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NEWS HIGHLIGHTS

EST. 2007

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

JUNE 12, 2023

OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND[1]

PORTLAND 15 OF 15 ALTERNATIVE FUND[1] COMPANY NEWS

Amazon.com, Inc. (Amazon) - is reportedly in talks to launch an ad-supported tier of Amazon Prime Video (Prime Video). Sources with knowledge of the matter say that discussions are still in the "early stages" but have been happening over the span of the past several weeks. Currently, Amazon offers Prime Video as part of its US$14.99 per month Prime membership or for $8.99 per month as a standalone subscription. Subscribers can tack on other ad-free subscriptions to services like Max, Paramount Plus, and Showtime through Prime Video Channels. The company is exploring several ways in which it could implement ads in Prime Video, including showing more ads to existing Prime subscribers and then offering an "option to pay more for an ad-free alternative and other features." Amazon is also in talks with Warner Bros. Discovery, Inc. and Paramount Global to start offering the ad-supported versions of Max and Paramount Plus within its Prime Video Channels.

Meta Platforms, Inc. (Meta) - last week demonstrated its work on new generative artificial intelligence (AI) technologies for consumer products, including Instagram, WhatsApp, and Messenger, along with several tools being used internally at the company. Chief Executive Officer (CEO) Mark Zuckerburg announced several AI technologies in various stages of development, including AI chatbots for Messenger, and WhatsApp, AI stickers and other tools that would allow photo editing in Instagram Stories. Other tools include an AI productivity assistant and an experimental interface for interacting with AI agents, powered by Meta's large language model called LLaMA. In addition, the company stated that it will host an internal AI hackathon in July, focused on generative AI, hoping these new products could eventually be refined and deployed to Meta's users. "In the last year, we've seen some really incredible breakthroughs — qualitative breakthroughs — on generative AI and that gives us the opportunity to now go take that technology, push it forward, and build it into every single one of our products," Mr. Zuckerberg said.

Brookfield Corporation (Brookfield) – Network International has accepted a takeover offer of £4.00 per share from Brookfield Asset Management. The deal values Network International at £2.2 billion (Bn) (US$2.76Bn). Brookfield's bid topped a joint bid from private equity firms CVC Capital Partners (CVC) and Francisco Partners of £3.87 per share. Network International listed on the London exchange in April 2019. At the time, the firm raised £1.1Bn, valuing the firm at £2.2Bn, the same price agreed for the Brookfield buyout. The 2019 listing was significant, representing the largest ever microelectrode array technology initial public offering (IPO) listing on any exchange globally. Furthermore, the deal was the largest tech IPO on the London exchange since Worldpay Group plc raised $2.8Bn in 2015. Emirates National Bank of Dubai (NBD) holds 6% stake in Network International Emirates NBD has a long-standing relationship with Network International. Network International provides a range of issuer solutions and value-added services to the bank across the United Arab Emirates, Saudi Arabia and Egypt. For example, the bank teamed up with Network last year to roll out digital payment platform Emirates NBD Pay. Emirates NBD is leveraging the partnership to offer card acceptance to its existing and potential international banking clients. Other Network International shareholders include Capital Research and Management and Mastercard Inc. Network International operates a merchant services segment that provides payment gateways for online merchants. It also runs an outsourced payment services division, where issuer processing is the source of the majority of revenue. Canadian-based Brookfield has more than $5Bn in assets under management in the Middle East. Last year, Brookfield acquired a 60% stake in First Abu Dhabi Bank's payments business, Magnati. That deal valued Magnati at $1.15Bn. First Abu Dhabi Bank will co-invest with Brookfield in the Network International acquisition.

Infratil Limited (Infratil) a New Zealand-based infrastructure investor, has announced the intention to acquire One New Zealand Group Limited (One NZ), a New Zealand-based telecommunications company, from Brookfield Asset Management, for US$1.1 Bn (NZ$1.8 Bn). The acquisition, valued at NZ$1.8 Bn will increase Infratil's ownership in One NZ to 99.90%. The deal aims to strengthen Infratil's position in the digital services and connectivity sector in New Zealand.

Brookfield Infrastructure Partners and DigitalBridge Group, Inc. (DigitalBridge) are reportedly in race to buy Compass Datacenters LLC (Compass) in a deal valued at over $5.5Bn. According to the sources, Brookfield Infrastructure Partners and DigitalBridge are leading competing bidding groups in the auction for the privately held Compass. A decision on the deal, which includes Compass' debt, is anticipated before the end of the month. Under the terms, Compass' debt can be assumed by a new owner without having to be refinanced, one of the sources said. This is expected to make the acquisition easier to close at a time when market instability and high-interest rates have made debt for leveraged buyouts more difficult to come by and more expensive. DigitalBridge, Compass, and Brookfield Infrastructure Partners all declined the request seeking comment, reported the news agency. Based in Dallas, Texas, Compass provides access to customised data centres to hyperscale, cloud and enterprise customers. As per the report, in recent years, the data centre industry has witnessed increased deal-making activity due to the sector's expansion, which is driven by the rapid adoption of cloud computing. With $161Bn in assets, Brookfield Infrastructure Partners claims to have 50 data centres in its portfolio. This April, Brookfield Infrastructure Partners acquired a majority stake in Data4 Group, valuing the data centre operator at nearly €3.5Bn (US$3.8Bn) including debt. Based in Boca Raton, Florida DigitalBridge invests in digital infrastructure and oversees assets worth close to $69Bn.

Brookfield Asset Management Ltd (Brookfield Asset) is aiming to raise US$15Bn for its fifth flagship real estate fund, less than its previous version, according to people familiar with the matter, as the global property market is roiled by rising borrowing costs. Brookfield Asset. one of the world's largest owners of prime office properties, started raising money earlier this year for the new vehicle, just months after closing its fourth fund at $17Bn. Brookfield focuses on top-quality office real estate, which will produce better returns over the long run, Bruce Flatt, CEO told investors last month. "We have always focused on owning premier real estate in the best locations, which is why 95% of our office portfolio is either trophy or Class A office space that continues to vastly outperform the broader market," he said in a letter to shareholders of Brookfield Corporation, Brookfield Asset's parent company. The group also invests in other property asset classes, including hotels, malls, logistics and housing. Brookfield Asset has defaulted on mortgages covering more than a dozen office buildings, mostly in Los Angeles and around Washington, DC. Recently, it handed over receivership control of EY Plaza, a 41-floor tower in Los Angeles, where the downtown office vacancy rate has reached 30%. Flatt told investors the problems are isolated to those assets and aren't material to the firm's sprawling real estate business, which includes New York's Manhattan West and London's Canary Wharf. "Brookfield has always prided itself on being an extremely responsible borrower and our reputation in the capital markets sets us apart," he said. Brookfield has more than $825Bn in assets under management, with $270Bn in real estate holdings under management as of March.

Reliance Industries Limited (Reliance) - Altigreen Propulsion Labs Pvt Ltd.(Altigreen) is considering raising about 7 Bn rupees (US$85 million) in a new funding round as the Indian electric cargo vehicle maker looks to ramp up its production and invest in new models, according to people familiar with the matter. The company, which counts billionaire Mukesh Ambani among its backers, is seeking a valuation of around $350 million in the new round, explained one of the people, who asked not to be identified since the information is private. Some of its existing investors could tag along and sell their shares, noted the people. Deliberations are at an early stage and details of the fundraising could still change, explained the people. Amitabh Saran, Altigreen CEO confirmed that the company is in the midst of fundraising and targets to wrap it up by July. Founded in 2013, Altigreen designs and manufactures electric cargo three-wheelers and has an annual production capacity of 55,000 vehicles, according to its website. The firm raised around 3Bn rupees in a series A round last year that was led by Sixth Sense Ventures. Ambani's Reliance New Energy Ltd., Xponentia Capital Partners, Momentum Venture Capital and Accurant International also participated.

Samsung Electronics Co., Ltd (Samsung). - A former Samsung executive allegedly stole blueprints and designs to try and replicate an entire semiconductor plant in China, claimed Korean prosecutors. The Prosecutors said in a statement on Monday that they arrested a 65-year-old accused of stealing trade secrets from 2018 to 2019 to reproduce a chip plant in the northern city of Xi'an, backed by capital from a Taiwanese company they didn't identify,except to call it the world's biggest memory chipmaker. The case also has the potential to spark tensions between Korea and Taiwan, two of the most important centers for chipmaking and U.S. allies supportive of Washington's efforts to contain China's chip ambitions. Taipei and Seoul are very sensitive to attempts by China to poach chip talent and designs from an industry central to both economies' prosperity. Representatives for Samsung declined to comment. Most intellectual property cases over the years have focused on attempts to hire away key engineers, appropriate critical designs or reverse-engineer software and components. The former executive attempted to use the stolen technologies and data to build a copy of a Samsung chip plant 1.5 kilometers away from its existing facility in Xi'an, prosecutors said. But the Taiwanese company, after promising to invest more than US$6 Bn in the new facility, failed to deliver on that investment, according to Yonhap. Instead, the executive turned to a group of Chinese investors and started producing trial products from a chip plant in Chengdu, based on the Samsung technology, the news agency reported. The person involved in the latest case worked for Samsung for 18 years before moving to another, unidentified company for about a decade. That person created several chip manufacturing companies in China and Singapore, employing capital from both Chinese and Taiwanese investors, explained the prosecutors. In the process, the ex-Samsung official hired more than 200 chip experts from Korea and stole valuable data worth at least 300 Bn won (US$233 million) from Samsung, states the indictment. Prosecutors also indicted six other individuals, who they alleged were the executive's accomplices.

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

TD Canada Trust (TD) held an Investor day highlighting key insights and targets across each Canadian business unit. The company is seeking to generate above-average growth and introduced its new Return On Equity (ROE) target of >16%. Management also offered a Core Equity Tier 1 ratio target of 12.0% (15.3% in second quarter of 2023), consistent with peers. TD reiterated their medium-term objectives with the main ones including: (1) 7-10% adjusted Earning Per Share (EPS) growth; (2) 40-50% dividend payout ratio.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Clarity Pharmaceuticals (Clarity)– has completed recruitment for a phase two trial of its prostate cancer treatment Copper(Cu)- Specific Absorption Rate (SAR) -Bombesin. The investigator-initiated trial will evaluate the safety of Cu- SAR-Bombesin on 30 patients, looking at the diagnostic potential across two different groups of men. The first group tested have suspected biochemical recurrence of their prostate cancer with negative prostate-specific membrane antigen (PSMA) positron emission tomography imaging scans or low PSMA expression disease. The second group undergoing the trial are patients with metastatic castrate resistant prostate cancer who are not eligible for PSMA therapy. Approximately 20% of prostate cancers with a breakpoint cluster region are PSMA- positron emission tomography (PET) negative, and are unlikely to respond to targeted treatment. Prof Louise Emmett (St Vincent's Hospital Sydney), Principal Investigator in the trial, commented, "We are very excited with the preliminary results we have generated in the BOP trial to date and believe 64Cu SAR-Bombesin has the potential to play an important role in the diagnosis of prostate cancer lesions that cannot be detected with conventional imaging or PSMA-PET agents, such as tumours that are PSMA-negative or have low PSMA expression. The ability to detect and visualise the cancer correctly holds promise of better treatment outcomes for these patients through more appropriate therapeutic regimens. We look forward to continuing our collaboration with Clarity and also exploring therapeutic benefits of the 67Cu SAR-Bombesin agent for this large patient population where, unfortunately, very few treatment options are available at present." Dr Alan Taylor, Clarity's Executive Chairman, commented, "The promising data we are generating on our SAR-Bombesin product has already resulted in the improvements to the management of prostate cancer for patients with PSMA-negative lesions or low PSMA expression in their tumours. We envision that SARBombesin will not only be used as a stand-alone product for diagnosing and treating prostate cancer, but also in combination with PSMA agents to identify and treat both PSMA as well as gastrin-releasing peptide receptor (GRPR) expressing tumours for the most optimal therapeutic outcome for these patients."

Fate Therapeutics Inc. (Fate Therapeutics) – Dr. Yu-Waye (Wayne) Chu, Doctor of Medicine (M.D.) notified Fate Therapeutics that he intends to resign as Chief Medical Officer of the Company effective as of July 14, 2023 to pursue another opportunity. Dr. Chu's resignation is not associated with, or attributable to, any disagreement with the company or the company's operations, policies, or practices.

POINT Biopharma Global Inc. (POINT) – announced the filling of its vacant board seat with the appointment of Bridget Martell, Master of Arts (M.A.), Doctor of Medicine (M.D.) to its Board of Directors. Dr. Martell is a seasoned pharmaceutical executive with a demonstrated track record in both drug development and financing, building, and leading highly successful biotech companies. She started her pharmaceutical career at Pfizer Inc. (Pfizer), where she had roles of increasing responsibility in both the oncology and biosimilars business units. Dr. Martell has held leadership and C-suite executive roles at companies including Kura Oncology Inc. (Kura Oncology) and Juniper Pharmaceuticals, Inc. (Juniper Pharmaceuticals) and has been a pivotal leader or major contributor in the success of six marketed products: Kadcyla, Elelyso, Intermezzo, the trastuzumab biosimilar Ogiviri, as well as secondary indications for Pradaxa and Sutent. Dr. Martell is currently President and Chief Executive Officer of Artizan Biosciences, Inc., a precision medicine drug development platform company focusing on inflammatory disease and the microbiome. She holds a Bachelor of Science in Microbiology from Cornell University, an M.A. in Molecular Immunology from Boston University, and an M.D. from the Chicago Medical School.

Telix Pharmaceuticals Ltd (Telix) – has opened a US$21 million nuclear medicine facility in Belgium, creating a springboard to cover the European market as the Australian Securities Exchange (ASX) second-largest biotechnology company. Telix is only seven years old but increased its quarterly revenue almost 30-fold in the past 12 months as sales of Illuccix, its prostate cancer diagnostic agent, took off in the U.S. The Belgian site, which Christian Behrenbruch, CEO, formally opened on Thursday, now gives Telix the platform to start selling in Europe – potentially doubling its revenue-earning capacity. The 2,800 square metre plant, 30 kilometres south of Brussels, will manufacture radioisotopes and commercial and clinical products for patients. The site will have nine production lines – four will start immediately, the remainder will go live in the next 12 months – prompting Telix to claim it as one of the world's largest nuclear medicine facilities. The new building sits on 35,000 square metres of Telix-owned land, giving the company room to expand. "We're expanding. We will continue to grow manufacturing footprint in North America, this is the first phase of our European manufacturing footprint," said Dr. Behrenbruch.

NUCLEAR ENERGY

Ares Acquisition Corporation (AAC) – X-Energy Reactor Company, Limited Liability Company (LLC), a leading developer of advanced small modular nuclear reactors and fuel technology for clean energy generation, and AAC, a publicly-traded special purpose acquisition company, announced today a strategic update to their previously announced business combination agreement that revises the valuation of the transaction. Under the amended terms, X-Energy's pre-money equity value has been revised to US$1.8 Bnfrom approximately $2.1Bn. By establishing a more attractive entry point for investors, X-energy and AAC believe the revised valuation reinforces the long-term value creation opportunity for, and the companies' alignment with, shareholders. X-energy also announced the completion of key engineering and design milestones as its Xe-100 advanced small modular nuclear reactor (SMR) has progressed from basic design to the Final Design Readiness Review phase. Reaching this phase demonstrates the substantial progress the company has made to develop and eventually deploy an innovative advanced nuclear facility through the U.S. Department of Energy's Advanced Reactor Demonstration Program (ARDP) to provide clean, safe, zero-carbon energy for a broad range of uses and applications that meet customers' unique needs. X-energy has invested significant engineering hours in developing its technology, including approximately 800,000 hours in its Xe-100 design, 250,000 hours in its Tri-Structural Isotropic-X (TRISO-X) nuclear fuel design, and 117,000 hours in pre-application engagements, reviews, and interactions with the U.S. Nuclear Regulatory Commission (NRC) in preparation for the submission of the ARDP project Construction Permit application to the NRC. As a result, key Xe-100 subsystems are now significantly more defined and developed, and X-energy's manufacturing, construction, and supply chain partners are deeply integrated with the company to provide input on detailed design, constructability, and associated costs. The company completed its most recent review of design processes and related costs on March 31, 2023. As a result, X-energy updated its cost estimates to complete the full ARDP scope to a total of between $4.75 and $5.75 Bn. This scope includes the design and licensing of the Xe-100 standard plant, the design, licensing, and construction of the TRISO-X commercial fuel fabrication facility, and the construction of a four-unit Xe-100 facility at the Dow Inc. Union Carbide Corporation (UCC) Seadrift Operations site in Texas. Approximately 15% to 17.5% of the total ARDP project costs are assumed to be paid by X-Energy. The company's updated program cost estimate reflects, among other factors, inflationary pressures for construction materials, higher-than-expected labor costs, increasing interest rates, supply chain constraints for equipment, and maturation in the design of the Xe-100, as well as a shift in program scope from an electric-generation-only plant to a combined steam and power project at the Seadrift site that results in an extension of some program elements to 2030. This range of estimated costs does not account for any site-specific cost adjustments related to the Seadrift site, which was announced as the location of the Xe-100 facility after this estimate was prepared, or Dow's engagement in the ARDP project, which in large part began after this estimate was prepared. Dow and X-energy believe that both of those factors could ultimately lead to a reduction in costs and intend to work collaboratively to reduce costs where possible. As previously announced, existing X-energy equity holders will roll 100% of their equity interests into the combined company. Institutional and strategic investors have invested or committed up to $148 million in financing, which combined with approximately $485 million of cash held in AAC's trust account as of March 31, 2023, assuming no redemptions by AAC shareholders, will result in $515 million of cash to the combined company balance sheet, after fees. Immediately following the consummation of the transaction and assuming none of AAC's existing shareholders exercise their redemption rights, X-energy's existing equity holders are expected to hold approximately 72% of the issued and outstanding shares of common stock of the combined company.

Bloom Energy Corp. (Bloom)– signed an agreement with Perenco UK Ltd. (Perenco) to install 2.5 megawatts (MW) of Bloom's solid oxide fuel cells at a site in England. Perenco is a leading independent hydrocarbon company, producing 500,000 Barrel of oil Equivalent of oil and gas per day from its operations in 14 partner countries. The Bloom Energy Server® platform, to be delivered in late 2023, will be installed at Wytch Farm in Dorset, England, the largest onshore oil field in western Europe, where it will be used to support Perenco's baseload requirements. The agreement marks the first deployment of Bloom fuel cell technology in the United Kingdom. The agreement with Perenco is another major step in Bloom's expansion in Europe, following the recent sales agreement for northern Europe with Elugie, a marketing partnership agreement with Telam for Spain and Portugal, and energy platform sales to Cefla and Ferrari in Italy announced in 2022.

Constellation Energy Corp. (Constellation) – is improving the efficiency and increasing the output of its Criterion wind project in Oakland, Md., extending the life of the facility for 20 years, a move that will deliver more carbon-free electricity to the region and launch a US$350 million effort to increase the output and lifespan of the company's renewable energy portfolio. Over the course of this fleetwide project, Constellation's repowering efforts will enable 315 MWof its existing carbon-free wind fleet to generate greater output at the same wind conditions. The Criterion wind project is the latest in a series of investments Constellation has made to lead the nation's response to the climate crisis and help states like Maryland accelerate clean-energy growth initiatives and achieve the aggressive environmental goals set forth by the Maryland General Assembly and the Moore administration. Constellation operates 27 wind projects that are capable of producing about 1,400 megawatts of electricity. Construction at the Criterion wind project is underway with the installation of new, high-efficiency rotors, turbine blades and generators at the 28-unit site. The older turbine blades and equipment will be recycled. The power generated at the wind project will continue to be sold to Old Dominion Electric Cooperative (ODEC). The project is expected to be completed before year end. In addition to the significant investment in Maryland in recent months, Constellation has announced the acquisition of a 44 percent ownership stake in the South Texas Project nuclear plant, an intent to seek license renewal at its Clinton and Dresden nuclear plants in Illinois, and an $800 million uprate project at the Braidwood and Byron nuclear facilities in Illinois. In addition, Constellation recently began producing hydrogen at the nation's first one-megawatt nuclear-powered clean hydrogen facility in upstate New York, and set an industry record for blending high concentrations of hydrogen with natural gas to lower emissions at its Hillabee Generating Station in Alabama.

NuScale Power Corp. (Nuscale)– announced an agreement with Accelerant Solutions to develop and implement a small modular reactor operator training program. Since 2020, NuScale and Accelerant Solutions have collaborated to develop lesson plans to train plant operators on operating systems, use of operating procedures, and the NuScale control room simulator. The agreement entails Accelerant Solutions and its strategic technology partner Tecnatom USA

Corporation leveraging their first-of-a-kind PLANT™ software, which uses interactive visual aids and a single, authoritative source for all drawings and documents that can be easily shared between lessons. The collaboration between NuScale and Accelerant Solutions builds upon NuScale's innovations in control room staffing and will accelerate nuclear energy training for the innovative VOYGR™ power plant design. VOYGR power plant configurations up to the 12-module, VOYGR-12 924 MWe power plant can be operated safely and reliably with a minimum of three licensed operators from a single control room – a feature approved by the U.S. Nuclear Regulatory Commission staff. The forging of this partnership marks an important training program milestone and forms a significant alliance between NuScale and Accelerant Solutions to bring best practices, a robust training program, and a breakthrough plant design to all future NuScale customers. In addition to the development of an operator-training program, NuScale is also preparing the nuclear workforce of tomorrow through the deployment of Energy Exploration (E2) Centers, including recently launching the first international E2 Center at the University Politehnica of Bucharest in Romania.

Plug Power Inc. (Plug Power) – Plug Power, a leading provider of turnkey hydrogen solutions for the global green hydrogen economy, announced it will discuss the new partnership and software collaboration with Energy Vault Holdings, Inc. (Energy Vault), where innovative design will combine Plug fuel cells with lithium-ion batteries intended to displace diesel generators to power microgrid during wildfires and other emergencies in California wine country. Energy Vault has designed and will integrate for the city of Calistoga, a hybrid microgrid system that includes an 8 megawatts (MW) hydrogen fuel cell stationary power for the first of its kind hybrid microgrid (battery plus green hydrogen) that will be used during times of wildfires and other emergencies. This will be the largest planned hydrogen powered fuel cell installation in the U.S. The California Public Utility Commission requires that state utility grid operators shut off power during severe weather to help prevent wildfires. Energy Vault designed a carbon free solution combining a small portion of short duration batteries to support black start and grid forming requirements with green hydrogen-fed fuel cells for 48 hour+ storage duration to eliminate the need for Pacific Gas and Electric (PG&E) to rent mobile diesel generators to provide backup power in Calistoga during these Public Safety Power Shutoff (PSPS) events. For the ultra-long duration need and multi-day discharge, Energy Vault chose Plug's proton exchange membrane fuel cells as it can offer cleaner, more operationally flexible, and more cost-effective power to the microgrid. The power from the new microgrid will be dispatched and optimized by Vault-OS, the technology neutral energy management digital platform developed by Energy Vault. Energy Vault previously announced it is building a community microgrid for PG&E to provide Calistoga with a minimum of 293 megawatt-hours of dispatchable carbon-free energy during planned outages and PSPS events. The microgrid will integrate a short duration battery system with a long duration storage system of fuel cells and green liquid hydrogen. Plug's fuel cell technology will serve as the microgrid's stationary backup power generator. The energy storage system will be owned, operated, and maintained by Energy Vault while providing dispatchable power under a long-term tolling agreement with PG&E. Plug will deliver 8 MWs of fuel cell power, made up of 40-foot International Organization for Standardization containers. The fuel cells will be manufactured in the U.S., primarily at Plug's gigafactory in Rochester, New York, and assembled and tested at Vista Technology Park, Plug's world-class fuel cell manufacturing facility in Slingerlands, New York. This production approach will allow Energy Vault to take advantage of the additional 10% Input Tax Credits available under the Inflation Reduction Act for American-made content.

ECONOMIC CONDITIONS

Canadian employment registered a 17,000 decrease in May, a first monthly decline following eight consecutive months of increase. This came short of consensus expectations for a 20,000 increase. May's jobs losses resulted in an increase in the unemployment rate to 5.2%, which was the first increase for this indicator since August 2022. The decrease in employment stemmed from a decline in full time jobs (-33,000), which was only partially offset by an increase in part-time positions (+16,000). Only the self-employed segment (-40,000) was accountable for the decline in the headline figure, while there were more headcounts in the private (+13,000) and public (+10,000) sectors. May's job decline came exclusively from the services sector (-40,000), which was only partially offset by the goods-services sector (+23,000). On the goods side, all sectors posted an increase, led by manufacturing (+13,000), utilities (+4,000), agriculture (+3,000), forestry (+2,000) and construction (+1,000). On the services side, notable decreases were registered in business/building services (-31,000), professional/scientific services (-13,000), trade (-13,000) and transportation (-10,000). These were too important to offset increases in the other services (+11,000), accommodation (+11,000) and information/culture (+10,000) industries. Regionally, there were job losses in Ontario (-24,000) while Alberta (+4,000), Québec (+2,000) and British Columbia (+1,000) posted slight increases. Hours worked fell (-0.4%) in May following four consecutive monthly increases. The increase in wages was down on a year-over-year basis, reaching 5.1% in May (5.2% in April).

China's economic woes are building, with the May exports data confirming that the world's production hub is slowing. Exports fell 7.5% year-over-year, much worse than expected (consensus: -1.8% year-over-year) and coincides with the slump in the official May National Bureau of Statistics (NBS) manufacturing Purchasing Managers Index (PMI). While the exports figure may have been weighed down by the high base last year, the streak of disappointing economic data lately does suggest that activity in the economy is stalling. The contraction in imports at -4.5% year-over-year (consensus: -8%) further portrays softening consumption with the initial euphoria over the reopening fizzling out while the recent COVID-19 flareup could also be another contributor.

China's May Consumer Price Index (CPI) came in at 0.2% year-over-year (consensus 0.2%). Most downward pressure on the month came from pork and fresh vegetable prices. Core inflation was higher at 0.6% year-over-year, but still soft overall. A combination of negative seasonal price pressures and loss of momentum in activity over the month limiting pricing power, dampened inflation. Further weakness in the industrials' commodity complex, oil and PMI input prices, suggested even more downward pressure on Producer Price Index (PPI) though. Consequently, PPI dropped by 4.6% year-over-year in May (consensus -4.6%). The soft inflation data highlights growing pressure on the economy. Benign inflation taken together with softer activity data point to potential for more monetary stimulus, and we think this will likely take the form of a further Reserve Bank rate cut soon.

Australia First Quarter Gross Domestic Product (GDP) rose by 0.2% quarter-over-quarter, 2.3% year-over-year and marked the weakest quarter-over-quarter growth since the third quarter of 2021. Though this was slightly weaker than expected (consensus +0.3% quarter-over-quarter), the revision higher last quarter imply that on net, the economy is still trudging along. Details of the report, however, painted a less rosy economic picture with household savings falling to 3.7% (lowest since the second quarter of 2008), consumers cutting back on discretionary spending and interest paid on mortgages rising further by 11.5%. No doubt, the aggressive hiking cycle from the Reserve Bank of Australia is taking its toll on the economy, but the acceleration in economy-wide services prices and weak productivity growth (-4.6% year-over-year) suggest that the Reserve Bank of Australia (RBA) still has work to do. Today's first quarter GDP report adds more bumps to the "narrow path" the RBA is navigating, but the Bank is on a mission to get inflation back to target in a timely manner, with the barrage of hawkish headlines earlier hinting of more hikes to come.

Norwegian inflation comes in much stronger than expected again, with the headline and core rates both increasing to 6.7% year-over-year (market: 6.3% for both). Driving the upside surprise was to a large extent a sharp increase in food prices (2.3% month-over-month)—much stronger than usual for May—seemingly due to the price freezes for several grocery retailers expiring earlier in the month. Another big driver of the print was clothing (2.1% month-over-month). Norges Bank had expected headline and core inflation to come in at 5.4% and 6.0% year-over-year respectively, so this is definitely a substantial surprise to policymakers. As such, this will add significant further pressure on Norges Bank to keep tightening policy.

FINANCIAL CONDITIONS

After a brief two meeting pause, the Bank of Canada (BoC) increased its overnight target by 25 basis points to 4.75%. To the Bank, monetary policy "was not sufficiently restrictive". Complementing the restrictive policy stance, the Bank said it would continue its Quantitative Tightening (QT) program, which involves passively running off its Government of Canada (GoC) bond holdings. We continue to expect this to continue with little fanfare at least for the next year, though liquidity will now increasingly be drained from the system. Importantly, the guidance from April has undergone a significant face lift. Whereas they'd previously indicated they're "prepared to raise the policy rate further", new forward-looking language is less aggressive and more open to interpretation: "Governing Council will continue to assess the dynamics of core inflation and the outlook for CPI inflation. In particular, we will be evaluating whether the evolution of excess demand, inflation expectations, wage growth and corporate pricing behavior are consistent with achieving the inflation target." While that doesn't close the door to further rate increases, it effectively raises the bar for a July hike, in our opinion.

On inflation, the BoC noted April's "broad" uptick in inflation (the first in 10 months). "Strong demand and a tight labour market" continues to feed into elevated services inflation. While the Bank still expects inflation to ease to "around 3%" in the summer, they flagged greater concern that CPI inflation could "get stuck materially above the 2% target". The BoC also noted that GDP was stronger than expected, with "surprisingly strong and broad-based" consumption, even after accounting for population gains. Finally, they cite a still-tight labour market that is quickly absorbing new immigrants. Overall, the Bank says, "excess demand in the economy looks to be more persistent than anticipated". The Bank's next decision will take place on July 12th which will come alongside an updated Monetary Policy Report.

RBA firmly showed its resolve to return inflation back to target by raising the cash rate target to 4.10%, contrary to the consensus for a hold as the upside surprise in the Apr inflation print and higher-than-expected Fair Wage Commission decision presented a strong case for the Bank to move sooner. The RBA is cognizant of the pickup in public sector wages and the signalling effect from the recent rise in award wages. Interestingly, the Bank dropped its key sentence on "medium-term inflation expectations remain well anchored" – (this was in every Members of Parliament since July,2022) which in our view reads hawkish.

The U.S. 2 year/10 year treasury spread is now -0.83% and the UK's 2 year/10 year treasury spread is -0.30%. 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 could be an early warning of an economic slowdown.

The U.S. 30 year mortgage market rate has increased to 6.78%. 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 14.41 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

And Finally: *"Capitalism is the astounding belief, that the most wickedest of men, will do the most wickedest of things, for the greatest good of everyone." ~ John Maynard Keynes*

Portland Investment Counsel Inc. currently offers Mutual Funds & Private/Alternative Products - visit www.portlandic.com

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Net Asset Value:

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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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