

Portland Holdings

Enabling Canadian Technologies Globally

In November 2022, the rating agency Moody's affirmed Canada's AAA credit rating - the highest quality with minimum risk - due to the country's "high economic strength and very strong institutions and governance framework". These ratings provide "a high degree of resilience to shocks" in the economy - an enviable achievement given the past years of global uncertainty. Other key drivers behind Canada's world-beating rating are the high debt affordability and fiscal policy effectiveness, which have been the basis for the country's post-COVID-19 recovery. Canada is the third-largest economy in the AAA credit rating category, after the United States and Germany, and its economy continues to grow, clocking up 4.5% real gross domestic product growth last year.

Canada's robust economy supports, and is supported by, a thriving financial sector. As the Bank of Canada has noted, the industry remained resilient throughout the COVID-19 pandemic. The asset management segment alone saw its assets grow from CAD 2.3 trillion in 2008 to CAD 7.1 trillion in 2021, with a 12.6% growth in 2021 alone.

For three and a half decades, Portland Holdings has been one of the leading entities in the sector, building a global portfolio, which it has now positioned to take to new heights with investments in clean energy and healthcare. In September 2022, Portland Holdings' subsidiary AIC Global Holdings Inc. signed a memorandum of understanding (MOU) with Canadian Nuclear Laboratories (CNL), one of the world's leading nuclear science and technology organisations. The MOU focuses on finding long-term solutions for the decarbonisation of economies around the world, and the use of radiopharmaceuticals to combat cancer. CNL is a world leader in developing peaceful and innovative applications from nuclear technology. Portland Holdings is a diversified, privately held investment company, with roots in asset management. Its founder, Chairman and CEO, Michael Lee-Chin, considered one of Canada's most successful businessmen, is confident that this MOU will pave the way to establish Canadian nuclear expertise worldwide, to drive the energy transition and decarbonization of the global economy.

"A national nuclear laboratory collaborating with a private company in order to promote and explore nuclear power solutions presents many unique possibilities," says Lee-Chin. "Portland Holdings and CNL are aligned in the development of clean energy and collectively want to provide the best solutions to countries and industries. We believe that nuclear is one of the most reliable clean energies available



Mr. Michael Lee-Chin
Chairman & Chief Executive Officer

to humankind, and with newly improved nuclear plants and related technologies, we are confident that net-zero carbon goals can be achieved. Portland Holdings' objective is to work with governments around the world to assist them in achieving their goals of making the world a greener and healthier place for generations to come."

As Lee-Chin notes, political discussions on energy focus on three pressing factors: the need for decarbonisation; increasing electrification, driving energy demand; and the need for secure energy. He argues that nuclear power, and specifically Small Modular Reactors (SMRs) are the key to address these needs. While solar and wind are valuable sustainable energy sources, nuclear can provide the necessary baseload to achieve the zero-carbon goals, to which the vast majority

of countries in the world have committed. The collaboration will combine CNL's 75-year expertise in clean energy, health sciences and environmental responsibility, and related intellectual properties, with Portland Holdings' commercial capabilities as one of Canada's most successful collaborative efforts. CNL hosts circa 600 scientists and 1600 engineers, and has a long track record in feasibility studies, design, and building of nuclear facilities as well as nuclear waste management. Portland Holdings aims to internationalize safe nuclear power generation technologies; Lee-Chin argues that many countries have set zero-carbon targets, without the means to deliver them. SMRs will be particularly vital in expanding green power generation in countries with no history of nuclear technology. The units have 300MW or less of capacity, and are built in a factory and then transported to where they are needed; as they are modular, several can be combined to generate more power.

"We can help countries and industries across the spectrum of nuclear technologies and opportunities," says Lee-Chin. The MOU between Portland Holdings and CNL also focuses on precision oncology, most notably Targeted Radionuclide Therapies (TRT). Lee-Chin believes TRT will replace chemotherapy and external beam radiotherapy, which cause significant side effects to the patient's body. TRT, by contrast, targets cancer cells specifically, destroying them without damaging the surrounding healthy cells. Lee-Chin notes that global cancer rates are expected to rise in the coming years, particularly as the baby boomer generation ages. Portland Holdings aims to support the technologies that will address this rise, extend lives and improve the quality of life for cancer patients.

In December 2022, Portland Holdings also signed an MOU with Ultra Safe Nuclear



Michael Lee-Chin and Joseph McBrearty, President & CEO of CNL, sign an MOU for collaboration focused on clean energy initiatives

Corporation (USNC), a US-based global leader in nuclear technologies, bringing safe, clean and reliable nuclear energy to global power and industrial markets. USNC's main technology is its proprietary micro modular reactor MMR®. Portland Holdings and USNC are aiming to bring USNC's technological solutions to the Middle East and North Africa (MENA) and the Caribbean regions initially, with the ultimate goal of contributing to their efforts to achieve net-zero greenhouse gas emissions.

In January of this year, Dr. Steven Bushby, a veteran nuclear executive, was hired to strengthen the technical team and provide Portland Holdings with leadership and guidance relating to the Canadian and global nuclear ecosystems.

The CNL and USNC collaborations will enable new opportunities, for institutional and retail investors, in strong growth industries that have been relatively untapped until now. Lee-Chin sees oncology as a "boom within a boom" - part of a wider rapidly-growing demand for healthcare. Back in 1987, Lee-Chin identified another "boom within a boom" in the mutual fund industry, after purchasing Advantage Investment Counsel (AIC) for CAD 200,000. Lee-Chin identified early the value in holding the mutual fund companies themselves within the financial services

boom. By the mid-nineties, under Lee-Chin's stewardship, AIC had become Canada's largest privately-held mutual fund company.

The acquisition of AIC epitomizes Lee-Chin's emphasis on the "three P's" - predicting, planning, and persevering. He says every businessperson needs to predict what they want to accomplish, plan around that prediction, and persevere until success is achieved. It has proven to be an effective formula - since AIC's inception from 1987 to 1999, the business grew its asset base from CAD 800,000 to around CAD 15 billion, managing money for more than one million Canadians.

"By adhering to a disciplined investment framework and principles, we made Portland Holdings a success," says Lee-Chin. "Implementing these principles allowed us to surpass over a billion dollar valuation, which is known as a unicorn for private companies. To be associated with a unicorn company is a rarity, not only as an investor but also as a businessman. And we are associated with more than one - in fact, we are associated with seven "billion dollar" companies, four unicorns in the private sector and three publicly traded billion dollar businesses, which we helped build to over billion dollar valuations through active management. They operate in different geographies, including Canada, Central America, the Caribbean, Germany

and Australia. Our unicorn companies operate in a range of sectors, including asset management, telecommunications, banking, insurance and TRT. The fact that we also specialise and operate in different sectors makes us even more powerful as a company."

Portland Holdings has benefitted from a strong and effective management team and the leadership of Lee-Chin, who defines his approach as that of a businessman and an investor. His investment framework is based on lifelong observations of the world's most successful business people. Over the years, he has distilled his observations down to create teachable lessons - the three step formula to success, the five laws of wealth creation, and the ten characteristics of wealth creating businesses, to name a few. Lee-Chin's ten characteristics of wealth creating businesses include such tenets as being run by owner-operators who have skin in the game; having long-term goals; and a board focus on growth. Lee-Chin notes that the best investors must thoroughly understand the businesses they own. Recognizing that he is not an authority in the nuclear or oncology sectors, Lee-Chin hired a Chief Scientific Officer and a Chief Medical Officer - not common positions in investment companies - to guide Portland Holdings' interests in these specialized sectors.

Portland Holdings' guiding principles and overarching philosophy make its focus on clean energy and healthcare laser-like.

"When you walk through the main gate of the Portland Holdings head office, the first thing you see is our corporate mantra 'prosperitas cum caritate', meaning 'prosperity with care'," says Lee-Chin. "At Portland Holdings, we follow the philosophy of Doing Well, by Doing Good. We want to provide excellence to our investors and partners, in order to accomplish our goals of a cleaner and healthier world for generations to come."

This motto might well be applied to Portland Holdings' homeland as well. Canada combines great prosperity with excellent public institutions and infrastructures, making it a model for economic and social development initiatives globally - as well as an attractive investment destination.

"Canada as a country is in perpetual growth, while preserving stability," says Lee-Chin. "Canada has one of the largest land masses in the world, and natural resources are a major driver to invest. The law is fair towards people and business, treating them equally. The system is transparent and doesn't create blockades. Canadians are friendly and it is a bilingual country where English and French are official languages. Establishing a partnership with Canadian companies provides safety and reassurance to investors globally. Governmental institutions are well organized and easy to work with. It is not perfect but it is one of the least imperfect systems that you can find in the world."



The 3 Step Formula to Success



The 5 Laws of Wealth Creation



The 10 Characteristics of Wealth Creating Businesses

