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NEWS HIGHLIGHTS

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

MAY 17, 2021

OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND

PORTLAND 15 OF 15 ALTERNATIVE FUND COMPANY NEWS

Ares Management Corporation announced that a fund managed by its Private Equity Group has signed a purchase agreement to sell Farrow & Ball, a UK based manufacturer and retailer of premium paint and wallpaper, to Hempel Group. Farrow & Ball is an iconic paint and wallpaper brand with a 75-year British heritage. Recognized as the authority on colour and interior design inspiration, Farrow & Ball has become the premium brand of choice for consumers, designers and cultural institutions around the world. “Since acquiring Farrow & Ball in 2014, we are proud to have partnered with the company during a period of significant value creation,” said David Ricanati, Partner in the Ares Private Equity Group. “We are delighted that they found the right partner in Hempel to support the company in the years ahead.” “We had the privilege of stewarding an iconic consumer brand,” added Jordan Smith, Principal in the Private Equity Group of Ares Management. “This sale culminates another successful partnership where our sponsorship helped catalyze transformational growth.” The transaction is expected to close in the second half of 2021 and is subject to customary closing conditions.

Brookfield Asset Management Inc. reported results for the first quarter of 2021, which included funds from operations (FFO) of CA$2.8 billion, the company’s highest ever for a quarter. This was a result of strong operating performance, significant realized carried interest, and gains generated from capital recycling initiatives. During the quarter Brookfield launched the fundraising for two flagship funds (fourth real estate fund and the inaugural Global Transition Fund) which, when combined with other fundraising efforts, will likely contribute meaningfully to the growth over the next twelve months. Net income was $3.8 billion. Brookfield realized approximately $6.4 billion of disposition gains in the quarter, split $1.8 billion for Brookfield and $4.6 billion for our clients. The amounts on behalf of clients enabled the company to realize carried interest of $681 million, supported by a strong and liquid market backdrop. Total assets under management increased to $609 billion and fee-bearing capital increased to $319 billion, due to capital raised and deployed across various fund products as well as growth in the capitalization of listed affiliates. As a result, fee-related earnings increased 29% from the prior year quarter to $413 million and were $1.5 billion over the last twelve months. Brookfield raised $7 billion of private fund capital during the quarter, and approximately $40 billion over the last twelve months. Growth in fee-bearing capital over the last twelve months led to an 18% increase in fee-related earnings over the same period. Deployable capital of $80 billion includes $18 billion of cash, financial assets and undrawn lines of credit in BAM and affiliates and $62 billion of uncalled fund commitments available for new transactions. Liquidity was strengthened in the quarter through the sale of approximately $750 million of Brookfield Renewable Corporation shares and $900 million of West Fraser shares. BAM invested $9 billion during the current quarter, and $43 billion over the last twelve months.

Danaher Corporation announced that it has appointed A. Shane Sanders to its Board of Directors and to its Audit Committee. This addition expands the size of Danaher’s Board from twelve to thirteen members. Mr. Sanders is currently Senior Vice President of Business Transformation at Verizon Communications Inc. Since joining Verizon in 1997, he has served in a series of progressively more responsible leadership positions including as Senior Vice President of Corporate Finance from 2015 to 2020. Prior to joining Verizon, Mr. Sanders served in various finance roles at Hallmark Cards, Inc. and Safelite

Glass Corporation, and began his career at Grant Thornton in 1984. Mr. Sanders earned his B.S. in Accounting from Oklahoma City University and his M.B.A. from Rockhurst University, and he is a Certified Public Accountant. Steven M. Rales, Chairman of the Board of Danaher Corporation, said "We are very pleased to welcome Shane to the Danaher Board of Directors. His extensive leadership experience in corporate finance over the last twenty-five years will be a tremendous asset to our Board and to Danaher as we strive to build sustainable, long-term shareholder value."

Inditex SA – After building the world's biggest clothing empire without using TV and billboard ads, the owner of fashion brand Zara is trying another way to market its dresses, jeans and jackets - video games. Inditex is responding to the shift from physical stores to online sales by teaming up with Facebook and Instagram to develop "Pacific Game" to attract younger buyers to its Pull & Bear brand. It's not about clinching a direct sale but building a relationship with younger customers. E-commerce brought a third of Inditex's revenue last year and a chunk of the US$3 billion it's earmarked for new investments will go to making sure the digital boom doesn't run out of steam. There's been a flurry of deals where clothing brands get to tout their wares inside video games. Now they're taking their involvement a step further with games of their own to bring more traffic to websites, boost downloads of mobile apps and offer more fun ways to distribute discount codes. Pull & Bear's retro-style caper sees a shopper travel from California to Tokyo collecting clothes and avoiding obstacles along the way. Players control the character by turning their face. The game is accessed from Pull & Bear's Instagram and Facebook accounts and website.

Facebook Inc. - The Diem Association, a group of Facebook Inc. and 25 other companies and non-profit groups once known as Libra, is moving its main operations to the U.S. and partnering with a bank to issue a cryptocurrency backed by U.S. dollars. In a statement on Wednesday, the associate said the new plan includes an agreement with Silvergate Capital Corp., an important player in the cryptocurrency industry, which will issue the coin and manage Diem's reserve of U.S. dollars. Diem said it's still building out a global payments network, with the idea that it could serve its own stablecoin or even central bank digital currencies if world governments decide to issue them. Diem Chief Executive Officer Stuart Levey, said Diem's payments network will be able to lower the cost of sending money around the world, whether it's through a Diem-issued coin or the central-bank digital currencies that many countries are considering. In June 2019, Facebook and 27 partners announced the Libra project with large ambitions. The Libra Association, as the Diem Association was then known, said it planned to launch a global stablecoin backed by a basket of currencies, including the U.S. dollar, euro and others. The blowback from world governments was fierce. Even though Facebook executives said they were just one of equal partners in the association, U.S. lawmakers said its involvement gave them concerns about protecting user data or giving the already powerful company a toehold in financial services. Some lawmakers even posited that libra could be a threat to the U.S. dollar as the world's reserve currency. Amid the criticism, the Libra Association lost some of the members most equipped to address financial regulators, including Visa Inc., Mastercard Inc., and PayPal Holdings Inc. Eventually, the Libra Association decided to delay the launch of a multi-currency coin in favor of separate cryptocurrencies linked to individual countries' money. The association also rebranded as Diem, but never received a necessary license from the financial regulator in its headquarters country of Switzerland.

SoftBank Group Corporation– Adani Green Energy Ltd., majority-owned by Indian billionaire Gautam Adani, is in advanced talks to acquire privately-held SB Energy Holdings Ltd., according to people familiar with the matter. A deal could value SB Energy, owned by SoftBank Group Corp. and Bharti Enterprises Ltd., at more than US$650 million, said one of the people, who asked not to be identified as the information is private. Adani Green is exploring a buyout of the renewable energy company through an all-stock deal, another person said. Shares in Adani Green climbed as much as 5% on Monday, touching their highest level in more than a month. They have risen nearly 400% in the past year, giving the company a market value of about $24 billion. The advanced talks come after negotiations with Canada Pension Plan Investment Board to buy SB Energy from SoftBank broke down, one of the people said.

SoftBank Group Corporation - SoftBank on Wednesday reported net income of 1.93 trillion yen for the three months ended March 31, the most ever for a Japanese company, with essentially all of that coming from its investment in the newly public Coupang Inc. That's nearly twice the 1 trillion-yen tally from the next highest Japanese company, Toshiba Corporation. In a presentation after results, founder Masayoshi Son argued that investors aren't giving him credit for the value he's creating at SoftBank. With holdings like Coupang Inc. and Alibaba Group Holding Ltd., the net asset value for the company is now north of 15,000 yen a share, he said, more than 70% higher than the current share price. SoftBank's Vision Fund investment arm went from being the source of the biggest loss in SoftBank's history a year ago to the main driver of earnings, with a 2.3 trillion yen profit in the March quarter. The rally in tech shares boosted Vision Fund profits to three consecutive records, raising the value of holdings in the likes of Uber Technologies Inc. and paving the way for public listings from startups such as Coupang Inc. and DoorDash Inc. What's really driven SoftBank shares though, has been its buybacks. Beginning in March of last year, Son announced he would sell assets and repurchase 2.5 trillion yen of his own stock. SoftBank said on Wednesday it has spent all of the money it has allocated -- and investors have been anticipating more buybacks. But Son didn't commit to further repurchases. "Yes, we will consider buying back our own shares," he said, stressing there are a lot of factors that go into such a decision and it can't just be deployed to prop up the share price. Coupang Inc., the South Korean e-commerce leader, contributed US$24.5 billion to Vision Fund's profit in the fourth quarter. Auto1 Group SE, a German wholesale platform for used cars which went public in February, contributed $1.8 billion of the gains, while Uber posted a $200 million loss. The Japanese conglomerate doesn't have to sell equity holdings to book income, so most of its profits are unrealized. Son has said that SoftBank could see between 10 and 20 public listings a year. Grab Holdings Inc. will go public in the U.S. by July through the largest-ever merger with a blank-check company, valuing the Southeast Asian ride-hailing and delivery giant at about $40 billion. Its Chinese counterpart DiDi Chuxing Inc. has filed with the U.S. Securities and Exchange Commission for an IPO that could value the company as highly as $70 billion to $100 billion. SoftBank has a portfolio of 224 companies across three different funds as of the end of March.

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

AT&T Inc. has agreed to a spin-off of its media content division, now known as WarnerMedia LLC, into a separate business in combination with Discovery, Inc. The deal will create a content house spanning Warner Bros. Entertainment Inc. films and TV output from the Home Box Office (HBO) network plus Discovery's stable of reality-TV shows, Animal Planet and the flagship Discovery Channel. Under the deal, AT&T will receive US$43 billion in cash and debt securities and take a 71% stake in the new business. However, David Zaslav, the CEO of Discovery(which will control the remaining 29%) has been named the CEO of the new business. AT&T says combining the two businesses will result in at least $3 billion in annual cost savings. HBO Max streaming has about 64 million subscribers and Discovery reaches more than 88 million U.S. homes and has attracted about 15 million subscribers to its Discovery+ streaming service. AT&Ts strategic reversal will shift its focus to its core telecoms business and the roll-out of 5G mobile networks.

Bayer AG - Q1 2021 Group sales grew 2.8% cash credit (cc) to €12,328million (-4% reported, +3.1% volume, -0.3% price, -7.3% Foreign Exchange (FX), +0.5% portfolio). Group sales beat consensus expectations by 4% primarily driven by Crop Science which grew 6.4% underlying before a -9.2 percentage points (pp) FX headwind (6% above consensus) which saw a good contribution from: (i) agro chemicals (underlying, volume was the largest factor (+4.7%) driven by fungicides up 22% cc, herbicides (+13%cc), vegetable seeds (+13.9%cc) and environmental science (+13.9%cc) partially offset by flat sales in corn seed and traits and: (ii) in Latin American (LatAm) and Asia-Pacific (APAC) regions. Pharma sales of €4,365million were flat (-0.4%cc), 2% ahead of consensus. Price impacted the business by -4.4pp, while volumes grew solidly at +4.0pp. Importantly the key products Eylea was 12% ahead, and Xarelto was in line with expectations. This was complemented by strong Nexavar (€121million vs. consensus €113 million) and Mirena (€319 million vs. consensus €289 million) offset by weaker Kogenate (€185million vs. consensus €201million) sales. Consumer Health sales declined -4.4% to €1,252million, in line with consensus. Volume and FX has negative effects to the business of -7.5%, and -6.9%. This was offset by a +3.1% price effect. We highlight lockdowns continue to have an impact on sales, particularly the Cough & Cold products. North America sales were down -14.6% and European (EU) declined -6.5% due to lockdowns. All divisions contributed to a strong performance at the EBITDA level. Pharma beat consensus by 7%, crop by 14% and consumer by 5%. Pharma EBITDA includes a positive effect of €52 million from a "proportionate recognition" of the sale of a priority review voucher in the U.S. Consumer benefitted from one-time gains from the divestment of non-core brands and lower marketing expenses as a result of the pandemic. 2021 Group Guidance maintained despite 8% EBITDA beat and 12% core EPS beat. Group sales guidance: €41 billion vs. consensus €40.9 billion. EBITDA guide before special items: €10.5-10.8billion vs. consensus €10.8billion. Core EPS guide (constant portfolio and stable exchange rate): €5.60-5.80 vs. consensus €5.77.

Compass Group - Half year results announcement for the six months ended 31 March 2021: Underlying results: Revenue £8.6 billion down 30.4% from first half of 2020; Operating Profit £290million down 64.5% and Operating Margin 3.4% down from 6.7% second quarter operating margin at 4.2%, 20 basis points (bps) ahead of management's pre close trading update and an increase of 150 bps from first quarter. Company restored more than half of its pre-COVID-19 margin during the second quarter, despite volumes being 72% of 2019 revenue. Continued strong customer retention of 95.6%. New business wins increased by about 20% with first time outsourcing now accounting for around 50%, up from a third historically. Strong underlying free cashflow of £359 million driven by efficient working capital management. Gross capex was 3.4% of underlying revenue as management continue to invest in growth opportunities. Peak net debt to EBITDA ratio of 3.0 times. Investing in attractive organic and inorganic opportunities to grow the business and support group recovery. Management guide to expect gradual improvement in revenue in the third quarter; Expect third quarter margin to be between 4.5% and 5.0% absorbing the impact of reopenings and mobilizations and remain confident in rebuilding the Group underlying margin to above 7% before it returns to preCOVID-19 volumes.

LIFE SCIENCES

Telix Pharmaceuticals Limited announced that it has entered a global clinical supply agreement with Istanbul-based Eczacıbaşı-Monrol Nuclear Products Co. (Monrol) for no carrier added (nca) lutetium-177 (177Lu), a key therapeutic isotope used in Telix's portfolio of Molecularly Targeted Radiation (MTR) products. This new activity expands an existing master services and distribution agreement concluded with Monrol in 2019 to support the ZIRCON Phase III trial of Telix's TLX250-CDx (89Zr-DFO-girentuximab) investigational product for imaging of renal cell carcinoma with positron emission tomography (PET). Under the terms of the agreement, Monrol will supply 177Lu, for clinical and commercial use, in support of Telix's drug development programs. Telix CEO Christian Behrenbruch stated, "Monrol is a leading nuclear medicine company in the countries in which it operates and has proven to be a reliable isotope supply, manufacturing, and distribution partner during the course of the ZIRCON study. We are pleased to expand our validated and trusted collaboration to include the supply of lutetium, an important radioisotope with broad utility in the treatment of human cancers." Monrol General Manager Aydın Küçük added, "Since we started collaborating with Telix in 2019, the Company has continued its rapid growth and is now recognized as a leading global company in the radiopharmaceutical field. We are very pleased to be working with Telix to supply 177Lu in support of Telix's mission to help patients with cancer live longer, better quality lives." Telix expects to use Monrol 177Lu, both for the pending STARLITE Phase II (177Lu-DOTA-girentuximab for the treatment of metastatic renal cell carcinoma) and ProstACT Phase III (177Lu-DOTA-rosopatamab for the treatment of metastatic castrate-resistant prostate cancer) studies. Telix and Monrol will also validate the use of Monrol's 177Lu production to support the commercial roll-out of Telix's products in Monrol's commercial territories, subject to completion of clinical studies and the relevant regulatory approvals.

ECONOMIC CONDITIONS

U.S. - Consumer Price Index rose 0.8% in April after climbing 0.6% the prior month. This result blew past consensus expectations calling for just a +0.2% print. The energy component edged down 0.1% thanks in part to a 1.4% decline in the gasoline segment. The cost of food, for its part, rose 0.1%. The core CPI, which excludes food and energy, also beat consensus expectations, progressing 0.9% month over month, i.e. the most since April 1982. Prices for ex-energy services rose 0.5% on strong gains for shelter (+0.4%), motor vehicles insurance (+2.5%) and airline fares (+10.2%). The price of core goods, meanwhile, surged 2.0% on gains for used vehicles (+10.0%), medical care (+0.6%) and new vehicles (+0.5%). Year–over-year, headline inflation clocked in at a 12-and-a-half-year high of 4.2%, up from 2.6% in March. The core CPI index nearly doubled, from 1.6% to 3.0%. This was the highest level observed since 1995.

In summary, the annual inflation rate strengthened sharply in April but the Federal Reserve thinks the inflation overshoot will only be temporary. We are not so sure. We believe other factors will continue to support prices later this year. The unprecedented surge in money supply comes to mind here, as does the amount of fiscal help having been rolled out by Washington. We doubt producers will be able to cope with the excess demand these fiscal packages have created. Factories were already showing signs of strain in April under soaring input prices and lengthening supplier delivery times. This reflected growing capacity pressure stemming from extensive supply shortages.

U.S. retail sales came in flat in April instead of increasing 1.0% as per consensus. The disappointment was compensated by an upward revision to the prior month's result, from +9.8% to +10.7%. Sales of motor vehicles/parts sprang 2.9% in April and stood no less than 32.2% above their pre-pandemic level. Excluding this segment, consumer outlays edged down 0.8% as declines for clothing (-5.1%), general merchandise (-4.9%) sporting goods (-3.6%), gasoline stations (-1.1%) and miscellaneous items (-1.1%) were only partially offset by a 3.0% gain in the food services category. In all, sales declined in 8 of the 13 categories surveyed, with 12 of them still sitting above last year's February level. Core sales, which are used to calculate GDP and exclude food services, auto dealers, building materials and gasoline stations, slid 1.5% in the month.

U.S. industrial production rose 0.7% in April, missing expectations but still solid and up 16.5% year/year (of course, things were really bad a year ago). And, this follows a **solid upward revision to March** to +2.4%.

Coronavirus - Asia concerns continue to linger. India continues to see 4000+ deaths despite a drop in new cases, Taiwan reported record new cases for the fourth day in a row, Singapore increased social distancing rules and banned dine-in services and moved students to on-line learning and Japan expanded the state of emergency to other prefectures with only two months to go to the summer Olympics. The new strain of B.1.617 which looks to be spreading in Asia looks to be more transmissible and affect younger audiences than previous strains.

FINANCIAL CONDITIONS

Following April's policy meeting, Bank of Canada Governor Tiff Macklem delivered a speech titled "The benefits of an inclusive economy". The main thrust of the speech was to emphasize the importance of diversity and inclusion in growing a strong and robust economy and increasing productivity. As we've heard in prior communications, Macklem reiterated that the pandemic has been hardest hitting on young people, women, low-wage workers and racialized Canadians. With the Bank looking closely at income/wealth inequality, he noted the "single biggest contributor to reducing income inequality is making sure people have jobs". Of course, this is the reason why it views a near-zero policy rate and quantitative easing as necessary. However, he also acknowledged that low rates drive up the price of assets which are not evenly distributed across Canadian society. He pledged to study how its monetary tools, including quantitative easing, are affecting inequality.

The U.S. 2 year/10 year treasury spread is now 1.49% and the U.K.'s 2 year/10 year treasury spread is 0.79%. 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 2.94%. Existing U.S. housing inventory is at 1.9 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 20.77 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

And finally

"To be wrong is nothing, unless you continue to remember it..." ~Confucius

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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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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.

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