NOVEMBER 4, 2024

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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

Reliance Industries Limited (Reliance) – Ghana is banking on a high-speed broadband network supported by Reliance Jio, a telecommunications company and subsidiary of Jio Platforms, which is part of Reliance, to cut data costs and spur economic activity. Next-Gen Infrastructure Company (NIGC) will start rolling out its first 5G network on Friday, Minister of Communications and Digitalization Ursula Owusu-Ekuful said in an interview. The goal is to achieve nationwide coverage by 2026, she said in a speech in the capital. NGIC aims to emulate the success of Reliance Jio in India. In 2016 Reliance Jio upended the nation's telecom industry by starting low-cost data and free voice calling services, forcing a consolidation and luring subscribers. The company is credited for making mobile data affordable in the world's most populous nation and in the process becoming India's biggest mobile operator with 470 million users. The low-cost high-speed internet service is Ghana's latest effort to invigorate business activity and give impetus to an economy recovering from the debt crisis. Economic growth quickened to 6.9% in Q2 from 4.7% in the preceding three months, but it was led by the mining sector. NGIC, which acquired the spectrum from Ghanaian regulators at US$125 million, has the exclusive rights to provide 5G network in Ghana for the next 10 years, an arrangement further expected to drive lower service charges, Owusu-Ekuful said. All other operators will lease from NGIC and serve their subscribers, she said.

Reliance - Reliance New Energy (RNEL), a wholly owned subsidiary of Reliance, has acquired the remaining stake in sodium-ion battery technology company Faradion Limited (Faradion) from existing shareholders, making it a wholly-owned subsidiary, the company said in a regulatory filing on Tuesday. RNEL, in December 2021 announced the acquisition of Faradion at an Enterprise Value of £100 million. Reliance had then stated that it intends to use Faradion's technology at its proposed fully integrated energy storage giga-factory, part of the Dhirubhai Ambani Green Energy Giga Complex facility at Jamnagar. The acquisition is not a related-party transaction, and no regulatory approvals were required, Reliance said. Based out of Sheffield and Oxford in the United Kingdom (UK), Faradion is a leading global battery technology company. Faradion was started in 2011, by Jerry Barker, Chris Wright, and Ashwin Kumaraswamy, to develop and bring to market sodium-ion technology.

Samsung Electronics Co., Ltd. (Samsung) – declared progress in supplying its most advanced Aritificial Intelligence (AI) memory chips to Nvidia Corporation (Nvidia), seeking to reassure to investors who fear the company is falling further behind its competitors. Samsung has made meaningful progress during key stages of the qualification process with a major customer, a senior executive told analysts, referring to Nvidia. The Korean company now expects to sell its most advanced HBM3E memory chips Q4, Jaejune Kim, executive vice president of Samsung's memory business, said on an earnings call Thursday. Investors remain cautious about Samsung's ability to claw its way back into the market for high-bandwidth memory chips, designed to work with Nvidia's AI accelerators. Samsung is now cutting production of its legacy memory in an effort to speed up conversion to cutting-edge manufacturing processes, Kim said. Its memory-related capital expenditures will prioritize high-end products, he said. Chip-related capital expenditures are expected to total 47.9 trillion won this year, and Samsung now expects to mass produce next-generation HBM4 chips in the second half of next year. Samsung reported net income of 9.78 trillion, beating the analysts' average estimate of 9.14 trillion, as other parts of the company's sprawling business helped offset its chip operations. The global foundry market is expected to grow by double-digits next year, Samsung said. The company aims to boost revenue by improving yields on its advanced lines, it said. Despite difficulties at its semiconductor unit, Samsung's net income got a boost from the launch of its new smartphones, tablets and wearables, where its profitability rose despite high material costs. Samsung said it expects the overall smartphone market to grow sequentially in the current quarter and boost sales of its top-line products, although it expects growing competition in the mid-range segment to weigh on smartphone shipments and average selling price.

Ares Management Corporation (Ares)– announced its third quarter (Q3) 2024 financial results, reporting a GAAP (Generally Accepted Accounting Principles) net income of US$118.5 million, translating to $0.55 per share. The company's after-tax realized income stood at $316.0 million, or $0.95 per share, while fee-related earnings were $339.3 million. Chief Executive Officer (CEO) Michael Arougheti highlighted strong quarterly performance, citing growth in key metrics, successful fundraising of over $64 billion year-to-date, and a forecast for 2024 to be a record fundraising year with expected commitments in the mid-$80 billion range. Chief Financial Officer (CFO) Jarrod Phillips noted nearly $30 billion in third quarter deployment and emphasized the potential for future earnings growth, backed by over $85 billion in capital not yet generating fees.

Brookfield Asset Management Ltd. (Brookfield) – reported record financial results for Q3 2024, driven by a significant increase in fee-bearing capital, which rose 23% year-over-year to US$539 billion. Connor Teskey, President, credited this to robust fundraising, capital deployment, and new strategic partnerships. Fee-related earnings for the quarter reached $644 million ($0.39 per share), a 14% increase from last year, and distributable earnings totaled $619 million ($0.38 per share), up 9%. Brookfield raised $21 billion in the quarter across various sectors: $14 billion in credit (notably through Oaktree Strategic Credit Fund strategies and Brookfield Oaktree Wealth Solutions), $2.2 billion in renewable power, $1.4 billion in infrastructure, $2.0 billion in private equity (including commitments from Middle Eastern clients), and $1.6 billion in real estate. Significant investment activities included acquiring Network International Holdings PLC for $2.0 billion and a telecom site portfolio in India. Brookfield also entered a partnership with Ørsted A/S (Ørsted) for a $2.3 billion stake in offshore wind assets. Recent asset monetizations totaled $11.2 billion across real estate, renewable power, and infrastructure sectors. The company also highlighted $106 billion in uncalled fund commitments and $2.1 billion in corporate liquidity.

Brookfield – and Brookfield Corporation have announced plans to enhance Brookfield's corporate structure, aimed at positioning the company for broader equity index inclusion, particularly in the United States (U.S.) As part of these changes, Brookfield has moved its head office to New York. The restructuring agreement will have Brookfield own 100% of its asset management business, with Brookfield Corporation's 73% stake reflected directly through ownership of about 73% of Brookfield's publicly traded shares. The proposed changes will simplify Brookfield's corporate structure, making the asset management business easier for investors to value. The restructuring is expected to elevate Brookfield's market capitalization to around US$85 billion, aligning with the total value of the business, compared to its current $23 billion valuation. This adjustment should also attract greater ownership from passive institutional investors and increase visibility among active public investors. The deal's completion is anticipated in early 2025, subject to approvals from shareholders, courts, and stock exchanges.

Brookfield – Saudi Arabia's Hassana Investment Company (Hassana), the investment arm of the main pension fund, is considering becoming an anchor investor in Brookfield's new US$2 billion Middle East fund, Brookfield Middle East Partners LP (BMEP). This potential investment would align Hassana with Saudi Arabia's sovereign wealth fund, the Public Investment Fund (PIF), which also announced backing for the fund. BMEP plans to allocate half of its investments to Saudi Arabia, targeting sectors like industrials, consumer and business services, technology, and healthcare. Hassana could contribute up to $500 million, alongside Brookfield's $500-million commitment. The PIF's involvement remains part of a non-binding agreement. Since merging the General Organization of Social Insurance and the Public Pension Agency in 2021, Hassana has become increasingly active in global investments.

Brookfield – Ørsted has announced a partnership with Brookfield, including its institutional partners and Brookfield Renewable Partners L.P. (Brookfield Renewable), to acquire 12.45% minority stakes in four of Ørsted's operational U.K. offshore wind farms: Hornsea 1, Hornsea 2, Walney Extension, and Burbo Bank Extension. The wind farms have a combined capacity of approximately 3.5 gigawatt (GW), and the transaction's enterprise value is US$2.3 billion, with $570 million allocated to Brookfield Renewable. This investment will be made through Brookfield Infrastructure Fund V (in which Portland Private Income LP invests) and is expected to close by the end of 2024, subject to regulatory approvals. Ørsted will retain 37.55% ownership and continue managing operations and maintenance under current agreements. Ørsted, the U.K.'s leading offshore wind developer, operates over 5 GW of offshore wind capacity, with another 5 GW in development. Globally, Ørsted has installed 15.4 GW of renewable energy and continues to advance its green energy vision.

Berkshire Hathaway Inc. – reported a 6% drop in Q3 operating earnings, totaling US$10.09 billion, compared to the previous year. Despite this decline, the conglomerate's cash reserves increased to a record $325.21 billion, driven by substantial equity sales and no stock buybacks in the quarter. This marks a significant change from previous buybacks, which totaled $345 million in the second quarter (Q2) and $2.6 billion in the first quarter (Q1) of 2024. Warren Buffett's firm notably reduced its holdings in Apple Inc. (Apple), selling 100 million shares in Q3. This sale, combined with a 50% reduction in Q2, leaves Berkshire with 300 million Apple shares, down from 905 million at the beginning of 2024. Additionally, Berkshire sold approximately $9 billion worth of Bank of America Corporation (BofA) shares in the quarter. In total, the company sold about $36 billion in equities, primarily consisting of Apple and BofA shares. These moves reflect Buffett's cautious approach amid rising share prices and the company's strategic decision to boost liquidity. Apple and BofA remain significant holdings for Berkshire, but the company's actions highlight a shift in its investment and cash management strategies.

BGC Group, Inc. (BGC) – reported record revenues of US$561.1 million for Q3 2024, marking a 16.2% increase compared to the same period last year. The growth spanned all asset classes and regions, with the Americas up 19.0%, EMEA (Europe, the Middle East, and Africa) increasing by 16.5%, and APAC (Asia-Pacific) up 8.3%. Fenics, BGC's technology-driven platform, also saw record revenues of $142.1 million, a 13.3% rise year-over-year, driven by a 37.3% increase in Fenics Growth Platforms and a 9.2% increase in Fenics Markets. Profitability metrics showed strong double-digit growth: Pre-tax Adjusted Earnings rose 24.4% to $126.7 million, while Post-tax Adjusted Earnings increased 34.5% to $126.6 million, equating to $0.26 per share, a 36.8% improvement. Adjusted EBITDA grew by 11.4% to $151.4 million. CEO Howard W. Lutnick highlighted the firm's strategic acquisitions, including OTC Global Holdings and Sage Energy Partners, expected to add over $450 million in annual revenue. Lutnick also noted record performance from FMX Futures Exchange (FMX) in U.S. Treasury and FX trading, and the promising launch of the FMX, which aims to improve market efficiencies.

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL BALANCED FUND[1]

Magna International Inc. (Magna) – posted sales of US$10.3 billion in Q3 2024, a decrease of 4% from Q3 2023. The lower sales largely reflect a 4% decrease in global light vehicle production, including 6% lower production in each of North America and China and a 2% decline in Europe. In addition, sales were negatively impacted by the end of production of certain programs, and divestitures, net of acquisitions, partially offset by the launch of new programs and customer price increases to recover certain higher production input costs. Adjusted EBIT (earnings before interest) decreased to $594 million in Q3 2024 compared to $615 million in Q3 2023. This mainly reflects reduced earnings on lower sales, higher production input costs net of customer recoveries, and lower equity income. These were partially offset by higher net favourable commercial items, continued productivity and efficiency improvements, including lower costs at certain underperforming facilities, lower net engineering costs, including spending related to our electrification and active safety businesses and the negative impact of the United Auto Workers (UAW) labour strike during Q3 2023. Income from operations before income taxes increased to $700 million for Q3 2024 compared to $538 million in Q3 2023, which includes Other (income) expense, net items and Amortization of acquired intangibles totaling ($160) million and $28 million in Q3 2024 and Q3 2023, respectively. The most significant item in either period was the positive impact of recognizing $196 million of Fisker deferred revenue as the associated agreements were cancelled in the Q3 2024. Excluding Other (income) expense, net and Amortization of acquired intangibles from both periods, income from operations before income taxes decreased $26 million in Q3 2024 compared to Q3 2023, largely reflecting the decrease in Adjusted EBIT. Net income attributable to Magna was $484 million for Q3 2024 compared to $394 million in Q3 2023, which includes Other (income) expense, net, after tax and Amortization of acquired intangibles totaling $(115) million and $25 million in Q3 2024 and Q3 2023, respectively. Excluding Other (income) expense, net, after tax and Amortization of acquired intangibles from both periods, net income attributable to Magna . decreased $50 million in Q3 2024 compared to Q3 2023. Diluted earnings per share were $1.68 in Q3 2024, compared to $1.37 in the comparable period. Adjusted diluted earnings per share were $1.28, down $0.18 from $1.46 for Q3 2023, including $0.10 due to a higher income tax rate. In Q3 2024, we generated cash from operations before changes in operating assets and liabilities of $785 million and used $58 million in operating assets and liabilities. Investment activities for Q3 2024 included $476 million in fixed asset additions, $115 million in investments, other assets and intangible assets and $1 million in private equity investments.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Amgen Inc. (Amgen) – reported financial results for Q3 2024, with total revenues rising 23% to US$8.5 billion compared to the same period last year. Product sales increased by 24%, primarily driven by a 29% rise in volume, despite a 2% decrease in net selling prices. Notably, ten products experienced double-digit sales growth, including Repatha® and TEZSPIRE®. The company generated $3.3 billion in free cash flow, up from $2.5 billion in Q3 2023. CEO Robert A. Bradway emphasized ongoing investments in the company's expanding pipeline of innovative therapies.

Arvinas Inc. (Arvinas) – reported its Q3 2024 financial results and corporate updates, highlighting progress in its clinical trials. The company is on track to release topline data from the Phase 3 VERITAC-2 trial for metastatic breast cancer in late 2024 or early 2025. Arvinas also shared preclinical data for its PROTAC LRRK2 degrader, ARV-102, which showed effects on biomarkers in cerebrospinal fluid. As of September 30, 2024, the company reported US$1.1 billion in cash and equivalents.

BeiGene, Ltd. (BeiGene) – announced the passing of Board member Donald Glazer, who served as chair of the nominating and corporate governance committee. Co-founder and CEO John V. Oyler expressed deep sadness over Glazer's death, highlighting his significant contributions to the company's founding in 2010 and his unwavering support for its mission.

Bicycle Therapeutics Inc. (Bicycle) – reported recent business progress and Q3 2024 financial results. In the past months, the company announced positive response data from its clinical leading program. The company also presented promising human imaging data for its investigational radiopharmaceutical agent and advanced its radiopharmaceuticals strategy, including a collaboration with Eckert & Ziegler Strahlen- und Medizintechnik AG (E&Z) for isotope development. With cash and equivalents of US$890.9 million, Bicycle has a financial runway into the second half of 2027, and further updates on its oncology pipeline are expected by year-end.

Telix Pharmaceuticals Limited. (Telix) – announce that the company welcomes the U.S. Centers for Medicare & Medicaid Services (CMS) decision to implement separate payments for specialized diagnostic radiopharmaceuticals for Medicare Fee for Service patients in the hospital outpatient setting. Starting in 2025, these payments will be based on Mean Unit Cost (MUC) for diagnostic agents exceeding US$630 per day, ensuring consistent reimbursement and equitable access to advanced imaging tools. This change will benefit Telix's Illuccix® and its pipeline products for cancer imaging, providing greater pricing stability and allowing purchasing decisions to focus on clinical effectiveness rather than reimbursement structures.

NUCLEAR ENERGY

Centrus Energy Corp (Centrus) – has announced a proposed private offering of US$350 million in Convertible Senior Notes due in 2030. This offering will be made to qualified institutional buyers under Rule 144A of the Securities Act. Additionally, Centrus plans to grant initial purchasers an option to acquire up to an additional $52.5 million in notes within 13 days of the initial issuance. The offering is subject to market conditions and other factors.

Constellation Energy Corporation (Constellation) – reported Q3 2024 results, with GAAP net income of US$3.82 per share and adjusted operating earnings of $2.74 per share, up from $2.13 per share in the same quarter last year. The company has raised and narrowed its full-year adjusted operating earnings guidance to a range of $8.00 to $8.40 per share (previously $7.60 - $8.40). A significant recent development was the signing of a 20-year power purchase agreement with Microsoft Corporation (Microsoft) to support the Crane Clean Energy Center, emphasizing Constellation's commitment to providing clean, reliable energy.

ČEZ Group (ČEZ) – and Rolls-Royce SMR Limited (RR SMR) have announced a partnership to deploy small modular reactor (SMR) technology in the U.K. and Czech Republic. This collaboration is backed by an equity investment from ČEZ into RR SMR, aiming to generate up to 3 gigawatts of electricity in Czechia. The agreement enhances Rolls-Royce SMR's capacity to implement its technology across Europe and positions both companies, along with existing shareholders, to lead in SMR deployment. This initiative supports the U.K. and Europe in achieving their net-zero goals and addressing climate change challenges.

ČEZ – believes preliminary measure prohibiting nuclear power contract conclusion will not affect tender schedule. The Czech anti-monopoly office, the Office for the Protection of Competition (UOHS) has temporarily blocked the contract with South Korea's Korea Hydro & Nuclear Power Co., Ltd. (KHNP) for a new nuclear power unit, following challenges from Westinghouse Electric Company and Électricité de France (EDF). The UOHS clarified that this preliminary measure is a standard procedure and does not indicate the final decision. The Czech government and majority state-owned utility ČEZ aim to finalize negotiations and contracts by March. This project, valued at up to US$18 billion, is part of the Czech Republic's strategy to replace coal-fired plants and aging nuclear reactors with new nuclear units and renewable energy sources.

ČEZ – has finalized a contract with Algeria's national state-owned oil company, Société Nationale pour la Recherche, la Production, le Transport, la Transformation, et la Commercialisation des Hydrocarbures (SONATRACH) to secure gas supplies, marking a step in enhancing the Czech Republic's energy security after two years of negotiations. The gas supplies began in October and will flow from Algeria through Tunisia, an undersea pipeline to Italy, and then to Europe, covering the annual consumption of approximately 100,000 households, or about 2% of the country's total gas needs.

ECONOMIC CONDITIONS

U.S. GDP - The U.S. economy expanded 2.8% annualized in Q3 , a result roughly in line with the median economist forecast calling for a +2.9% print. As this was stronger than potential, the output gap widened from +2.4% to +2.6%, the widest it has been since 1978. Year on year (YOY), real GDP was up 2.7%. Domestic demand grew at a very healthy clip in the three months to September, supported by household consumption (+3.7% quarter over quarter (q/q) annualized, the best showing in a year and a half), as well as business equipment spending (+11.1%) and government spending (+5.0%). Structure (-4.0%) and residential (-5.1%) investment, on the other hand, showed contractions. Spending on goods jumped the most since 2023 Q1 (+6.0% q/q annualized), buoyed by an 8.1% gain for durables. Outlays on services increased as well (+2.6%) albeit to a lesser extent. Trade had a negative impact on growth (-0.55 percentage point) as imports expanded at faster pace than exports (11.2% vs. 8.9%). Inventories, for their part, subtracted 0.17 percentage point to the headline GDP figure. The personal consumption expenditure price index excluding food and energy climbed an annualized 2.2% in the quarter, decelerating from 2.8% in Q2 but still a tad above the +2.1% result expected by consensus. Year on year, the index remained unchanged at a three-and-a-half-year low of 2.7%. The savings rate, for its part, dropped from 5.0% to 4.8%, significantly below the pre-pandemic average for this indicator (around 6.2%).

Euro Area Inflation – Euro Area Inflation was 2.0% year over year (y/y) in October (market: 1.9%), while core inflation rose 2.7% y/y (market: 2.6%). Within core inflation, services inflation remained unchanged at 3.9% y/y, while core goods inflation rose a notch to 0.5% y/y. Overall, there's not much to concern the European Central Bank too much here, and the inflation picture remains consistent with a 25 basis points (bps) cut at their next meeting in December. Separately, September's euro area unemployment rate remained unchanged at its record low of 6.3%, signalling a still-tight labour market in the region.

Canada GDP - Canada's real GDP remained unchanged (-0.02%) in August following a 0.1% increase in July (revised down a tick from 0.2%). This was in line with consensus estimations and with Statistics Canada's preliminary estimate. Production fell in goods-producing industries (-0.4%), while service-producing industries registered a slight increase (+0.1%) in the month. On the goods side, the decrease was driven by utilities (-1.9%) and manufacturing (-1.2%), while production was up in mining/oil/gas (+0.6%), agriculture (+0.4%) and construction (+0.3%). On the services side, the top performing sectors were retail trade (+0.6%), finance/insurance (+0.5%) and public administration (+0.5%), which more than offset declines in management (-3.7%) and arts/entertainment/recreation (-0.5%), among others. Overall, 12 of the 20 sectors followed recorded an increase in the month. Industrial production fell 0.8% in the month, its sharpest decline since December 2022. Finally, Statistics Canada's preliminary estimate showed that GDP could have increased 0.3% in September.

U.S. Employment - The hurricanes and labour strikes impacted the U.S. Employment Report for October, pushing nonfarm payroll growth well below consensus forecasts. Nonfarm payroll gains slipped to a meager 12 thousand (k) jobs, far below nearly all analyst estimates. The Bureau of Labor Statistics noted that US workers unable to work due to bad weather was a whopping 512k in October. The historical average for this month is just a tenth of that figure at 56k. The large 46k job decline in manufacturing employment was also likely due to strike activity. There was also a sizable net downward revision to the prior two months of 112k jobs. The 3-month average of monthly job growth slipped to a modest 104k from 148k in September. Private sector payrolls actually contracted by 28k jobs in October. The job numbers are in-line with a downbeat Beige Book report for October, which described activity as little changed in nearly all districts and the labor market increasing only slightly in half the districts and others reporting little or no change. The three-month trend of job creation is now well-below where the US Federal Reserve would like to see it, increasing the odds of steady quarter-point rate cuts at the upcoming November and December Federal Open Market Committee meetings to close out the year. There were some continuing signs of stability and resilience in the report, however, notably a steady unemployment rate with robust earnings growth. The unemployment rate held at 4.1% for a second consecutive month with average hourly earnings increasing a better than expected 0.4% and a solid 4.0% from a year ago. But even here, there is some reason to fret. The number of unemployed increased by 150k to 6.984 million, while household employment fell a large 368k, ending four consecutive months of gains. The duration of unemployment is also rising swiftly to 22.9 weeks from just 20.6 weeks back in July. The labor force fell by 220k, and the labor force participation rate fell to 62.6% from 62.7%. All could be symptoms of underlying labor market weakness. Job growth weakened for both goods and service sectors last month. Net job losses in a number of industries occurred including manufacturing (-46k), temporary help services (-49k), leisure and hospitality (-4k) and retail trade (-6k), as well as very little job growth in construction (+8k), information (+3k), financial services (+0k) and education and health care (+57k).

U.S. Manufacturing - The U.S. ISM Manufacturing Purchasing Manager's Index fell 0.7 points (pts) to 46.5 in October. That's the lowest level since the summer of 2023, with the gauge holding below the 50-mark (indicating shrinking activity) for most of the past two years. U.S. manufacturing remains one of the few soft patches in a resilient economy. New orders rose for the second straight month, though still held in contraction terrain. Meantime, production fell 3.6 pts—the biggest drop since April 2021—to 46.2. And inventories sagged to the lowest level since mid-2012. A measure of prices paid jumped 6.5 pts to 54.8. That's certainly not good news, but we're still well-below the 92.1-peak hit back in 2021.

FINANCIAL CONDITIONS

The Bank of Japan – left interest rates unchanged, as expected, and Governor Ueda reverted to a policy hawk by offering more hawkish remarks. He tried to present an open-minded Bank of Japan Board by noting that there is no "preconception on timing of a rate hike" but the punchline was his capitulation of his previous comment that the Bank of Japan "has time to mull" on policy options. The Bank of Japan could hike interest rates in December 2024 given firmer inflation prints and the possibility of a strong wage talk discussion result (i.e., Japanese Trade Union Confederation (Rengo) is suggesting a 5% wage raise next year).

The U.S. 2 year/10 year treasury spread is now 0.15% and the U.K.'s 2 year/10 year treasury spread is 0.04%. 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 6.72%. Existing U.S. housing inventory is at 4.3 months supply of existing houses as of Oct 23, 2024 - well off its peak during the Great Recession of 11.1 months and we consider a more normal range of 4-7 months.

The VIX (volatility index) is 21.97 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

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Glossary of Terms: 'CET' core equity tier, 'EBITDA' earnings before interest, taxes, depreciation and amortization, 'EPS' earnings per share, 'FCF' free cash flow, 'GDP' gross domestic product, 'ROE' return on equity, 'ROTE' return on common equity, 'ROTCE' return on tangible common equity, 'conjugate" a substance formed by the reversible combination of two or more others.

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

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PIC24-063-E(11/24)