



January 01, 2023

Hello,

Amidst the technological evolution of the 21st century, the phenomena of a Unicorn business was born. In the world of private investing, a business that eventually grows in valuation to over US\$1 billion is called a 'Unicorn'. Creating a Unicorn business is exceedingly challenging yet it is the dream of many start-up firms. Similarly, being an investor in a Unicorn business is a unique distinction and the aspiration of many sophisticated investors and businesspeople. The likelihood of being an investor in multiple Unicorn businesses is a rare accomplishment. Ironically, the term used to identify a herd of Unicorns is called a 'blessing'.

Warren Buffett, Chairman & CEO, Berkshire Hathaway Inc., once remarked: "The best judgement we can make about competence is not what other people thought at the time, but simply the record." Charlie Munger, Berkshire Hathaway's Vice Chairman, shared this view when he said: "There is a whole line of thought that the paper record of an individual has more predictive power of how he'll perform in the future than any amount of face to face." Mr. Buffett further suggested that successful investing requires a sound intellectual framework and the ability to keep emotions from corroding that very framework.

This doctrine has been at the heart of our organization's investment philosophy from the beginning. It has guided our decision-making, allowed us to control our emotions and improve the consistency of our behavior. The foundation of our investing framework was built with the singular objective of long-term wealth creation for our investors. Over the years, we have evaluated our framework alongside our track record to test its strength and universality. In doing so, our confidence in a simple and abiding investment philosophy has only grown stronger.




Portland Holdings is associated with four Unicorn businesses and the core mission of our group is to provide all wealth-seeking clients, institutions, and advisors with access to unique opportunities to co-invest with the Portland Holdings group of companies. Given the size of our global footprint and purchasing power across the group, Portland Holdings has access to opportunities that would be considered highly attractive to ultra high-net-worth and institutional investors.

In keeping with Warren Buffett's thoughts on past performance, our track record speaks for itself.

Our Past Unicorns			Our Current Unicorn
		INTERENERGY	
Industry: Asset Management Invested: 1987 Operations: Headquartered: Canada Operations: Canada Influence: Wholly owned	Industry: Telecommunications Invested: 2005 Operations: Headquartered: Barbados Operations: Caribbean and Central America Influence: Board seat	Industry: Energy Invested: 2011 Operations: Headquartered: United Kingdom Operations: Caribbean and Latin America Influence: Board seat	Industry: Healthcare - Molecular Precision Oncology Invested: 2018 Operations: Headquartered: Germany Operations: Worldwide Influence: Board seat

Portland Holdings affiliates are not passive investors in our Unicorn businesses. These are active investments that are either wholly-owned or we have an active influence through board representation. Our Unicorn investments span four different industries and represent a range of geographies. We are associated with these Unicorn businesses through investments made by our holding companies, private equity affiliates, asset management affiliates and financial institution affiliates. Our successful track record is the result of our team, culture, investment framework, focus and domain experience.

Portland Holdings has been associated with investments in three public billion dollar businesses. These are publicly listed companies that Portland Holdings affiliates directly invested in that eventually exceeded US\$1 billion in valuation.

Portland Holdings' Public Billion Dollar Associations ¹		
		
Industry: Banking Invested: 2002 Operations: Headquartered: Jamaica Operations: Caribbean Influence: Majority stake	Industry: Healthcare - Molecular Precision Oncology Invested: 2019 Operations: Headquartered: Australia Operations: Worldwide Influence: Private Placement	Industry: Insurance Invested: 2016 Operations: Headquartered: Trinidad and Tobago Operations: Caribbean Influence: Majority stake

Both our private and public investments are deeply rooted in the application of our wealth creation framework. As owners, operators and investors in what we believe to be excellent businesses for over three decades, the same rules have been applied to our private and public investments.

The “15 of 15” wealth creation framework behind our track record:

Firstly, we adhere to the

Five Laws of Wealth Creation:

1. Own a few high quality businesses;
2. Thoroughly understand these businesses;
3. Ensure these businesses are domiciled in strong, long-term growth industries;
4. Use other people’s money prudently; and
5. Hold these businesses for the long run.

Secondly, we filter investment opportunities for the

Ten Characteristics of Wealth-Creating Businesses:

1. Owner of the business is also the Operator of the business;
2. Ownership is heavily concentrated;
3. Key stakeholders are personified in the company and vice versa;
4. Autocratic management style;
5. Entrepreneurial management style;
6. Low turnover in management positions;
7. Symmetrical risk and reward for management;
8. Business set goals for the long term;
9. Board focus on growth; and
10. Value of the business is based on fundamentals: sales, market share and margins.

Our five laws of wealth creation govern the behavior of a successful investor. Our ten characteristics of wealth-creating businesses highlight the traits of a successful business. Collectively our “15 of 15” wealth creation framework is at the heart of our investment philosophy and has resulted in our successful track record of producing Unicorn businesses and public billion dollar companies. Our market opportunity landscape is further filtered through three key preconditions:

- ✓ Perception vs. reality gap
- ✓ Dearth of equity capital
- ✓ Inefficiency

At Portland Holdings, we are inspired by forward-thinking and innovative ideas that allow us to predict evolving demographics and consumer needs, enabling us to identify long term growth sectors . We have a predilection for Owner-Operated businesses and management teams that exhibit entrepreneurship, integrity, intelligence and passion.

Our track record of producing billion dollar businesses validates our wealth creation philosophy which is a testament to our conviction that these principles of wealth creation are sector-agnostic, geographically-agnostic and relevant to both private and public businesses.

At Portland Holdings, we understand the rigorous investment selection criteria sought by reputable and sophisticated investors globally. We practice what we preach and we eat our own cooking. We firmly believe in co-investing alongside successful wealth creators who have a proven track record of making high quality investment decisions and we ask the same of the clients and prospective clients of our affiliates.

We believe our track record of investing in Unicorn businesses and billion dollar public businesses is a strong validation of consistent application of our “15 of 15” framework for creating wealth. Whether you are a sovereign wealth fund, family office, pension plan or an individual investor, we invite you to co-invest alongside us in our wealth creation journey.

Yours sincerely,

A handwritten signature in black ink that reads "Michael A. Lee-Chin". The signature is written in a cursive, flowing style.

Michael Lee-Chin
President & Chairman of Portland Holdings

¹ In 2017 pursuant to a Scheme of Arrangement, National Commercial Bank Jamaica Limited (“NCBJ”) was de-listed on the Jamaican Stock Exchange (“JSE”) and the Trinidad & Tobago Stock Exchange (“TTSE”) and its shareholders received shares in NCBJ’s new parent company, NCB Financial Group Limited (“NCB FG”). NCB FG is currently traded on the JSE and TTSE. Guardian Holdings Limited was first acquired by NCB FG in 2016 (29.99%) and additional shares were acquired in 2019 (32% bringing the total to 62%).

Portland Holdings is in no way associated with Berkshire Hathaway Inc. or Warren Buffett.

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