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NEWS HIGHLIGHTS

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

JANUARY 10, 2022

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OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND

PORTLAND 15 OF 15 ALTERNATIVE FUND COMPANY NEWS

Reliance Industries Limited ("Reliance") - On December 31, 2021, Reliance New Energy Solar Ltd. ("RNESL"), a wholly owned subsidiary of Reliance Industries Limited, signed definitive agreements to acquire 100% shareholding in Faradion Limited ("Faradion") for an enterprise value of GBP 100 million. In addition, RNESL will also invest GBP 25 million as growth capital to accelerate commercial roll out. Based out of Sheffield and Oxford in the UK and with its patented sodium-ion battery technology, Faradion is one of the leading global battery technology companies. It has a competitively superior, strategic, wide-reaching and extensive IP portfolio covering several aspects of sodium-ion technology. Faradion's sodium-ion technology provides significant advantages compared to alternative battery technologies, especially lithium-ion and lead acid including:

a) Sustainable – there is no dependence and use of cobalt, lithium, copper or graphite. Sodium is the sixth most abundant element on the planet.

b) Patented zero-volt safe transport and storage.

c) Low cost – total cost of ownership already comparable to lead-acid with potential for further reductions in costs.

d) Scalability – utilises existing lithium-ion manufacturing infrastructure and is already proven with multiple commercial manufacturing partners.

e) Performance – energy density on par with lithium-ion phosphate and with wider operating temperature range of -30°C to +60°C.

f) Fast charge/ discharge capability.

All of this combines to offer a next generation, high density, safe, sustainable and low-cost energy storage technology solution. Reliance will use Faradion's state-of-the-art technology at its proposed fully integrated energy storage giga-factory as part of the Dhirubhai Ambani Green Energy Giga Complex project at Jamnagar, India.

Reliance Industries Limited – On Monday, January 5, 2022, Reliance Industries Limited announced that it has priced a multi-tranche offering aggregating US$4 billion comprising of:

1. US$1,500,000,000 2.875% Senior Unsecured Notes due 2032
2. US$1,750,000,000 3.625% Senior Unsecured Notes due 2052
3. US$750,000,000 3.750% Senior Unsecured Notes due 2062

The Notes are rated BBB+ by S&P and Baa2 by Moody's. The Notes were nearly three times oversubscribed with a peak orderbook aggregating US$11.5 billion and were priced through Reliance's secondary curve. The Notes have been priced at 120 basis points, 160 basis points and 170 basis points over the respective U.S. Treasuries benchmark.

SoftBank Group Corp. ("SoftBank") - SoftBank Group Corp. plans to issue its biggest-ever yen bond in a test of whether individual investors will continue to lap up notes of one of the world's most indebted firms. Masayoshi Son's technology conglomerate is marketing 550 billion yen (US$4.8 billion) of seven-year subordinated notes, with the proceeds used to repay debt. The company has more than 400 billion yen of bond repayments due next month, according to data compiled by Bloomberg. As a bellwether for the tech sector, SoftBank's Vision Fund took a hit last year on the decline in value of public holdings such as Chinese ride-hailing giant Didi Global Inc. The cost of insuring the Japanese company's debt against default surged, while its shares lost nearly 33% last year. But in a world of ultra-low interest rates, its bonds offer juicy returns. The company is something of a darling for retail investors in Japan because of Son's reputation for entrepreneurship and its mobile carrier has a big presence. That enthusiasm is reflected in SoftBank Group's local credit score. The conglomerate has an A- investment-grade rating from Japan Credit Rating Agency, even as S&P Global Ratings assigns it a junk rating. SoftBank has been the single-biggest issuer in the Japanese corporate bond market in the past decade, raising more than 6 trillion yen with the bulk of the funds coming from individual investors. Its latest yen bonds are scheduled to price on January 20, 2022, and the firm has given a range of 2.15% to 2.75% for the coupon, according to a filing from the company on Friday.

Samsung Electronics Co., Ltd. ("Samsung") – Samsung's quarterly profit climbed more than 50% after chip prices stabilized and sales of smartphones surged, reinforcing hopes the memory industry will emerge from its downturn this year. Samsung posted operating income of 13.8 trillion won (US$11.5 billion) for the three months ended December of 2021, missing estimates after it distributed special bonuses to employees. But revenue jumped a better-than-expected 23% to 76 trillion won. Samsung and rivals SK Hynix Inc. and Micron Technology Inc. are weathering a cyclical downturn, helped by demand from servers as well as a widening array of products from cars to home devices. Investors are also monitoring Samsung's operation in the central Chinese city of Xi'an, which has been locked down while the government fights a local outbreak. While it's unclear how long that situation will persist in the city, analysts say short-term disruptions might dampen supply and lift chip prices. Samsung will provide net income and divisional performance when it reports its full earnings on January 27, 2022. Samsung's foundry business, fabricating semiconductors for the likes of NVIDIA Corporation, is also making a growing contribution to its bottom line, after the global chip shortage boosted prices for system chips. Analysts had projected the industry downturn to persist through the first half of this year with double-digit drops for both memory classes. Sentiment changed after China imposed its Xi'an lockdown, affecting production for Samsung and Micron's local facilities. Samsung's Xi'an plant capacity accounts for about 15% of global NAND flash output. The company hasn't completely shut down the fab but has adjusted operations.

Ares Management Corporation ("Ares") – announced that Eileen Naughton has joined its Board of Directors as an independent director. The board has been expanded to 11 members, including five independent directors and one vacancy, which the board will seek to fill in 2022 with an additional independent director. Ms. Naughton is a talented business leader with more than 30 years of corporate experience in people management, technology and global operations. Most recently, Ms. Naughton served as the Chief People Officer and Vice President of People Operations at Google, Inc. from September 2016 to January 2021. Prior to September 2016, Ms. Naughton served in a variety of senior roles at Google dating back to 2006, including as Vice President and Managing Director for Google UK & Ireland and Vice President of Global Sales. Prior to joining Google in 2006, Ms. Naughton held a number of executive positions at Time Warner, including president of TIME Magazine. "Eileen is a highly accomplished executive who brings significant experience in technology and scaling business operations while building and maintaining a strong, diverse and inclusive culture," said Michael Arougheti, Chief Executive Officer and President of Ares. "Her extensive knowledge of international markets and business management will be an asset as Ares continues to expand its global presence. Ares is executing a sustainable, long-term growth strategy, and I am confident that we will benefit from Eileen's unique perspective and collaborative approach."

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

The Bank of Montreal ("BMO") revealed it planned to raise approximately CA$2.7-billion from a stock sale to help pay for its proposed $21 billion acquisition of Bank of the West, the 1.8-million-customer, San Francisco-based bank from BNP Paribas SA. In an investor presentation, BMO said it would sell the stock "in public or private markets." The Bank of the West takeover is the largest undertaken by a Canadian bank. BMO is pitching deep-pocketed fund managers such as the Caisse de dépôt et placement du Québec, Canada Pension Plan Investment Board and the Ontario Teachers' Pension Plan as cornerstone investors in the potential stock sale, according to investment bankers at rival dealers. BMO executives declined to provide further comment on the financing. BMO is also taking a number of steps to conserve its capital, including halting share buybacks, as it prepares to close the Bank of the West transaction. The Canadian buyer plans to use both its excess capital and any extra reserves at the U.S. bank to fund most of the takeover. The Bank of West acquisition is expected to close by the end of this year and Darryl White, Chief Executive Officer of BMO, said on a conference call last month that the bank would likely sell stock to fund the takeover in the second half of 2022. "It's not something that we're necessarily in a rush to do," Mr. White said. The stock sale represents approximately 3 percent of BMO's market capitalization and Mr. White said: "It's not a large deal, relative to our outstanding shares." (source Globe & Mail)

Citigroup Inc. ("Citi") is in agreement to sell its Philippines consumer bank to UnionBank. This looks like progress; price (all cash) = net assets + US$0.9 billion; exit adds approximately $0.5 billion to tangible common equity which should add flexibility to invest or buy back stock; sales is expected to be a second half 2022 close.

Costco Wholesale Corporation ("Costco") reported December comps ex-FX and gas of +11.5%, below the consensus estimate of +11.9%, despite a tough comparison of +10.9% from a year ago. U.S. comps ex-FX/gas were up 11.5% versus consensus of 11.7%, Canada comps ex-FX/gas were 13.6% versusconsensus at 15.0%, and Other International comps ex-FX/gas were 9.6% versus consensus at 9.0%. On a two-year stack basis, U.S. comps ex-FX and gas decelerated slightly to 22.5% in December from 23.3% in November 2021. Costco commented that December inflation was relatively consistent with November with the largest impacts in fresh foods and food and sundries. By category, ancillary continued to outperform, given easy comparisons from last year related to closures and lower gasoline volumes. E-commerce accelerated to +17.8% ex-FX in December from +11.7% in November. On a two-year stacked basis, e-commerce ex-FX decelerated in December to +79.4% versus +82.6% in November. Traffic accelerated, at +9.8% globally versus +5.5% in November. Worldwide traffic decelerated on a 2-year stack basis to +9.2% in December from +11.2% in November and U.S. 2-year stack traffic decelerated to 9.8% in December versus 11.7% in November. Meanwhile, the average ticket was +4.3%, despite a difficult comparison of +11.4% from December 2020.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND

Novartis International AG ("Novartis") held a call to update investors on the Leqvio opportunity post the U.S. approval. Leqvio is the first siRNA LDL cholesterol lowering treatment that has twice a year dosing so it removes the burden away from patient. There is 50 years of evidence linking LDL c lowering to CV outcomes. The lower the LDL-C, the better the outcome; which is where Leqvio delivers. An initial weighted average cost price of $3,250 per dose has been set equating to $6,500 a year in a maintenance setting. The price is in the range of ICER endorsement and the group expects a permanent J code will be available in July of 2022. The label was as expected and covers lowering LDL-C in patients with atherosclerotic cardiovascular disease (ASCVD) on maximally tolerated statin therapy. In practice, this should cover around 16 million patients. Speakers repeated Novartis prior position that around two thirds of eligible patients will pay as little as zero dollar co-pay at launch. Medicare part B fee for service patients should be eligible for treatment immediately with Medicare Advantage and Commercial patients becoming eligible as plans complete P&T reviews that typically take 3 to 9 months. Patients typically give up on both statins (76% abandonment at two years despite low cost generics), or PCSK9s, with abandonment linked to co-pays. However, these patients do still visit their doctor every six months which should fit in well with the Leqvio treatment. Novartis expect a multibillion dollar opportunity but reiterated a slow build in first half of 2022 as coverage builds up and that as it is a medical procedure we would have limited visibility with Novartis to report on the selling and utilisation each quarter. Novartis does not expect to have to give any rebates beyond statutory ones, which follows the very limited gross to net we see on other in office drugs. Novartis see the CA$130 per treatment as sufficient incentive for many doctors to become involved in buy and bill, but note that administration fees are likely to be higher for doctors delivering the injection in either a commercial or Medicare advantage setting. Novartis acknowledged the need for supportive outcomes data over time and of 75,000 patients expected in studies around 30,000 are in two CVOT studies. Orion 4 was delaying in recruitment because of COVID-19 but is back on track and July 2026 remains the clinical trials end date, although this is an event based study. Of note, the United States Food and Drug Administration (FDA) did not ultimately require an inspection of the European manufacturing facility.

Relay Therapeutics, Inc. ("Relay Therapeutics") – Relay Therapeutics, a clinical-stage precision medicine company transforming the drug discovery process by combining leading-edge computational and experimental technologies, provided an update for two of its ongoing first-in-human trials, RLY-2608, the first known allosteric, pan-mutant and isoform-selective PI3Kα inhibitor in clinical development, and RLY-4008, a highly selective, irreversible and oral small molecule inhibitor of FGFR2. "We now have three targeted therapeutics in clinical trials and a deep pipeline of preclinical precision medicine programs behind that, all with the potential to address major unmet medical needs for patients," said Sanjiv Patel, M.D., President and Chief Executive Officer. "With our growing multi-disciplinary team, strong balance sheet and constant focus on execution, we believe we are well poised to accomplish our goal of delivering new medicines to patients. The year 2021 was a pivotal year for Relay Therapeutics, having disclosed promising clinical data for RLY-4008, and we are confident this is only the beginning of what this platform and team can do." In the dose expansion part of the trial for RLY-2608 as a single agent, patients with the following unresectable or metastatic solid tumors with a PI3Kα mutation per local assessment will be enrolled in the following groups: 1) clear cell ovarian cancer; 2) head and neck squamous cell carcinoma; 3) cervical cancer; 4) other solid tumors; and 5) unresectable or metastatic solid tumors with PIK3CA double mutations defined as major (E542X, E545X, or H1047X), plus ≥1 additional PI3Kα mutations. For RLY-2608 in combination with fulvestrant, men or postmenopausal women with HR+, HER2– advanced or metastatic breast cancer patients with PI3Kα mutations will be enrolled in the following groups: 1) patients who have not received prior treatment with a PI3Kα inhibitor; and 2) patients who are intolerant to PI3Kα inhibitors. The trial is designed to enroll approximately 190 patients between both arms. Relay Therapeutics initiated expansion cohorts last month for the first-in-human trial for RLY-4008 in patients with FGFR2-altered cholangiocarcinoma, breast cancer and other solid tumors. The ongoing first-in-human trial for RLY-4008 is designed to evaluate the safety, tolerability, pharmacokinetics and anti-tumor efficacy. Following a thorough assessment of the dose escalation data, the expansion portion of the trial has been initiated at a dose of 70 mg once daily. Relay Therapeutics will continue to monitor the dose escalation data and expansion cohorts to determine if other doses or schedules should be evaluated.

Telix Pharmaceuticals Limited ("Telix") – Telix Pharmaceuticals a global biopharmaceutical company focused on the development of diagnostic and therapeutic products based on molecularly targeted radiation (MTR), announced that the United States Food and Drug Administration (FDA) has approved Telix's lead prostate cancer imaging product, Illuccix. Illuccix is a kit for the preparation of gallium-68 (68Ga) gozetotide (also known as PSMA-11) injection, a radioactive diagnostic agent indicated for positron emission tomography (PET) of prostate-specific membrane antigen (PSMA) positive lesions in patients with prostate cancer with: suspected metastasis who are candidates for initial definitive therapy; suspected recurrence based on elevated serum prostate-specific antigen (PSA) level. "The approval of Illuccix will give patients considerably improved access to PSMA-PET imaging, an advanced diagnostic tool that was recently included in the NCCN Clinical Practice Guidelines in Oncology (NCCN Guidelines) for Prostate Cancer," said Dr. Oliver Sartor, Medical Director at Tulane Cancer Center. "With patient doses able to be prepared on-site or via commercial radiopharmacy networks, either via generator or cyclotron, Illuccix delivers flexible patient scheduling and on-demand access throughout the day." "This product offers a level of flexibility and accessibility to healthcare professionals we really haven't seen before in this class of products and may help us provide better patient experiences as a result," said Dr. Sartor. With a distribution network encompassing more than 140 nuclear pharmacies through its agreements with Cardinal Health Inc. and PharmaLogic, Telix will be able to provide Illuccix to more than 85% of eligible PET imaging sites throughout the United States. "This heralds a new era of patient and physician access to gallium-based PSMA-PET imaging and marks an important new stage for Telix as we bring our first commercial product to market in the United States," said Dr. Christian Behrenbruch, Managing Director and Chief Executive Officer at Telix. "Improved imaging can provide physicians with the insights to determine the most appropriate treatment pathway and give patients in the U.S. access to a specific and sensitive imaging tool for the detection of prostate cancer throughout the body."

ECONOMIC CONDITIONS

Canadian employment continued to register significant gains in December according to the Labour Force Survey, with a 55 thousand print, way above the 25 thousand expected by consensus. December's job gains, combined with the unchanged labour force participation rate (65.3%), resulted in a further drop for the unemployment rate from 6.0% to 5.9%. This is just two tenths above the 5.7% mark it stood before the pandemic (February 2020). The increase in employment was led by full-time jobs (+123 thousand) while part-time jobs posted a pullback (-68 thousand). Public sector employment was the stronger contributor (+32 thousand) while private sector employment (+17 thousand) and self-employed (+6 thousand) posted also decent gains. Meanwhile, employment in the goods-producing sector (+44 thousand) led the way in December with gain in all major categories (construction (+27 thousand), manufacturing (+11 thousand), utilities (+3 thousand), agriculture (+2 thousand), resources (+1 thousand). The services sector (+11 thousand) also posted gains. Educational services (+17 thousand), other services (+8 thousand) and business services (+7 thousand) were the top performers while finance/insurance (-11 thousand) and information/recreation (-5 thousand) lagged. Regionally, among the four largest provinces, Ontario (+47 thousand) and Alberta (+11 thousand) registered impressive gains while Quebec (-6 thousand) posted a decline. British Columbia employment was essentially flat (+0.4 thousand).

Canada's merchandise trade surplus unexpectedly widened to $3.1 billion in November, from an upwardly revised $2.3 billion surplus in the prior month (initially reported at $2.1 billion). This puts the full year on course for the first surplus since 2014. In November, exports climbed 3.8% despite the extreme flooding in British Columbia. StatCan suggested that exporters look to have found "alternative shipping arrangements", likely to move goods through the U.S., leading to a record high in exports to that country. Gains were widespread among product categories, with consumer goods (+9%) and industrial products (+14.7%) leading the way. The former category was driven by COVID-19 medication, which came into the country for packaging and labelling and then left, boosting both imports and exports in the month. Total imports rose 2.4%, driven by the jump in consumer pharmaceutical products. Industrial products (+7.3%), metals products (+7.3) and energy (+7%) also provided support. On a volume basis, November exports rose 2.8%, while imports edged up 0.7%. The service trade deficit narrowed to $230 million in November from $520 million in the prior month as exports rose more than imports. The services trade balance is expected to deteriorate further when travel eventually returns to normal.

Canadian real Gross Domestic Product (GDP) rose a sturdy 0.8% in October, in line with the initial estimate and representing a strong start to the fourth quarter. StatCan revised up the prior month by a bit more than a tick, and also provided an early estimate of 0.3% growth in November GDP. The British Columbia floods hit in the middle of that month, heavily disrupting transport. Theses robust monthly gains show that the economy had considerable momentum heading into the late-year Omicron storm. Even assuming a pullback in December activity on renewed restrictions and canceled plans, it still looks like the economy churned out a solid fourth quarter so leaving annual GDP growth estimates around at 4.5% for all of 2021.

Canadian retail sales grew 1.6% in October, better than the 1.0% flash estimate. Most sectors were stronger, with the biggest percentage increases in sporting goods and hobby stores (+17.5%), as recreational activities ramped up; furniture and home furnishings (+3.7%) and building materials (+3.2%). A small decline in food and beverage stores (-0.6%) was led by grocery and convenience retailers. Excluding autos, retail sales were up 1.3%, while ex. autos & gas posted a 1.5% gain. Overall, sales have recovered as much as restrictions have allowed, with activity up 3.6% year-over-year and more than 10% above pre-COVID-19 levels.

U.S., nonfarm payrolls rose just 199 thousand in December, a lot less than the +450 thousand figure expected by consensus. Partially compensating for this disappointing result, the prior months' results were increased 141 thousand. The private sector added 211 thousand jobs. Employment in the goods segment rose 54 thousand thanks to gains in manufacturing (+26 thousand), construction (+22 thousand) and mining/logging (+6 thousand). Services-producing industries, meanwhile, expanded payrolls by 157 thousand, with notable increases for leisure/hospitality (+53 thousand), professional/business services (+43 thousand), transportation/warehousing (+19 thousand) and wholesale trade (+14 thousand). Alternatively, the retail sector signaled minor job losses (-2 thousand). Employment in the public sector retraced 12 thousand. Average hourly earnings rose 4.7% year-over-year in December, four ticks less than in the prior month but still way ahead of analysts' forecast calling for +4.2%. Month on month, earnings were up 0.6%, the most in eight months.

U.S. household survey painted a much more optimistic picture of the situation prevailing on the labour market, with a reported employment gain of 651 thousand. This result, combined with an unchanged participation rate (61.9%), allowed the unemployment rate to drop from 4.2% to a post-pandemic low of 3.9%. Full-time employment soared 803 thousand, while the ranks of part-timers shrank 275 thousand. If participation levels had been the same in December as in the pre-crisis period, the unemployment rate would have been closer to 6.0%. But during this 'Great Resignation' period trying to achieve pre-crisis participation rates might be too ambitious and U.S. businesses are likely to grapple with a severe shortage of labour for some time. Once again in December, the two employment reports conveyed different messages. Judging by the pandemic track record, the household survey appears to be a better gauge of the situation on the job market, at least at the time of the initial release as the non-farm payrolls has had a tendency to underestimate job gains before gradually revising them higher.

U.S. Personal Spending rose an expected 0.6% in November after a slightly upwardly revised 1.4% in October, when more shoppers visited stores in anticipation of product shortages. The entire increase reflected higher prices. Spending volumes were flat, though after a 0.7% spike the prior month, with sales now up 7.7% year-over-year, 4.8% annualized so far in the quarter from third quarter, and 4.4% above pre-pandemic levels. The November gain was all in real services (0.5%) offset by a broad decline in goods volumes that was led by autos and clothing.

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 0.35%. 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 3.22%. 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 VIX (volatility index) is 20.58 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

And finally: "*Those who never change their minds, never change anything.*" ~ Winston S. 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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