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NEWS HIGHLIGHTS

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

MAY 24, 2022

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OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND[1]

PORTLAND 15 OF 15 ALTERNATIVE FUND[1] COMPANY NEWS

Brookfield Asset Management Inc. ("Brookfield") – agreed to buy British home repair services firm HomeServe PLC ("HomeServe") for 4.08 billion pounds (US$5.04 billion), as it looks to broaden its exposure to UK residential infrastructure investments. News of the recommended cash deal, which adds to Brookfield's $725 billion portfolio of alternative assets, sent HomeServe's shares more than 10% higher in early trading on Thursday. HomeServe shareholders will receive 1,200 pence in cash for each share they hold, representing a roughly 71% premium to the stock price prior to its disclosure of takeover talks with Brookfield in April. "We look forward to supporting HomeServe's continued growth globally as critical residential infrastructure is upgraded in the coming years to drive decarbonisation and improve energy efficiency," Sikander Rashid, Brookfield's Infrastructure Managing Partner, said. Earlier in May, Brookfield was reportedly working with banks to sell its 45% stake in French towers firm Templeton Dragon Fund, Inc., commonly known as TDF Group, as it seeks to capitalize on growing demand for infrastructure assets across Europe. Citigroup Inc. and Credit Suisse Group AG are working on the sale which could value TDF Group at more than 5 billion euros ($5.30 billion).

Berkshire Hathaway Inc. ("Berkshire") – said it added new investments in Citigroup Inc. and several other companies in the first quarter, as Warren Buffett's conglomerate took advantage of volatile stock markets to invest US$51.1 billion that had largely been sitting in cash. In a regulatory filing describing its U.S.-listed equity investments as of March 31, 2022, Berkshire reported new stakes in Ally Financial Inc., chemicals and specialty materials company Celanese Corporation, insurance holding company Markel Corporation, drug distributor McKesson Corporation and Paramount Global, formerly known as ViacomCBS. Berkshire said it sold nearly all of an $8.3 billion stake in Verizon Communications Inc. that it had amassed in late 2020. Berkshire also finally exited Wells Fargo & Co, a 33-year-old investment that Buffett soured on after finding it too slow to address revelations that employees had mistreated customers, including by opening unwanted accounts. Buffett's company ended March with $106.3 billion of cash and equivalents, down from a near-record $146.7 billion three months earlier, largely reflecting the new investments. These included previously disclosed stakes in Chevron Corporation and Occidental Petroleum Corporation ("Occidental"), computer and printer maker HP Inc. and video game maker Activision Blizzard, Inc., the latter an arbitrage bet. Stock sales totaled $9.7 billion, and also included drugmakers AbbVie Inc. and Bristol-Myers Squibb Co. Citigroup Inc., where Berkshire invested nearly $3 billion, has embarked on a multiyear plan to boost performance and a share price that in recent years has lagged larger rivals JPMorgan Chase & Co. and Bank of America Corporation, the latter a major Berkshire investment. Some investors have described Markel Corporation as a small-scale version of Berkshire, and Buffett in March committed $11.6 billion to buy another insurance holding company fitting that description, Alleghany Corporation. At Berkshire's annual meeting on April 30, 2022, Buffett said investors were too focused on flashy stocks, causing markets at times to resemble a casino, allowing him to focus on stocks that Berkshire understands and which add value. Analysts have also viewed Chevron Corporation and Occidental as a way for Berkshire to benefit from rising oil prices following Russia's invasion of Ukraine. "I wish the rest of the world worked as well as our big oil companies," Charlie Munger, Berkshire's Vice Chairman, said at the annual meeting.

SoftBank Group Corp. ("SoftBank") – SoftBank named venture capitalist David Chao to join its board as the company is looking to add more investment expertise to its board of directors. Chao is a co-founder and general partner at DCM Ventures, a venture capital firm with over US$4 billion under management. The firm has invested in more than 400 tech companies in the U.S. and Asia since 1996, according to its website. Chao will replace Lip-Bu Tan whose term will end in June as an outside director, SoftBank said in a filing. Chao also co-founded telecoms services firm Japan Communications Inc. and was previously an account executive at Recruit Holdings Co. Ltd, Japan's largest human resources ad agency. SoftBank plans to re-elect the remaining eight members of the board while Chao's appointment will be subject to approval at the upcoming annual general meeting of shareholders on June 24, 2022.

Meta Platforms, Inc. (Meta) – Facebook parent Meta will expand the types of information it shares publicly about political advertising in the months leading up to the 2022 U.S. midterm elections. Meta will soon include targeting data for political and issue ads as part of its public advertising archive, meaning anyone will be able to see how political committees or other political groups target their messages to voters. The move is meant to help people, especially researchers and journalists, better understand how campaigns use Meta's services to try to influence voters during election cycles, said Jeff King, Meta's vice president of business integrity. The archive will include data on which targeting options advertisers used, such as focusing on people in a specific location or with particular interests. Meta will also show whether an advertiser used a custom audience, a list of users connected to a campaign's email list, for example, or asked Meta to help target the ads using a "lookalike audience." The archive currently shows data on who saw an ad, but not on how the ad was targeted. The company has offered some of this data to researchers, but will make all of it publicly available starting in July. The information will be included on ads from as far back as August 2020. Meta has been considering other possible political ad changes following the 2020 U.S. general election. The company banned all new political ads in the week before the 2020 election as a way to try to prevent misinformation, but that strategy is being reconsidered.

Samsung Electronics Co., Ltd ("Samsung") - The Samsung group plans to raise spending by more than 30% to 450 trillion won (about US$360 billion) over the half-decade to 2026. The company promised in a statement to create 80,000 jobs through 2026, mostly in semiconductors and biopharmaceuticals.

Samsung, is one of a handful of chaebols that are outlining investment plans as the country's new president takes office. President Yoon Suk Yeol, who began his five-year term May 10, has been a vocal supporter of the conglomerates and made them a key pillar in his economic growth plans.

The company is focusing particular attention on its technology flagship, the crown jewel of a conglomerate that spans shipbuilding, technology, health care and finance. Samsung, the world's largest maker of smartphones, displays, memory chips and consumer appliances, unveiled plans last year to invest $151 billion through 2030 to delve deeper into advanced chip making. Much of that will go toward its semiconductor division, which is expanding rapidly in an effort to compete with Intel Corporation and Taiwan Semiconductor Manufacturing Co. Ltd in making chips for global names such as Nvidia Corporation and Qualcomm, Inc. The group said about 360 trillion won will be spent domestically while the rest will be invested overseas. Samsung is building an advanced US$17 billion chip plant in Texas, as the U.S. prioritizes supply chain security and greater semiconductor capacity on American soil.

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

National Grid Fiscal Year 2022 results: Underlying Earnings Before Interest and Taxes (EBIT) was £3.99 billion (Company supplied consensus £3.85 billion) and Underlying Earnings Per Share (EPS) was 65.3 per share (Company supplied consensus 62.4 per share). This includes an early hand-back of interconnector profits. The dividend of 51 per share (Company supplied consensus 51.15 per share). The UK Regulatory Asset Base (RAB) is £25 billion but the U.S. appears in-line, if adjusting for Rhode Island. UK electricity transmission outperformed by 140 basis points (bps) (target 100bps) reflecting a hang-over from RIIO-T1. Electricity distribution performed in-line. National Grid plc ("National Grid") achieved 99% of the allowed return in New York, and 85% in Massachusetts (where a rate review and efficiency plan is coming through). The consolidated net debt was £42.8 billion (Consensus £42.9 billion), reflecting timing of corporate events. There are pending sales of a 60% stake in gas transmission and 100% of NECO Petroleum LLC. With these completed, the pro forma would be £36 billion. Further, with the benefit of high UK Retail Price Index (RPI) inflation on Western Power Distribution (WPD) and little index-linked debt, we expect the underlying gearing to be below 70%. National Grid's Plan across 2021-2026 remains unchanged. National Grid laid out a plan in May 2021, which has 5-7% EPS growth (front-end loaded) and £30-35 billion capital expenditure (capex) equating to 6-8% per annum RAB growth, and this is unchanged despite higher inflation. Also, the company still expects gearing to settle at the lower 70% ND:RAB range.

Vodafone Group plc ("Vodafone") announced fourth quarter/half Fiscal Year 2022 results that was slightly ahead of consensus for revenues but missed consensus by 1% at the Earnings Before Interest, Tax, Depreciation, and Amortization after Leases (EBITDAaL) level. In Germany, service revenue trends were fairly stable but net adds were very weak. Vodafone lost 105 thousand postpaid mobile subs (with peers having reported only a small slowdown in mobile adds from new telco law) and lost 125 thousand fixed customers. Vodafone had already flagged a poor quarter and the Chief Executive Officer of the group recently left the group so it was clear Germany was under pressure - but this undershot significantly anyway. The key question operationally is now how Germany can be turned around given it contributes approximately 40% of group Operating Free Cash Flow (OpFCF). The other negative market was Spain which saw a big worsening in revenues due to lapping a price hike and phasing of businesses. Vodafone expects the European Union ("EU") funds to help from second quarter onwards. Italy and the UK both posted a fairly steady performance. UK should accelerate with the Consumer Price Index (CPI) hikes and Italy should see EU funds kicking in around the same time it laps the Mobile Virtual Network Operator (MVNO) boost. Weak guidance for fiscal year 2023 Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) where Vodafone is guiding for €15.0-15.5 billion. While the EBITDAaL guidance was below consensus we would note that the Free cash Flow

(FCF) guidance (€5.3 billion) was actually in line with consensus, There were some minor strategic announcements in the release (in Spain "open to pragmatic alternatives which could create or unlock value" and in Germany it is evaluating fibre joint ventures but nothing needle-moving. Vodafone mostly reiterated its previous strategic ambitions on towers (seeking a partner and looking to deconsolidate) and a "pragmatic" approach to in-market consolidation (so far no in-market deals have emerged from Vodafone).

Walmart Inc. ("Walmart"): Walmart comparisons ticked up +3.0% (ticket +3.0% / transactions flat) versus consensus at +1.9% and implied a 3-year geometric stack increase of +20% in first quarter versus +17% in the fourth quarter. The U.S. gross margins were down -38bps versus up +54bps in fourth quarter. The U.S. EBIT margins came in at 4.6% versus the street that was expecting 5.1%. Adjusted EPS came in at US$1.30 versus forecast of $1.48. Walmart's specific issues in the first fiscal quarter of 2023 included: 1) misjudging the length of employees' COVID-19 leave – Walmart aggressively hired associates in January to cover for those on leave and didn't expect many of these associates to return as quickly as they did (a high-class problem), resulting in an approximate $200 million over-staffing Selling, General, and Administrative (SG&A) headwind; and 2) over-estimating general merchandise (GM) demand/inventory as Walmart bought aggressively but saw low double digits in first quarter GM comparative declines with mix headwinds and approximately $100 million in markdowns. The labor, markdowns, and GM issues combined for at least approximately $300 million of an approximately $550 million profit shortfall versus guidance - the remainder was due to unexpected and swift increases in fuel (approximate $160 million) and supply chain costs.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

BridgeBio Pharma ("BridgeBio") – BridgeBio's affiliate company Phoenix Tissue Repair, which is focused on advancing a novel systemic treatment for recessive dystrophic epidermolysis bullosa (RDEB), announced data from the Phase 2 trial of PTR-01, an intravenously-administered recombinant collagen 7 (rC7) protein replacement therapy, in patients with recessive dystrophic epidermolysis bullosa (RDEB). The data are being shared in a poster at the Society for Investigative Dermatology (SID) Annual Meeting. RDEB is a rare genetic disorder characterized by severe and painful skin blistering, as well as extreme fragility and scarring of mucous membranes throughout the body. There is currently no known cure or effective treatment available for patients suffering from this disease. The Phase 2, open-label study was designed to examine the effect of PTR-01 on wound healing as well as other endpoints, and to evaluate the long-term safety and tolerability of the drug candidate. The data shared at the 2022 SID Annual Meeting demonstrated that PTR-01 was well tolerated when given once per week for four weeks and then every other week for 14 weeks. In addition, treatment with PTR-01 led to rapid, consistent, and durable wound healing as observed in reduction of wound surface area and clinician-reported assessments. "Our data shows that treatment with PTR-01 led to rapid, consistent, and durable wound healing," said Sanuj K. Ravindran, M.D., executive chairman of Phoenix Tissue Repair.

Guardant Health Inc. ("Guardant Health") – announced data showing its blood-based multimodal test achieved clinically significant thresholds of sensitivity and specificity in detecting colorectal cancer (CRC). The assay used in this analysis integrates genomics and epigenomics for CRC detection. An updated version of this assay that incorporates the use of proteomics, Shield™, is now available as a laboratory developed test for eligible individuals by prescription only through healthcare professionals. The ongoing prospective observational study is being conducted at four hospitals in Spain. The data presented include 557 individuals who had a complete colonoscopy and results from the blood-based multimodal CRC test. Sensitivity (detection rate) for colorectal cancer was determined at 90% and 95% specificity (true negative rate). At 90% specificity the assay achieved 100% sensitivity. At 95% specificity, the assay achieved sensitivity for CRC at 88% (7/8): Stage I (1/1), Stage II (2/3), Stage III (2/2), Stage IV (2/2). "We are pleased to report these prospective data further illustrate the promise of our multimodal assay as a highly sensitive blood-based screening test for colorectal cancer," said AmirAli Talasaz, Guardant Health co-CEO.

Schrodinger Inc. ("Schrodinger") – announced the appointment of Arun Oberoi to its Board of Directors, effective May 17, 2022. Mr. Oberoi will serve as a member of the Audit Committee. Mr. Oberoi is the former executive vice president, global sales and services, of Red Hat, Inc., the world's leading provider of enterprise open source software solutions, where he served from 2012 to 2021. He was Chief Executive Officer (CEO) of Viridity Software Inc. from 2010 to 2012 and CEO of Aveksa Inc. from 2008 to 2010. He served as an executive vice president of global sales and technical services of Micromuse Inc. from 2004 to 2008. Prior to joining Micromuse Inc., Mr. Oberoi held a series of senior executive positions at Hewlett-Packard Enterprise Co, including vice president and general manager, worldwide corporate accounts and industries, sales and marketing. Mr. Oberoi received his bachelor's degree from Delhi University and has a Master of Business Administration (MBA) from the Kellogg School of Management at Northwestern University. "We are very pleased to welcome Arun to our Board," said Ramy Farid, Ph.D., president and CEO of Schrödinger. "Arun's deep experience building and leading an enterprise software company will be valuable to Schrödinger as we grow our business and pursue our mission to improve human health and quality of life."

ECONOMIC CONDITIONS

Canada's consumer price (CPI) index increased 0.6% in April (not seasonally adjusted), one tick above consensus expectations. In seasonally adjusted terms, headline prices increased 0.7% on gains in all categories but recreation (-0.3%) and clothing, which remained unchanged from the previous month. In order of amplitude, increases were as follows: food (+1.1%), shelter (+1.1%), health/personal care (+0.8%), transportation (+0.5%), household operations (+0.4%) and alcohol/tobacco (+0.1%). Year-over-year ("y/y"), headline inflation clocked in at 6.8%, one tick higher than the previous month, and was the strongest print since January 1991. On a provincial basis, the headline annual inflation rate was above the national average in Ontario (+6.9%) while it was exactly in line with it in Québec (+6.8%) and undershot it in British Columbia (+6.7%) and Alberta (+6.4%). On a 12-month basis, core inflation measures were as follow: 3.2% for CPI-common (up two ticks vs. the prior month), 5.1% for CPI-trim (up three ticks) and 4.4% for CPI-median (up four ticks). As a result, the average of the three measures rose three ticks to 4.2% (highest since March 1990).

U.S. existing home sales dropped to the lowest level in nearly two years in April as house prices jumped to a record high amid a persistent lack of inventory. Existing home sales fell 2.4% to a seasonally adjusted annual rate of 5.61 million units last month, the lowest level since June 2020 when sales were rebounding from the COVID-19 lockdown slump. It was the third straight monthly sales decline with fewer sales for both singles (-2.5%) and multiples (-1.6%). That wasn't the case across the country. The South (the main driver) and the West weighed heavily, but they were offset (not enough, obviously) by increases in the Northeast and the Midwest. We can continue to point to the lack of options (inventories of homes available to the buyer with the best offer are still down 10.4% from a year ago), but that makes those few homes even pricier (the median sales price is up nearly 15% y/y). And, one must factor in sharply rising mortgage rates. It is no wonder that the first-time buyer category fell to 28% in April, the lowest in three months. In summary, three months in a row of slower demand for housing, equates to cooler demand so prices may come down a little.

Euro area manufacturing and services Purchasing Managers' Index ("PMI") surprised to the downside in May, with the manufacturing index declining to an 18-month low of 54.4 (market: 54.7) and the services index falling to 56.3 (market: 57.4). In France, the manufacturing and services PMIs also edged lower, with the manufacturing index reaching 54.5 (market: 55.2) and the services index coming in at 58.4 (market: 58.5), despite tailwinds due to the removal of COVID-19 restrictions. Instead, increasing price pressures and further supply chain issues weighed on the French economy. The German PMIs both broke their respective trends, with the services index declining after four consecutive increases to 56.3 (market: 57.1), while the manufacturing index rose to 54.7 (market: 54.0) after three consecutive declines, as private sector employment saw a strong increase and job creation accelerated to the fastest pace since last August. Price pressures and supply chain issues remained elevated in May, although both eased slightly.

UK inflation: The last time UK inflation was at these levels, British troops fought a war 12,875 kilometres away in the Falklands, Prince William was born and Steven Spielberg's ET the Extra-Terrestrial became the highest grossing film of all time

UK flash composite PMI fell sharply by over 6 points in May to 51.8. Within this, the manufacturing index fell to a 16-month low 54.6 (market: 55.0) and the services PMI dropped by 7.1 points to a 15-month low of 51.8 (market: 57.0), which marks the single biggest decline to the services index outside of COVID-19 lockdowns. Increasing inflationary pressures and heightened geopolitical uncertainty weighed on all sectors. In the services sector however, the travel, leisure, and events sectors still reported strong growth due to the recovery from COVID-19 restrictions. Business expectations also fell substantially and reached the lowest level for two years due to worries about the global economic outlook and weak projections for consumer spending. The drop in expectations was particularly pronounced in the services sector where the decline was the greatest since March 2020.

FINANCIAL CONDITIONS

U.S. Treasury Secretary Janet Yellen said the G7 finance leaders last week agreed to provide Ukraine the financial resources it needs in its struggle against Russia's invasion.

The U.S. 2 year/10 year treasury spread is now 0.24% 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 5.25%. 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 30.81 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 could be encouraging for quality equities.

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1.Not all of the funds shown are necessarily invested in the companies listed

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