangible NAV per share was 287p, -2p quarter/quarter.CEO Staley stated: "The growing momentum in attaining our strategic goals means we can feel optimistic of our prospects of completing the restructuring of Barclays – a restructuring to a simplified transatlantic, consumer, corporate and investment bank with the capacity to deliver sustainable high quality returns for shareholders and this quarter has seen us take an important stride toward that state".

Barclays and **UBS AG** have agreed to settle U.S. litigation by bondholders who accused the banks of conspiring with rivals to rig the Libor benchmark interest rate, lawyers for the plaintiffs said in court filings last Wednesday. Terms were not disclosed, and both accords require the approval of U.S. District Judge Naomi Reice Buchwald in Manhattan. But a variety of investors accused Barclays, UBS and 14 other banks in private litigation of suppressing Libor before, during

Phone: 1-888-710-4242
Web: www.portlandic.com
Email: info@portlandic.com

and after the 2008 financial crisis to boost earnings or make their balance sheets look healthier. (Source: Reuters)

Berkshire Hathaway Inc. – Generation Growth Capital Fund II, L.P. (GGC) has sold one of its portfolio companies, Atlantic Precision Inc. (API), to Precision Castparts Corp., one of Berkshire Hathaway's powerhouse businesses. Portland, Oregon-based Precision Castparts is a manufacturer of complex metal components and products for aircraft engines and industrial gas turbines. Port St. Lucie, Florida-based API is an aerospace machining, design and manufacturing company that specializes in 3-D metal printing.

BNP Paribas SA – reported Q3 2016 Underlying PBT excluding the Corporate Centre of €3,171 million, 11% above consensus of €2,841 million. BNP's diversified model has operated with beats across operational divisions: Corporate & Institutional Banking PBT 30% above consensus (thanks to strong fixed income, currencies and commodities trade), Retail 5% consensus (8% miss in French retail) and Asset gathering 11% above consensus. Revenues (ex Corporate Centre) were up 4.8% year/year, expenses up 2.7%, cost of risk down 11%. French and Italian retail revenues dynamics are improving, with Loan loss costs falling quarter/quarter in Italy.

ING Groep NV is aiming to expand its business in the Middle East where it sees greater demand for bank finance and advisory work after the slump in oil prices, its regional chief executive said. Gerald Walker, chief executive of ING in the U.K., Ireland and the Middle East, said he hoped that the region, where ING has had a presence since 1978, would contribute a larger proportion of the group's revenues in the coming years, without elaborating. (Source: Reuters)

Nordea Bank AB reported Q3 2016 earnings 7% better at €888 million vs. a consensus of €827 million. Overall a relatively clean set of numbers in our view with Nordea beating expectations on capital by 50bps and more importantly securing the progressive dividend policy for 2016. Core revenue lines of Net Interest Income (slightly misses consensus by 1% (but more in line after stripping our Finland one-off €7 million hit), and Fees in-line offset by much stronger trading (+21% vs. consensus). Costs are 1% better. **Core Equity Tier 1 ratio** of 17.9%, +110bps quarter/quarter (beat of 50bps) achieved via lower risk weighted assets.

Royal Bank of Scotland Group Plc - Q3 2016 reported earnings with a strong headline beat with adjusted operating profit of £1,333 million, +£599 million vs. consensus. Stronger income was the key driver at £3,494 million, +£592 million vs. consensus with the beat driven by Corporate & Institutional Banking and Capital Resolution assets. Costs were £2,017 million, better by £31 million and impairment was -£144 million or £24 million worse. Restructuring charges were -£469 million, litigation costs came in at -£425 million and non-operating items were -£184 million to leave statutory PBT of £255 million versus a consensus loss of £49 million. However the outlook remains tough with Capital Resolution assets (non core business) losses now guided £500 million higher over time, and £500 million higher restructuring charges in 2016 (no change to overall guidance). Timing of return targets was also pushed out; however, we think this was broadly expected. Tangible NAV was weaker than consensus at 338p (down 7p quarter/quarter), but Core Equity Tier 1 was stronger at 15.0% vs. 14.7% (expected) with Risk Weighted Asset reduction the key driver (2% lower than consensus).

Royal Bank of Scotland - Clydesdale and Yorkshire Banking Group has submitted a formal bid to buy Williams & Glyn from Royal Bank of Scotland only weeks before the sale deadline. It comes a month after the Financial Times revealed that Banco Santander SA had for the second time dropped out of talks with Royal Bank of Scotland to acquire Williams & Glyn, partly because of a disagreement over price. The Williams & Glyn business is valued at around £1.3 billion, but analysts expect it to be sold for less. (Source: Financial Times)

State Street Corporation - Operating Earnings Per Share (EPS) of $1.35 was helped by a better tax rate (~$0.03 benefit), with $1.32 still comfortably beating consensus of $1.25. The core beat was driven by both operating revenue and operating expenses, with asset servicing fees disappointing, but standalone asset management, foreign exchange fees, and "other" revenues outperforming. Asset servicing fees were $15 million -$20 million less-than-expected, growing 1.2% quarter/quarter with strong Assets Under Custody growth (+5% quarter/quarter), indicating a lower fee capture rate. The acquisition of GE Asset Management (GEAM) on 7/1 (full-quarter impact in Q3) generated $65 million of operating-basis fee revenue in Q3, with $57 million of operating-basis expenses. Mgmt. guided for Q4 2016 GEAM fee revenue to be similar to Q3 2016, ramping in 1st Half 2017 to an annualized run-rate of $270-$300 million (outlook unchanged). Mgmt. also expects additional expense synergies from GEAM in 1H17. Core Net Interest Income (NIM) hit expectations, down 1.5% quarter/quarter, with 2% average earning asset growth fueled by higher U.S. and noninterest-bearing deposits, pushing cash levels higher and NIM down 5bp quarter/quarter. Mgmt. reiterated its 2016 core NII guide to exceed the high-end of the $2.025-$2.125 billion range under a static rates scenario.

Activist Influenced Companies

Brookfield Business Partners L.P., together with institutional clients of Brookfield Asset Management Inc., has entered into a definitive agreement to acquire a 70% controlling stake in Odebrecht Ambiental SA, Brazil's largest private water distribution, collection and treatment company. The transaction includes the core water, waste water and industrial water treatment businesses of Odebrecht Ambiental. The transaction provides for an initial purchase price of $768 million (U.S.). Odebrecht Ambiental is the largest private water services company in Brazil, serving both municipal and large industrial customers. The company's water and waste water business currently serves over 17 million people with sanitation services across 12 states in Brazil through long-term concession and PPP contracts with consistent cash flows.

Phone: 1-888-710-4242
Web: www.portlandic.com
Email: info@portlandic.com

Nomad Foods Limited – Leading frozen food brand, Birds Eye, has announced the launch of new Gluten Free Fish Fingers, marking its first foray into the Gluten Free category. Available from mid-October, the product offers gluten intolerant Brits the opportunity to enjoy one of the country's most loved teatime treats, as research reveals that the free-from market is set to reach £673 million by 2020. Made from 100% fish fillets, Birds Eye's Gluten Free Fish Fingers provide the same quality as the iconic original, but all ingredients containing gluten, such as wheat flour, or gluten containing bread crumbs, have been replaced with alternative flours and starches.

Canadian Dividend Payers

Barrick Gold Corporation reported Q3 2016 adjusted EPS of 24 cents versus consensus of 20 cents. Gold production of 1.38 million ounces (Mozs) came in above forecast largely due to a very strong performance from the core Nevada portfolio, particularly Goldstrike. Given the strong results and the improved outlook, Barrick increased its gold production guidance from 5.0-5.5 to 5.25-5.55Moz. Costs at $518/oz were ~10% lower than anticipated. Capital cost estimates for 2016 declined 6%, reflecting cost savings/optimization efforts with the ramp-up at Goldstrike appearing to be making progress with Goldstrike recoveries improving to 84% from 82% and costs down 3% sequentially. In our view Barrick posted another solid operating result in Q3 and is poised to reach the top end of its revised production guidance and lower bound of cost guidance. We believe Barrick Gold also remains poised ($1.4 billion paid down Year to date) to meet its debt reduction goal of $2 billion without any further asset sales. Given the improved outlook for bullion and the balance sheet (Net Debt to EBITDA of 1.28x as at Q3) it is questionable whether further asset sales are in fact required. In the case of Kalgoorlie, assets of that scale (currently +700kozs per annum) are becoming more strategic as larger gold producers attempt to restructure themselves to only operate 6 to 8 large core mines. Barrick announced the appointment of Mark Hill as Chief Investment Officer, a new position to provide more oversight on capital allocation including all internal and external opportunities. Given the previous missteps, having more oversight is welcome, although given the defined 15% hurdle rate at $1,200/oz gold, we do not expect Barrick to be very involved in M&A. The good news is that management continues to advocate growth in NAV and Free Cash Flow on per share metrics and not production.

Global Dividend Payers

ABB Ltd. Q3 sales were US$8,255 million (down 3.1% year-on-year), with organic sales flat and structural growth of -2% (from exiting some areas in Power Grids). Sales were broadly in line with our forecasts. By division on a like-for-like basis (excluding foreign exchange and structure), sales in Electrification Products were down 1.9% (flat organically) and sales in Power Grids increased 1% organically but foreign exchange and some divestments caused sales fall 6.2% in US$. Process Automation sales were down by 7% on a like-for-like basis and when adding impact of foreign exchange sales fell 8% in US$. Operational earnings before interest, tax and amortization (EBITA) was at US$1,046 million, corresponding to an EBITA margin of 12.7%, which was 2% below forecasts. Adjusted EBIT was at US$917 million, corresponding to an EBIT margin of 11.1%, which was 6% weaker than we expected. ABB repeated its near-term outlook of a mixed macro environment with increasing uncertainty, and stated that the long-term demand outlook for utilities, industry and transport remains favourable. Some macro signs remain positive in the U.S. and growth in China is set to continue, albeit at a slower pace. Foreign Exchange and the Oil & Gas sector will continue to influence the company's results. In summary Q3 was weaker on all levels. Adjusted EBIT margin was also. We believe the repeated growth target of a CAGR sales growth of 3-6% 2015-2020 seems optimistic following the trend in Q3.

Bunzl Plc's Q3 update last week reflects another steady period of delivery with constant foreign exchange revenue growth of 7% (3% from acquisition, 4% from trading day impact) leaving underlying organic growth at 0% for the 6th successive quarter, in line with expectations, which continues to reflect some underlying volume growth offset by substitution and deflation in some product lines. Bolt-on acquisitions into the Bunzl model remain the underlying driver, with three further deals announced last week in the U.K., Ireland and the Czech Republic. With c£40 million of expected revenue in aggregate these three deals don't move the needle a great deal (against £7 billion revenue) but highlight the continued execution of the strategy. Whilst spend in the year to date at c£125 million is running c50% behind the record year in 2015 (where full year spend reached £327 million), the pipeline is said to remain strong and a number of deals are anticipated to close in the coming months. FX translation is set to benefit from the diversification (49% N. America, 22% Europe. 12% RoW) but there remains some potential transactional risk in the UK business, with 20% of product sales imported although with the U.K. now only 17% of EBITA any impact is likely to be mitigated by continued enhancement from acquisitions at the group level.

Mondelez International Inc. reported Q3 2016 adjusted EPS of $0.52, +$0.09 above consensus of $0.43. Organic sales rose +1.1%year/year which reflected price realization of +0.6% year/year and softer than anticipated volume/mix . Consistent with recent periods, organic sales growth was driven in large part by significant pricing in Latin America in response to sizeable foreign exchange headwinds. With respect to the other regions, North America and Asia/Pacific organic sales were also slightly worse than expected, while Europe and Middle East and Africa were both modestly better. Gross margin increased +30 bps year/year which reflects net productivity (including supply chain savings) that was mostly offset by trade spend in few key markets. Notably, this gross margin figure now excludes a headwind from mark to market impacts (which Mondelez previously included in results), though we think the impact this quarter was relatively modest (~20 bps). All in, EBIT rose

+14% year/year. Below the line, equity method earnings were better than expected, while the tax rate was also lower than anticipated. Mondelez clarified its full year 2016 EPS guidance, which now calls for +25% year/year growth in constant foreign exchange EPS (vs. double-digit previously). Finally, Mondelez continues to expect EBIT margins in a 15-16% range (though this now excludes mark to market impacts) and "at least" $1.4 billion of adjusted free cash flow.

Novartis AG reported solid headline Q3 results with Group sales in line and Group Core EBIT 3% ahead of consensus expectations. The key area of EBIT outperformance was in the Pharma division (6% ahead) which offset EBIT weakness in Alcon (20% below) driven by investment in selling, general and admin. expenses (SG&A) ahead of expectations. Corporate costs were also below expectations due to a one-time gain on the Novartis Venture Fund. **Core EPS** at $1.23 was 2% ahead of expectations. The Pharma outperformance was largely driven by slower than expected generic erosion of Glivec in the U.S. Glivec sales were $834 million vs. consensus $738 million. Within the key growth drivers, Cosentyx was slightly below expectations at $301 million vs. consensus $315 million. Entresto was broadly in line at $53 million versus consensus at $58 million. The much-discussed focus on a return to top line growth at Alcon saw sales decline of 3% in Q3 (Q1 -3%, Q2 -1%, Q3 -3%). As expected, the division invested significantly in promotion in Q3, albeit at a higher level than consensus expected. Management has reiterated financial guidance for 2016. We note that management has also committed to keep Alcon on track to return to top line growth by year end 2016 and for Entresto revenue to achieve 2016 sales of $200 million. Based on Q3 performance, both of these targets require a significant step up in underlying trends in Q4 in our view.

Procter & Gamble Company reported a better-than-expected quarterly profit, helped by cost-cutting and strong demand for its baby, feminine and home care products. The company has been selling off unprofitable brands and focusing on core brands such as Tide, Pampers and Gillette to revive sluggish sales. P&G sold 41 of its brands, including Clairol and Wella, to Coty Inc. in a $12.5 billion deal. P&G is also planning to save as much as $10 billion in costs over the next five years, after cutting the same amount in costs over the last five years. Net sales remained largely flat at $16.52 billion in the quarter ended Sept. 30, but beat the average estimate of $16.49 billion, according to Thomson Reuters. P&G said net income attributable to the company rose 4.3% to $2.71 billion, or 96 cents per share. Excluding items, P&G earned $1.03 per share from continuing operations, beating the average analyst estimate of 98 cents.

Syngenta AG - Group sales of $2.5 billion were down 3% at constant exchange rates compared with the third quarter of 2015. Reported sales were also 3% lower, with the dollar broadly stable against major selling currencies. For the first nine months of 2016, sales declined 3% at constant exchange rates to $9.6 billion. Erik Fyrwald, Chief Executive Officer, said: "In a challenging year for the industry, it is encouraging to see strong uptake of our new technologies in a number of markets. This reflects the success of our R&D investments, which will continue to bring broad-based innovation to growers around the world. "For the fourth quarter of 2016, we expect a continuation of the recovery in Asia Pacific and an improved performance in Latin America, with no further impact from the change in sales terms in Brazil. We confirm our full year guidance of slightly lower sales at constant exchange rates, with a mid-single digit decline in reported sales. The EBITDA margin is expected to be around last year's level despite the non-recurrence of the $200 million trait revenue received in the fourth quarter of 2015. Our ongoing focus on working capital management should result in free cash flow for the year of over $1 billion." **Syngenta and China National Chemical Corporation (ChemChina)** last Friday announced that the EU review of ChemChina's acquisition of Syngenta will enter Phase II with effect from October 31. The regular duration of Phase II is up to 90 working days. The companies intend to continue constructive discussions with the EU authorities in order to conclude the review as early as possible.

Economic Conditions

The U.S. economy rebounded smartly in the third quarter, which we think keeps the Federal Reserve on track for a year-end rate hike. Real GDP rose 2.9% annualized in Q3, a bit above the consensus and our estimates. This was the fastest growth in two years and a marked improvement on the 1% average of the previous three quarters. The standout (and most surprising) driver was exports, up a blistering 10%. With imports rising a more subdued 2.3%, trade added 0.8% to Q3 growth.

U.S. new home sales rebounded in September. Sales jumped a consensus-beating 3.1% last month, but to 'just' 593,000 units annualized, a 2-month high. Augusts' 7.6% drop to 609,000 was revised to an 8.6% drop and to 575,000 units. The September improvement was spread across most of the country (and particularly in the important Southern region) with the West being an exception. The number of homes available to be bought slipped 0.4% in the month, which helped tighten up the months' supply to 4.8, the 2nd lowest in nearly two years. It also took a little less time to sell these homes, from after building is completed to the actual sale itself (3.1 months). Finally, the number of homes sold exceeded those constructed, supporting the view that the big dive in September housing starts was all weather related.

U.S. exports climbed for the 4th straight month, a streak not seen in nearly six years, while wholesale and retail inventories both climbed in September (+0.2% and +0.3%, respectively).

Britain's economy grew faster than expected in the third quarter of 2016, according to a preliminary GDP release from the Office for National Statistics (ONS) last Thursday. According to the ONS' data, GDP grew by 0.5% in the quarter, above the consensus forecast of economists who saw growth increasing just 0.3%. On a year-to-year

basis, growth was also higher than expected, with U.K. GDP 2.3% higher over the course of the last 12 months, compared to a forecast 2.1%. (Source: Business Insider)

U.K. - Ratings agency Standard & Poor's said on Friday it was keeping a negative outlook on Britain's AA sovereign credit rating due to ongoing uncertainty about the country's future outside the EU, after downgrading it in the wake of June's referendum.

Financial Conditions

The U.S. 2 year/10 year treasury spread is now .99% and the U.K.'s 2 year/10 year treasury spread is .98% - meaning investment banks remain constrained from profiting from a steep yield curve and instead are seeking operational efficiencies, including job cuts and lower compensation, to maintain acceptable levels of profit, i.e. above their costs of capital.

Influenced by the withdrawal of quantitative easing, the U.S. 30 year mortgage market rate has increased to 3.47% (was 3.31% end of November 2012, the lowest rate since the Federal Reserve began tracking rates in 1971). Existing U.S. housing inventory is at 4.8 months supply of existing houses. So the combined effects of low mortgage rates, near record high affordability, economic recovery, job creation, and low prices are finally supporting the housing market with housing inventory well off its peak of 9.4 months and we believe now in a more normal range of 4-7 months.

The VIX (volatility index) is 16.33 (compares to a post-recession low of 10.7 achieved in early June) and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 augurs well for quality equities.

Mutual Funds

Portland Investment Counsel Inc. currently offers 7 Mutual Funds:

- Portland Advantage Fund
- Portland Canadian Balanced Fund
- Portland Canadian Focused Fund
- Portland Global Income Fund
- Portland Global Banks Fund
- Portland Global Dividend Fund
- Portland Value Fund

Private/Alternative Products

Portland also currently offers private/alternative products:

- Portland Focused Plus Fund LP
- Portland Focused Plus Fund
- Portland Private Income Fund
- Portland Global Energy Efficiency and Renewable Energy Fund LP
- Portland Advantage Plus Funds
- Portland Private Growth Fund
- Portland Global Aristocrats Plus Fund

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.

TO SUBSCRIBE TO THIS NEWSLETTER, AND MORE, SIGN-UP HERE
www.portlandic.com/subscribe.html

@PortlandCounsel Portland Investment Counsel Inc. Portland Investment Counsel Inc.

This research and information, including any opinion, is compiled from 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 the security. The securities discussed in the Newsletter may not be eligible for sale in some jurisdictions. Certain statements included in this document constitute forward-looking statements, including those identified by the expressions "anticipate," "believe," "plan," "estimate," "expect," "intend" and similar expressions to the extent they relate to an investment fund. The forward-looking statements are not historical facts, but reflect the Portfolio Management team's current expectations regarding future results or events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. The Portfolio Management team has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise. 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.

Information presented in this material should be considered for background information only and should not be construed as investment or financial advice. The information presented in the Newsletter should not be considered personal investment 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.

Consent is required for any reproduction, in whole or in part, of this piece and/or of its images and concepts. PORTLAND, PORTLAND INVESTMENT COUNSEL and the Clock Tower design are registered trademarks of Portland Holdings Inc. Used under licence by Portland Investment Counsel Inc.

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

PIC16-062-E(10/16)