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

OCTOBER 31, 2022

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COMPANY NEWS

Amazon.com Inc. (“Amazon”) – Amazon announced that it will begin offering Venmo as a new payment option for orders on Amazon.com and the Amazon mobile app. The company indicated the option is currently available to select customers, with a broader roll out to all U.S.-based users expected to be completed by Black Friday. “We want to offer customers payment options that are convenient, easy to use, and secure—and there’s no better time for that than the busy holiday season. Whether it’s paying with cash, buying now and paying later, or now paying via Venmo, our goal is to meet the needs and preferences of every Amazon customer,” Max Bardon, vice president of Amazon Worldwide Payment said in a statement. Additionally, TechCrunch notes that a recent survey called “Netfluent and Edison Trends PayPal and Venmo Study” found that Venmo users shop two times more frequently than an average shopper.

Ares Management Corporation (“Ares”) – Ares reported its financial results for its third quarter ended September 30, 2022, which included a generally accepted accounting principles (“GAAP”) net loss attributable to Ares was US\$35.5 million for the quarter ended September 30, 2022. After-tax realized income was \$233.1 million for the quarter ended September 30, 2022. After-tax realized income per share of Class A and non-voting common stock was \$0.75 for the quarter ended September 30, 2022. Fee related earnings were \$233.2 million for the quarter ended September 30, 2022. “Our strong third quarter results, which included more than 20% year over year growth in assets under management, management fees and fee related earnings, demonstrate

the resiliency of our business during difficult and uncertain markets,” said Michael Arougheti, Chief Executive Officer (“CEO”) and President of Ares. “With \$44 billion of new gross capital commitments raised this year and a strong forward pipeline, our investors continue to entrust us to deliver attractive returns with less volatility compared to traditional alternatives.” Jarrod Phillips, Chief Financial Officer (“CFO”) said “With nearly \$90 billion of available capital, our broad range of flexible strategies remain well positioned to capitalize on what we believe is a market environment providing highly attractive investment opportunities.”

Berkshire Hathaway Inc. (“Berkshire”) – Berkshire said it will complete annual maintenance at its Cove Point liquefied natural gas (“LNG”) export plant in Maryland. Cove Point shutdown around October 1, according to data from Refinitiv. Before the shutdown, the liquefaction plant was consuming about 0.76 billion cubic feet per day (“bcfd”) of natural gas. The return of Cove Point and other U.S. LNG facilities in coming weeks will boost demand for gas in the United States, which has been low for weeks due in part to outages at Cove Point during October and Freeport LNG in Texas since June. Cove Point and other U.S. LNG export plants usually shut in the spring and autumn when global demand for gas for heating or cooling is lower than during the peak winter and summer months. Berkshire’s Berkshire Hathaway Energy operates Cove Point and owns 25% of the facility. The rest is owned by units of Dominion Energy, Inc. (50%) and Brookfield Asset Management Inc. (25%).

Nomad Foods Limited (“Nomad Foods”) – Nomad Foods announced selected preliminary financial results for the three month period ended September 30, 2022, including reported revenue increased by 26.7% to €760 million, organic revenue increase of 7.2%, gross margin increased by 110 basis points to 29.1% and adjusted earnings before interest, taxes, depreciation and amortization (“EBITDA”) increased 35.3% to €153 million. Stéfan Descheemaeker, Nomad Foods’ CEO, stated, “I am pleased to report that Nomad Foods performed very well in the third quarter as our business delivered pricing recovery and a solid



underlying performance. Our revenues grew by nearly 27% year-on-year, reflecting organic revenue growth of more than 7% year-on-year as well as the contribution from our recent acquisition, which is also growing relative to its prior year's results. We successfully executed double-digit price increases in the quarter to offset input cost pressures, and we fully expect to deliver further price increases in the fourth quarter to re-build margins in preparation for next year. We are reiterating our full-year 2022 Adjusted EPS expectation range of €1.65 to €1.71. As we recover our margins to longer-term levels and focus on maximizing our input cost coverage, we are positioning Nomad for sustainable growth into 2023 and beyond. We remain confident in our ability to deliver our €2.30 Adjusted EPS target for 2025." Noam Gottesman, Nomad Foods' Co-Chairman and Founder, commented, "Nomad Foods demonstrated another quarter of extraordinary resilience driven by our world-class brands, supply chain and people. Execution is a hallmark of our organization, and our brands remain highly competitive in a dynamic market. We are focused on prudent investments in the business, especially supply chain improvements, to successfully manage through this historically difficult macro environment. We expect to emerge stronger and positioned for sustainable growth. We have a compelling track record of driving strong earnings growth, and we will keep focus on compounding the value of our operating results for our shareholders."

SoftBank Group Corp. ("SoftBank") – Qualcomm Incorporated ("Qualcomm") countersued Arm Limited. ("Arm"), saying there is no legitimate basis for claims that the U.S. chipmaker violated licensing agreements and trademarks tied to a 2021 acquisition. San Diego-based Qualcomm wants a federal judge in Delaware to conclude it didn't trample on Arm's licensing contracts as part of Qualcomm's US\$1.4 billion buyout of chip start-up Nuvia Inc. ("Nuvia"), according to a court filing Wednesday. The dispute focuses on Arm's licenses with Nuvia for technology used in chip designs. Arm, owned by SoftBank, sued Qualcomm for breach of contract and trademark infringement in September, accusing the firm of using the proprietary innovations without permission. In the past, Qualcomm had been one of Arm's biggest customers. Qualcomm's lawyers allege Arm's goal is to "strong-arm Qualcomm into renegotiating the financial terms of the parties' longstanding license agreements, using this baseless lawsuit as leverage." The dispute has drawn wide attention in the tech industry. Qualcomm is the biggest maker of the processors and modems used in smartphones, and Arm is one of the world's most-influential chip companies. Qualcomm acquired Nuvia last year to beef up its technology and allow it to field more powerful chips.

Reliance Industries Limited ("Reliance") - Reliance Strategic Business Ventures Ltd., a wholly owned subsidiary of Reliance, said on October 28 it has acquired additional stake in skyTran Inc. ("skyTran"). The stake acquired for US\$15 million (123.4 crore Rupees) takes Reliance Strategic Business Ventures' total shareholding to 62.83% on a fully diluted basis.

skyTran, incorporated under the laws of Delaware, U.S., in 2011 developed breakthrough passive magnetic levitation and propulsion technology for implementing personal transport systems aimed at solving the problem of traffic congestion globally. In February 2021, the Reliance unit had increased its stake in skyTran to 54.46% from 26.3% with an investment of \$26.76 million.

Samsung Electronics Co., Ltd. ("Samsung") - Samsung named Jay Y. Lee executive chairman of South Korea's largest company, finalizing a long-anticipated elevation. The board approved the appointment on Thursday, Samsung said in a statement. While Lee had been expected

to take over the post after his father died in 2020, his ascension had been delayed by legal investigations.

The decision emerged the same day his company reported earnings and warned it didn't foresee a recovery in technology demand till the second half of 2023. The elevation formalizes Lee's status as the nation's most prominent business executive and one of its chief economic ambassadors.

Big nations from the U.S. to Europe are urging Samsung to increase investment in their backyards to secure their supply of chips. Washington's campaign to curb China's chipmaking ambitions is increasingly forcing allies like South Korea, which depends heavily on the Chinese market for exports, to pick a side. More immediately, the emergence of new technology such as artificial intelligence and supercomputing is forcing technology giants to adapt and think strategically about the future. Lee, who has an extensive global network developed over several decades under his father's guidance, has stepped up as the nation's relief pitcher during the pandemic and chip shortage crisis. He played matchmaker between companies and governments, helping ramp up mask and vaccine production as well as a major expansion of chip investments. The new chairman owns 1.63% of Samsung and 18.13% of the group's de-facto holding company Samsung C&T Corporation.

Meta Platforms Inc. ("Meta") – Meta plunged 25% Thursday, its biggest one-day drop since February, after Mark Zuckerberg asked investors for patience with the swelling investments in unproven bets at a challenging time for digital-advertising companies. On a call Wednesday Zuckerberg sought to justify Meta's ballooning costs to fund its version of virtual reality, the metaverse, as well as the artificial intelligence fueling major changes to its social networks. Investors, who have already sent the stock down 71% this year, so far aren't buying it. But Zuckerberg said he is confident that Meta's largest bets in areas such as short-form video, business messaging and the metaverse were headed in the right direction, he just couldn't say for sure how big the payoff would be. It's proving to be a hard sell when the company expects its already-falling revenue to be less than analysts expected, and costs to be more. On Wednesday, Meta said third-quarter revenue declined 4.5% from a year prior, only the second time the company's sales have ever declined, the first being last quarter. In the final three months of the year, Meta expects that trend to continue. The company's fourth quarter forecasts came in at the low end of analysts' estimates. In the past year, Meta has changed Facebook and Instagram's experiences to show more algorithmically chosen content and fewer posts from the people users follow. It's also prioritizing short-form videos, called Reels, in response to TikTok, which has won users' time and accustomed them to a feed of vertical videos based on specific interests. In the third quarter, 4% more people spent time on Meta's platforms every day, compared with the same period last year, with 2.93 billion daily active users. Monthly, Meta saw 3.71 billion active users for its family of apps, which also includes Messenger and WhatsApp. On Wednesday, the company announced that Instagram surpassed 2 billion monthly active users, and said those people are spending more time watching Reels and marketers are spending to advertise there, at an implied rate of US\$3 billion a year in revenue. But Reels is dragging on revenue, to the tune of \$500 million in the recent quarter, as the newer product cannibalizes other ad spaces that monetize at faster rates. It could be as much as 18 months before that changes, Zuckerberg said. Zuckerberg has asked for patience before. In 2015, investor questions focused on when WhatsApp, Instagram and Messenger would make money.



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Citigroup Inc. stated last week its Russian unit had agreed to sell a portfolio of personal installment loans to commercial bank Uralsib, as the major U.S. lender seeks to retreat from the country and reduce its exposure to Russia.

The Coca-Cola Company reported the third quarter of 2022 the third quarter of 2022 earnings per share (“EPS”) of US\$0.69, which compares to Consensus \$0.64. Consolidated price/mix is +12% versus expectations of +7%, with outperformance led by LATAM Airlines Group S.A. (+11% beat versus forecast), North America (+6.5% beat) and EMEA (+4% beat). Operating margins -50 basis points versus expectations of -200 basis points with around two-thirds of the gap supported by selling, general and administrative expenses while the remainder stemmed from gross margins. And so growth momentum more than offset macro headwinds, with the third quarter’s organic sales coming in at up +16% (versus +11% estimate) and operating margins showing the benefits of operating leverage (even with significant increases in advertising). While price/mix drove the upside versus estimates. Guidance 2022: Organic revenue up +14-15% (from +12-13%); Comparable constant currency EPS up +15-16% (from +14-15%); Comparable EPS up +6-7% (from +5-6%), implies \$2.46-\$2.49 range and compares to Street \$2.46; Russia impact of 1% to net revenues and operating income (from 1-2%). Guidance 2023: company is encouraged by underlying momentum and will leverage company capabilities to sustain topline growth amidst ongoing inflationary backdrop: Foreign exchange market headwind of 5-6% on net revenues (versus consensus -3.5%) and 7-8% on comparable EPS based on current rates and including hedged positions.

Colgate-Palmolive Company (“Colgate-Palmolive”) reported the third quarter of 2022 the third quarter of 2022 Core EPS of US\$0.74 which compares to the Consensus \$0.74. Total company pricing was up +11.5%. Total company organic sales was up +7%, slightly below expectations. North America operating profit margin was up +100 basis points year over year to 20.7%. 2022 Guidance: The fourth quarter EPS implied: \$0.75-\$0.79 versus Consensus \$0.80. Net Sales are now in the middle of the range (from upper end previously): +1-4% versus Consensus +1.4%.

Kimberly-Clark Corporation reported the third quarter of 2022 Core EPS of US\$1.40, which compares to the Consensus of \$1.44. The company maintained fiscal year EPS guidance despite this quarter’s miss. Gross margins ahead of expectations and roughly flat year over year vs expectations for a -110 basis points decline. Pricing came in ahead of expectations, with particular strength in Kimberly-Clark Professional (+14%). Guidance: Adjusted EPS is in low end of \$5.60-\$6.00 range (reiterated). Current Consensus stands is at \$5.59. Organic sales is up

+5-7% (reiterated). Current Consensus stands at +6.8%. Net sales us up +2-4% (reiterated). Current Consensus stands at +3.8%

National Bank of Canada and Canadian Imperial Bank of Commerce have dropped out as bidders for HSBC Holdings plc’s business in Canada, while Bank of Montreal is still pursuing the deal.

Royal Bank of Canada (“RBC”) is planning a push into the UK’s commercial banking market potentially through an acquisition and will look for opportunities to expand in wealth management. Dave McKay, Chief executive, told the Financial Times that he was keen to expand into commercial banking, taking on the likes of NatWest Group plc, HSBC Holdings plc, Barclays PLC, and Lloyds Banking Group plc, once RBC has fully integrated its private bank with Brewin Dolphin Holdings PLC, the UK wealth manager it bought for £1.6 billion earlier this year.



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Novartis AG - The third quarter of 2022 Group sales (-4%, +4% cash credit) saw a 2% miss versus consensus but core earnings before interest and taxes (“EBIT”) was in line. The sales miss was driven by a 2% miss in Pharma, with Sandoz International GmbH (“Sandoz”) in line. Core EBIT was comprised of Pharma in line and a 5% Sandoz beat. In the third quarter, foreign exchange market had a -8% impact on sales and -9% impact on Core EBIT. For the for the quarter 2022, management forecast a 9% drag on sales and 11% negative impact on Core EBIT if late-October exchange rates persist. For fiscal year 2023, management forecasts a 4% drag on sales and 5% drag on Core EBIT if late-October rates persist. Key product performance was mixed in the third quarter, with strong launch performance from Pluvicto (prostate cancer, US\$80 million versus consensus \$24 million) offset by weak Zolgensma (\$319 million vs consensus \$399 million) and a 5% miss at Cosentyx (rebate pressures). Leqvio also missed expectations (\$34 million vs consensus \$40 million) with management cautioning to not expect a sales inflection until mid-2023 and break-even in Year 4 post-launch. Earlier-than-expected the fourth quarter 2022 generic entry for Gilenya in the U.S. adds to the near-term growth pressures.

Amgen Inc.— Amgen announced the Canadian availability of tezepelumab injection (“Tezspire”), indicated for the add-on maintenance treatment of adults and adolescents 12 years and older with severe asthma. Tezspire was approved based on results from the PATHWAY Phase II trial and NAVIGATOR Phase III trial in which Tezspire demonstrated significant improvements across every primary and key secondary endpoint in patients with severe asthma, compared to placebo, when added to standard therapy. Tezspire is the first and only biologic to consistently and significantly reduce asthma exacerbations across Phase II and III clinical trials, which included a broad population of severe asthma patients.

Clarity Pharmaceuticals (“Clarity”) – Clarity announced its diagnostic ⁶⁴Cu SAR-bisPSMA (“COBRA”) trial for patients with prostate cancer has reached the fifty percent recruitment milestone, with 25 out of 50 participants now having been enrolled and imaged. COBRA in Biochemically Recurrent prostate cancer is a Phase I/II Positron Emission Tomography trial of participants with biochemical recurrence (“BCR”) of prostate cancer following definitive therapy. It is a multi-centre, single arm, non-randomised, open-label trial of ⁶⁴Cu-labelled SAR-bisPSMA in 50 participants. The primary objectives of the trial are to investigate the safety and tolerability of ⁶⁴Cu-SAR-bisPSMA as well as its ability to correctly detect the recurrence of prostate cancer. “We look forward to recruiting the remaining participants in the COBRA trial and commencing the analysis of the study data. Ultimately, we want to enhance diagnostic accuracy for patients with BCR of prostate cancer as well as improve ease of access to the product across the U.S., enabled by the logistical advantages of Clarity’s Targeted Copper Theranostic platform” said Dr. Neal Shore MD, FACS, Lead Principal Investigator in the COBRA trial and CMO.

ITM Isotopen Technologien München AG (“ITM”) – ITM announced that the U.S. Food and Drug Administration (“FDA”) has granted the company Fast Track designation for ITM-11 (n.c.a. ¹⁷⁷Lu-edotreotide), an investigational radiopharmaceutical for the treatment of gastroenteropancreatic neuroendocrine tumors. ITM-11 is being evaluated as a Targeted Radionuclide Therapy in two phase III clinical trials, COMPETE and COMPOSE. The FDA Fast Track is a process designed to facilitate the development and expedite the review of drugs to treat serious conditions and address an unmet medical need. The purpose is to bring new and promising medicines to patients sooner. The Fast Track designation enables ITM to have more frequent interactions with the FDA to discuss the ITM-11 development path. It also allows rolling review of the new drug application for ITM-11, when submitted. The rolling submission will allow ITM to submit completed sections of an application for review by FDA, rather than wait until all sections are completed. “We are dedicated to helping people living with hard-to-treat cancers through our research and development of innovative treatments. Receiving Fast Track designation provides us the opportunity to work closely with the FDA to optimize and accelerate the final stages of development for ITM-11, bringing our radiotherapeutic to GEP-NET patients as fast as possible,” commented Steffen Schuster, CEO of ITM.

Telix Pharmaceuticals Ltd. (“Telix”) – Telix announced that it has been awarded Australian Company of the Year in the 2022 AusBiotech and Johnson & Johnson Innovation Industry Excellence Awards, held at the AusBiotech 2022 national conference in Perth. The awards recognize innovative companies and individuals in Australia’s world-class biotechnology, medical technology and healthcare sectors. The Company of the Year Award is judged by an industry-leading panel and awarded to an Australian company that has demonstrated significant achievement in the areas of biotechnology or life sciences. Dr. Christian Behrenbruch, Group CEO and Managing Director of Telix, said, “We are honoured to be recognized by AusBiotech, Johnson & Johnson Innovation and our industry peers on the judging panel as the 2022 Company of the Year. It comes in a pivotal year, which has seen Telix successfully launch its first commercial product Illuccix for prostate cancer imaging, while continuing to develop a significant pipeline of products that address unmet medical need. This recognition serves to inspire our team to continue to drive change and pursue our purpose to help people with cancer and rare diseases live longer, better quality lives. We are very proud to be a part of Australia’s thriving, world-class life

sciences sector and we thank AusBiotech for the important role it plays in supporting our industry.”

Telix announced a collaboration with UniQuest Pty Limited (“UniQuest”), the commercialization company of The University of Queensland, to develop a radiolabelled molecule targeting an immune checkpoint protein. Under the agreement, Telix and UniQuest will work together to adapt and refine an undisclosed targeting peptide – developed in the laboratory of Professor David Craik in the Institute for Molecular Bioscience. The goal is that an immune targeting peptide would be used as an imaging agent to determine the presence of certain immune checkpoint proteins in metastatic tumours, in order to guide patient selection for immunotherapy. Immune checkpoints are a normal part of the immune system, which modulate the body’s defensive responses to protect normal healthy cells from being destroyed when the immune system is activated. They do this by engaging with partner molecules on the surface of immune cells – known as immune checkpoint proteins – signaling to leave healthy cells alone. Some tumours have co-opted this mechanism, which can help cancer to hide from an immune attack. Drugs called immune checkpoint inhibitors disrupt this suppression of the immune system by blocking immune checkpoints from binding with their partner molecules. However, responses are highly variable.



ECONOMIC CONDITIONS

Bank of Canada (“the Bank”) raised the overnight target rate by 50 basis points to 3.75% (market was expecting 75 basis points). This represents the sixth consecutive hike in the Bank’s policy interest rate since March, all but the very first move (back in March) being of the ‘larger-than-25 basis points’ variety. Cumulative tightening now amounts to 350 basis points, leaving Canada’s monetary policy stance in distinctly restrictive territory. With the Bank Rate now set at 4.00% and the deposit rate at 3.75%, the overnight corridor remains 25 basis points wide. Complementing the latest policy rate hike, the Bank continues its Quantitative Tightening program, which involves passively running off its Government of Canada bond holdings. Near term, around CA\$18 billion will drop off next week (November 1), while a further around \$89 billion of government of Canada bonds are set to run off in calendar 2023. Importantly, the Bank’s ‘forward guidance’ (which hinges on an inflation outlook) indicates that further policy rate tightening is expected. The Bank will be influenced by “how tighter monetary policy is working to slow demand, how supply challenges are resolving, and how inflation and inflation expectations are responding.” The statement reiterated Governing Council’s strong commitment to achieving price stability (“Resolute” is the preferred nomenclature). The rate statement acknowledges that the growth picture has deteriorated, with Canada real gross domestic product (“GDP”) growth expected to downshift markedly. Housing activity has “retreated sharply”, with household/business spending “softening”. However, labour markets remain tight, with the Bank’s latest Business Outlook Survey flagging ongoing worker shortages. The Canadian dollar, which was not explicitly mentioned in September’s Bank of Canada rate announcement, gets some attention. Consistent with more recent remarks from Governor Macklem, the statement noted that U.S. Dollar strength “is adding to inflationary pressures in many countries”.

Canadian consumer prices increased 6.9% year over year in September. Grocery prices jumped 11.4% year over year, marking the fastest pace since 1981, though gas prices slowed sharply to +13.2% year over year. The average of the core measures was unchanged at 5.3% year over year. Canada's real GDP rose 0.1% in August, a result better than consensus expectations and one tick above the Statistics Canada's preliminary estimate calling for a flat print. Production rose in 14 of the 20 industrial sectors covered in August. The improvement stemmed from services-producing industries (+0.3%), with positive contributions from retail trade (+1.2%), wholesale trade (+0.9%), public administration (+0.5%) and other services (+0.5%) more than enough to offset declines in management (-2.2%) and transportation/warehousing (-0.5%). Goods sector output, meanwhile, decreased (-0.3%) as sizeable declines occurred in mining/quarrying/oil & gas extraction (-1.0%), manufacturing (-0.8%) and construction (-0.7%) while agriculture (+3.9%) and utilities (+1.5%) registered improvements. Industrial production was down -0.6% month over month.

U.S. real GDP rebounded late summer but that doesn't mean the economy strengthened; in fact, its underlying resilience is fraying in response to aggressive rate hikes and high inflation. Real GDP rose a stronger than expected 2.6% in the third quarter, reversing back-to-back quarterly declines. The upside surprise stemmed from a big 2.8 points contribution from trade, with exports soaring 14.4% annualized on strong gains in both goods (including record oil volumes) and services (amid revenge travel to the U.S.). This was despite the rest of the world sagging under the weight of fierce headwinds. As well, government spending jumped, with federal purchases juiced by increased military spending and state and local governments raising worker compensation. Consumer spending also topped expectations, albeit modestly, rising 1.4%, but this was down from 2.0% in the prior quarter. Increased services spending more than offset a decline in goods demand. Non-residential investment was lifted by solid increases in equipment spending (though this looks to peter out on news that "core" capital goods orders plunged in September) and in intellectual property products. However, the advance in business spending was partly offset by another double-digit slide in non-residential structures. A smaller build in inventories also subtracted 0.7 percentage points from GDP growth.

Consumer prices in the UK climbed back up to 10.1% year over year in September, a 40-year high. Although surging food costs led, prices rose across the board with the core measure accelerating to 6.5%.

Japan's headline Consumer Price Index jumped 3.0% year over year while core consumer prices accelerated to a fresh eight-year high of 3.0% in September, holding above the Bank of Japan's 2% target for the sixth straight month as a sharply weaker yen continued to push up import costs.

off its peak during the Great Recession of 9.4 months and we consider a more normal range of 4-7 months.

The volatility index ("VIX") is 26.37 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

And finally: *"A man will give up almost anything except his suffering."* ~ John Cleese

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FINANCIAL CONDITIONS

The U.S. 2 year/10 year treasury spread is now -0.45% and the UK's 2 year/10 year treasury spread is 0.21%. 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 7.08%. Existing U.S. housing inventory is at 2.6 months supply of existing houses - well



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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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