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NEWS HIGHLIGHTS

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

NOVEMBER 8, 2021

OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND

PORTLAND 15 OF 15 ALTERNATIVE FUND COMPANY NEWS

Berkshire Hathaway Inc. ("Berkshire") – Warren Buffett's Berkshire Hathaway Inc. said that global supply chain disruptions kept a lid on its ability to generate profit, while rising equity prices caused it to sell some stocks and boost its cash hoard to a record. Operating profit rose 18%, while net income, meanwhile, fell 66%, reflecting lower gains from stock holdings. Berkshire repurchased US$7.6 billion of its own stock in the third quarter and $20.2 billion this year, as rising stock markets made buying whole companies increasingly expensive. Berkshire has also been a net seller of stocks, and sold about $2 billion more stock than it bought in the quarter. It ended September with $149.2 billion of cash and equivalents. Berkshire said supply chain disruptions have boosted prices for materials and freight, forcing businesses such as Clayton Homes mobile homes and Acme Brick Company to raise prices, which caused a shortage of truck drivers at McLane Company, Inc.'s grocery distribution. Buffett's failure to buy more stocks and companies has disappointed some investors and analysts. It stems, we believe, in part from how special purpose acquisition companies (SPACs), which take private companies public, are driving up prices of acquisition targets. "It's a killer," Buffett said at Berkshire's annual meeting on May 1st, 2021.

Nomad Foods Limited ("Nomad Food") – Nomad Food today reported results for its third quarter, which included revenue, increased by 4% to €599 million, organic revenue decline of 1.4%, reported profit for the period of €52 million, adjusted EBITDA increased 4% to €113 million and adjusted earnings per share (EPS) increased 17% to €0.35. Stéfan Descheemaeker, Nomad Foods' Chief Executive Officer, stated, "Third quarter results demonstrate the resilience of our business model in the context of dynamic macro cross currents, notably the normalization of demand trends alongside industry-wide inflation, supply chain and logistics challenges. We achieved record third quarter results against this backdrop with revenue growth of 4% and Adjusted EPS growth of 17%, and we remain on pace to achieve another year of double-digit adjusted EPS growth in 2021. We are navigating the current environment by delivering on our near-term objectives while strengthening our foundation in support of sustainable long-term growth." Noam Gottesman, Nomad Foods' Co-Chairman and Founder, commented, "Our growth algorithm is based on strong base business fundamentals augmented with strategic acquisitions. We are pleased to see both elements of our strategy performing well. Our market share continues to trend in a positive trajectory, and we are investing in our future while maintaining strong levels of profitability. Our acquisition strategy is also yielding strong results: Findus Switzerland is performing well since being integrated earlier this year, and we are encouraged by the recent performance of Fortenova Group's frozen food business which is expected to be a meaningful growth driver in the years to come. Our brands are in great health, we have a strong balance sheet, and we are actively pursuing opportunities to grow our portfolio."

SoftBank Group Corp. ("SoftBank") – Colombian delivery app, Rappi Inc., is preparing to go public next year in what would be one of the highest-profile U.S. listings for a Latin American company. The SoftBank backed business has held informal conversations with banks, and plans to hire advisors and prepare its listing paperwork in the first half of 2022, co-founder Juan Pablo Ortega said on the sidelines of the Web Summit conference in Lisbon. An initial public offering (IPO) would happen later in the year. A representative for Rappi said in an e-mailed statement that no conversations or external actions have been initiated regarding an IPO for the company, and that Ortega's declarations are his "personal feelings" that don't represent the company's goals. Rappi would be the latest startup in the on-demand category to brave the public markets. Its business overlaps with DoorDash Inc. as well as Uber Technologies Inc., which are both publicly traded. Venture capitalists are increasingly seeing Latin America as a region with potential for growth as technology adoption there catches up with more established markets. Rappi was valued at US$5.25 billion after a $500 million funding round in July of 2021, according to data provider PitchBook Data Inc. Sequoia Capital Operations LLC, AH Capital Management LLC (otherwise known as Andreessen Horowitz) and Tiger Global Management LLC are some of its investors.

SoftBank - SoftBank is considering a sale of Fortress Investment Group LLC ("Fortress") as the Japanese conglomerate reviews options for the asset manager it acquired four years ago, according to people with knowledge of the matter. SoftBank's deliberations regarding Fortress are at an early stage, said one of the people, who requested anonymity because the matter is private. The move is driven in part by the fact that the Japanese conglomerate was unable to mesh Fortress's operations with its own, the people said. Representatives for SoftBank and Fortress declined to comment. With the more than US$3 billion acquisition of Fortress, SoftBank intended to use the New York-based firm's investment expertise to help manage its behemoth Vision Fund, which was then just being formed. Son's plans were foiled. To win approval from the Committee on Foreign Investment in the U.S., SoftBank agreed to cede any control of day-to-day operations of Fortress. Since the transaction closed in December 2017, Fortress has been run independently. Founded in 1998 by Pete Briger, Wes Edens and Randy Nardone, Fortress had $53.9 billion in assets under management as of June 30, 2021, across credit, private equity and permanent capital vehicles, its website shows. SoftBank has been shedding non-core holdings including its majority stakes in Boston Dynamics Inc. and phone-distribution company Brightstar Corporation.

Facebook Inc. ("Facebook") – Facebook's parent, Meta Platforms Inc. ("Meta"), will no longer use facial recognition for photos and videos shared to the company's flagship social network, saying it needs to weigh the benefits against growing concerns about the technology. The social media giant has used facial recognition since 2010 to encourage people to tag friends or family members in photos and videos, and to alert people if another user uploads a picture that they're in. It eventually added some privacy constraints, and in 2017 it let people opt out of facial recognition. In 2019 Facebook turned off the feature by default, though users could choose to turn it on. Facebook on Monday said it will shut down this system for privacy reasons, and will delete more than one billion "facial recognition templates" it has collected over the years. More than a third of Facebook's daily active users are currently using the feature, the company wrote in a blog post. "Every new technology brings with it potential for both benefit and concern, and we want to find the right balance," Meta wrote in the post. "In the case of facial recognition, its long-term role in society needs to be debated in the open, and among those who will be most impacted by it." Meta's move comes after years of intense scrutiny from regulators and privacy advocates. However, Meta is now also trying to build a new technology platform, called the metaverse, where people will interact in online spaces as digital avatars. In order for the project to succeed, Meta will need buy-in from regulators, industry peers and potential users. Abandoning facial recognition technology could be a step toward convincing critics that the company is taking these privacy concerns more seriously. Menlo Park, California-based Meta outlined one of the downsides to eliminating facial recognition from the social network, and as such, Facebook won't be able to identify people in alt text, a system used to help visually impaired users read a photo or video's description, according to the blog.

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

Coloplast A/S is a market leader in many of its business lines, large exposure to chronic care with high patient retention, with mainly consumables in the product offering, and attractive exposure to fast growing emerging markets. It reported fourth quarter sales were 1% better than company compiled consensus while the earnings before interest and tax (EBIT) was in line. Organic growth for the group in the fourth quarter was 10%, in line with consensus. For the full year 2020/2021, Coloplast ended up with organic growth of 7% but with a 33% adjusted EBIT margin, both in line with previous guidance. The return on invested capital (ROIC) of almost 45% was a stellar result in our view, and the strong performance in particular during fourth quarter was broad-based with Wound care beating consensus expectations. In terms of divisional performance, best performance for the year was seen in Interventional Urology, the smallest division, at 19% organic sales growth. In terms of regional performance, Emerging markets was the fastest growing region for the year at 15% organic sales growth while the largest region, European markets only grew 4% organically. Gross margin expanded during the year from 68% to 69%. In terms of research and development (R&D), costs grew 7% in line with organic sales growth. For 2021/2022, Coloplast expects to grow "around 7%" organically and "around 8%" on a reported basis, implying 1% tailwind from currencies. Consensus models 7.8% organic growth and 0.8% support from currencies. Reported EBIT margin is expected to be "around 32%, impacted by normalization of business activities, raw material price pressure and wage inflation in Hungary and continued commercial investments." Consensus models were 32.4%. In terms of capital expenditure, the company is guiding for "around DKK1.2 billion" that includes investments in automation initiatives at volume sites in Hungary and China and establishment of the second volume site in Costa Rica. Effective tax rate is expected to be 22-23% (versus around 23% for 2020/2021). Total dividend for the year is recommended to be DKK19 per share (versus DKK18 last year).

Coloplast A/S announced that they will acquire Atos Medical Inc., a global leader within laryngectomy (holding an 80% share), a market growing high single digit. The acquisition will form a new strategic business unit in a new chronic care segment. Atos Medical was formed in 1986 by two Swedish entrepreneurs and now serves more than 100,000 neck stoma patients according to a Reuters article in June 2021. The sellers acquired Atos Medical in 2016 from EQT Group for EUR900 million and has since then added acquisitions including Griffin Laboratories Inc. and Heimomed Heinze GmbH & Co. KG. In late September of 2021, Atos Medical acquired TRACOE medical GmbH and Kapitex Healthcare Limited which strengthened the company's position in tracheostomy. Atos Medical was once part of publicly listed Perbio Science AB which was acquired by Fisher in 2003. According to an article in Reuters, the company run a dual track including a potential IPO. According to the release, Atos Medical generated sales of SEK2.2 billion and an EBITDA of 0.8 billion (implying an EBITDA margin of 36% in 2020. This implies a valuation of 9.7 times Enterprise Value (EV)/Sales and 26.7 times EBITDA (excluding synergies), which compares with Coloplast current trading of 11 times EV/Sales and 31 times EV/EBITDA (Bloomberg consensus). While figures from Atos Medical are outdated, the acquisition represents roughly 8% of Coloplast sales and will be debt financed.

The Coca-Cola Company announced it had acquired the remaining 85% stake in BodyArmor in a deal that we believe is accretive and strategically additive to the portfolio. The decision to exercise its option indicates it believes BodyArmor can transcend the traditional sports drink category and effectively appeal to a broader "hydration" consumer. For its part, Coca-Cola has already proven greater capability in building a challenger brand on its red trucks and we are most intrigued by BodyArmor's continued widening of the bounds of the "hydration" category and the international opportunity between the brand and Coca-Cola's global footprint.

SSE plc announced it has sold a 10% stake in Dogger Bank C for £70 million. Eni S.p.A (also known as ENI), the purchaser, is also buying a 10% stake from Equinor ASA. After the sale, SSE will own 40% of Dogger Bank C, alongside 40% Equinor and 20% ENI ownership. Dogger C is part of the world's largest GBP 9 billion offshore wind farm at Dogger Bank, off the English coast. The purchase is expected to complete in the first quarter of 2022. SSE will continue to be the lead developer of this 1,200MW offshore wind farm. At March 2021, Dogger Bank C had no third party debt and shareholder loans of £27 million. Assuming this stake sale excludes shareholder loans, the implied value of Dogger C is £140 million for 20%, or 240MW. This implies an Enterprise Value /MW of £583/MW. If the entire farm were to be valued at this £583/MW rate, SSE's equity value for 40% stake in Dogger C would be about £258 million, or 8 per share. A price of £583 million/GW is approximately a 20-30% uplift on the capex costs of £1.8-2.5 billion/GW (£1.8 billion ex-transmission costs, £2.5 billion/GW with transmission costs). Whilst this sale appears lower than the previous 10% stake sale to ENI for Dogger A and B, at £202.5 million, or £840/MW, we would not directly compare these two assets – they are at different stages of development.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND

Lantheus Holdings Inc. ("Lantheus") – Lantheus, an established leader and fully integrated provider committed to innovative imaging diagnostics, targeted therapeutics and artificial intelligence solutions to find, fight and follow serious medical conditions, reported third quarter results, which included worldwide revenue of US$102.1 million, representing an increase of 15.3% from the prior year period. The company's third quarter 2021 Generally Accepted Accounting Principles (GAAP) net loss was $13.4 million, or $0.20 per fully diluted share, as compared to GAAP net loss of $6.4 million, or $0.10 per fully diluted share for the third quarter of 2020. "We delivered a strong quarter, with revenue up 15% year-over-year, highlighted by the robust adoption of PYLARIFY, the first and only commercially available PSMA PET imaging agent," said Mary Anne Heino, President and Chief Executive Officer. "Although COVID-19 continued to impact some aspects of our business, we were able to grow our three largest products – DEFINITY, TechneLite and PYLARIFY. We look forward to driving sustainable growth across our portfolio of diagnostic and therapeutic solutions as we find, fight and follow diseases to deliver better patient outcomes." "We are pleased with the first full quarter of PYLARIFY sales and continue to invest in our commercial launch, including in manufacturing capacity, to meet the increasing demand for this game changing product. We completed the build-out of our commercial infrastructure, which represents the industry's largest PSMA PET-dedicated sales and market access teams," said Paul Blanchfield, Chief Commercial Officer. "We remain focused on fostering customer adoption and expanding our geographic and market access coverage in service of our customers and the U.S. Prostate Cancer community."

RadNet Inc. ("RadNet") – RadNet, a national leader in providing high-quality, cost-effective, fixed-site outpatient diagnostic imaging services through a network of 350 owned and operated outpatient imaging centers, reported financial results for its third quarter of 2021, which included adjusted EBITDA higher by 19.2% compared to last year's third quarter and adjusted EBITDA margin of 16.4%. "We are particularly proud of this performance in light of the ongoing challenges from COVID-19 and its variants on our business and the entire healthcare delivery system. While we have experienced steady quarterly improvement in our procedural volumes since the height of COVID-19 last year, certain modalities and geographies remain impacted. Furthermore, challenges in workforce staffing in this difficult labour market continues to be a factor in our performance. We are optimistic that as COVID-19 continues to diminish and more workers move back into the labour pool, our business should further strengthen," said Dr. Howard Berger, Chief Executive Officer. Dr. Berger added, "We continue to pursue opportunities in Artificial Intelligence (AI). While we are currently testing and implementing our DeepHealth Saige-Q AI tool in many of RadNet's breast imaging locations, we are aggressively working towards a submission to the FDA for our more advanced mammography AI diagnostic product, Saige-DX. We will also continue to pursue further opportunities for AI investments in areas that we believe can play a significant role in population health management, particularly those that enable wide-scale screening of large populations for the most prevalent cancers and chronic diseases."

Telix Pharmaceuticals Limited ("Telix") – Telix announced that the Australian Therapeutic Goods Administration (TGA) has approved Illuccix® (TLX591-CDx), the company's lead prostate cancer imaging product. Illuccix (Kit for the preparation of 68Ga PSMA-11 Injection) is a positron emission tomography (PET) agent for the diagnostic imaging of men with prostate cancer. The TGA has granted Illuccix a broad clinical indication comprising: patients with prostate cancer who are at risk of metastasis and who are suitable for initial definitive therapy (also known as "primary staging"), and patients with prostate cancer who have suspected recurrence based on elevated serum prostate specific antigen (PSA) level (also known as "biochemical recurrence"). Illuccix, after radiolabeling with gallium-68, is the first commercially approved PSMA-PET imaging agent available in Australia. The TGA approval of

Illuccix facilitates wide-spread clinical access to prostate cancer imaging for all men across Australia including rural and regional areas, enabling availability of state-of-the-art PSMA PET imaging across the country. Telix President APAC Dr. David Cade stated, "The approval of Illuccix means Australian patients with prostate cancer will have broad access to a TGA-approved PSMA-PET imaging agent. This new mode of imaging has been recognised in leading clinical practice guidelines as superior to conventional imaging with CT1 or MRI2, for the staging of prostate cancer. Illuccix attaches to prostate cancer cells expressing PSMA and can be picked up by a PET scanner, giving physicians the ability to visualise tumour cells, including very small metastases, wherever they are in the body."

Novartis AG, is to sell its stake in Roche Holding AG ("Roche") bringing an end to its two-decade investment now worth US$21 billion. Roche will repurchase the roughly one-third voting stake that Novartis holds, which Novartis began building in 2001 and cost a total of about $5 billion. Vas Narasimhan, Novartis' Chief Executive Officer said the decision to sell was "consistent with our strategic focus" and the company planned to deploy the proceeds to "continue to reimagine medicine." The investment had yielded dividends or more than $6 billion, Novartis said. The deal will not lead to a change of control of Roche with the voting power of the Hoffman-La Roche family pool increasing to about 67.5%.

ECONOMIC CONDITIONS

Canadian employment continued to register gains in October according to the Labour Force Survey, with a 31 thousand print slightly below the 42 thousand expected by consensus. October's job gains, combined with a slight drop in the labour force participation rate (65.3%), resulted in a drop for the unemployment rate from 6.9% to 6.7%. While we've erased COVID-era job losses, the unemployment rate remains 1.0% above the 5.7% mark it stood at in February 2020. The increase in employment was entirely led by full-time jobs, as the 36 thousand increase in this segment was more than enough to offset the 5 thousand decline in part-time employment. Private sector employment rose 70 thousand, while public sector employment was flat (there was a 38 thousand decline in self-employed jobs). Meanwhile, the services sector led the way again in October, having absorbed the brunt of earlier COVID-related job losses (+38 thousand in services compared to -6 thousand in the goods sector). Trade (+81 thousand), other services (+21 thousand), information/culture (+15 thousand) and finance/insurance (+7 thousand) were the only 4 major sectors up (7 down). A note of interest, accommodation and food services sector registered a second consecutive steep job loss in October (-27 thousand). Regionally, Ontario (+37 thousand) and British Columbia (+10 thousand) were the top performers while Alberta (-9 thousand) registered a loss. Quebec employment was flat (source: National Bank Financial Markets).

U.S., nonfarm payrolls rose 531 thousand in October, more than the +450 thousand print expected by consensus. Adding to the good news, the prior month's results were upgraded by a sizeable 235 thousand. The private sector added 604 thousand jobs. Employment in the goods segment sprang 108 thousand thanks to gains in manufacturing (+60 thousand), construction (+44 thousand) and mining/logging (+4 thousand). Services-producing industries, meanwhile, expanded payrolls by 496 thousand, with notable increases for leisure/hospitality (+164 thousand), professional/business services (+100 thousand), education/health (+64 thousand) and transportation/warehousing (+54 thousand). Employment in the public sector retraced 73 thousand. Average hourly earnings rose 4.9% year-over-year in October, in line with the median economist forecast and up from 4.6% the prior month. Released at the same time, the household survey reported a 359 thousand job gain in October. This increase, combined with an unchanged participation rate (+61.6%) meant the unemployment rate fell from 4.8% to a post-pandemic low of 4.6%. Full-time employment advanced 279 thousand, while the ranks of part timers expanded 159 thousand (source: National Bank Financial Markets).

U.S. President, Joe Biden, and the White House passed the roughly US$1 trillion infrastructure bill with bipartisan support. The bill had earlier cleared the Senate, and now awaits the president's signature to become law. It repurposes existing funds and includes $550 billion in new spending to support infrastructure projects over five years. Given the lengthy planning process, shovels may not hit the ground until well into next year. The Congressional Budget Office estimates the bill will add $256 billion to the budget deficit over a decade, or about 0.1% of Gross Domestic Product each year. The economic impact is small, but attendant gains in productivity could provide some marginal lift to long-run potential growth. Meantime, the near US$1.75 trillion plan for education, healthcare and climate control is still proving to be more difficult with internal disagreements within the Democratic party and seemingly zero support from Republicans.

China posted a record US$84 billion trade surplus for October. Exports spiked 27%, which was the 13th straight month of double digit growth. Imports grew at a slower 21% for October. The data suggests that the Chinese economy is buffeted from the weakening domestic demand and allowing officials more time before bringing in stimulus.

Euro Zone retail sales: September's 0.3% decline in retail sales was weaker than consensus had expected, but it followed an upwardly revised 1% increase in sales in August (previously +0.3%) and left sales nearly 5% above their February 2020 level. The monthly fall was partly driven by a drop in online sales, perhaps because consumers became a bit more comfortable about making purchases in person. With COVID-19 cases now rising across the region, it wouldn't be surprising if in-person sales started to edge back down. Over the third quarter as a whole, sales rose by 1% quarter-over-quarter, which would normally be associated with only a small rise in total spending. But a range of data, including the Gross Domestic Product breakdown for France, show that spending on other services increased markedly, so overall consumption will have risen more substantially.

FINANCIAL CONDITIONS

Canada's regulated financial institutions - Peter Routledge, the Superintendent of Office of the Superintendent of Financial Institutions (OSFI), announced that OSFI is lifting capital distribution restrictions for federally regulated financial institutions (including Canadian Banks and Life companies). This new measure is effective immediately, allowing Canadian Banks and Life companies to resume share buybacks, as well as increasing dividends and executive compensation.

U.S.A - The Federal Open Markets Committee (FOMC), in a unanimous vote, as expected, left the target range for the federal funds rate unchanged at 0.00% to 0.25% at the conclusion of its two-day meeting. Consistent with very clear guidance over recent months, the FOMC also announced the start of a reduction in the pace of its asset purchases.

The current purchase pace of US$120 billion per month ($80 billion in Treasuries and $40 billion in MBS) will be gradually reduced by $15 billion in each of November and December (with a proportional reduction between Treasuries and MBS). In 2022, the Fed expects to continue tapering at this $15 billion per month pace but "is prepared to adjust the pace of purchases if warranted by changes in the economic outlook." The announced $15 billion/month pace is consistent with the "illustrative path" developed by the Federal Reserve staff that was discussed in the minutes of the September meeting.

The Bank Of England ("BOE") left rates unchanged at +0.1% in a 7-2 vote at the Monetary Policy Committee (MPC). Asset purchases were also unchanged at GBP 875 Billion and the target for corporate bond purchases were kept at GBP 20 billion. MPC members, Ramsden and Saunders, were the two dissenters, choosing instead for a hike of +0.15%. The Bank says that the UK growth outlook weakened since August on supply issues and that rates will have to rise over the coming months for the BOE to meet its target. Inflation is forecasted at 2.23% in two years and 1.95% in three years. These forecasts are premised that the key benchmark rate will have to rise to 1% by the year-end of 2022. On UK growth, Gross Domestic Product (GDP) increased in the third quarter of 2021 but at a slower pace than projected in the August report and the BOE thinks that growth will continue to be restrained by disruption in supply chains. UK GDP is expected to move back to 2019 fourth quarter levels in the first quarter of 2022.

The U.S. 2 year/10 year treasury spread is now 1.05% and the U.K.'s 2 year/10 year treasury spread is 0.44%. 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 3.09%. 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 17.58 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

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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

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

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