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NEWS HIGHLIGHTS

EST. 2007

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

DECEMBER 5, 2022

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") - Amazon recently announced that Wallbox N.V. ("Wallbox"), a provider of residential and public electric vehicle ("EV") charging devices and energy-management solutions, has migrated its entire information technology ("IT") infrastructure to Amazon Web Services, Inc. ("AWS"). According to Amazon, Wallbox "is using AWS's broad capabilities, including analytics, compute, containers, databases, and security – to research, develop, manufacture, and deploy its EV chargers and intelligent charging infrastructure." Amazon went on to say that by running on AWS, Wallbox can achieve operational efficiencies, improve analytics, and offer better customer service. "EV adoption plays a key role in helping us transition toward a world powered by renewable energy," said Enric Asunción, CEO and co-founder of Wallbox. "AWS provides the underlying infrastructure we need to develop and globally deliver intelligent charging infrastructure and energy-management solutions, as well as the ability to open new pathways that harness the flow of energy through the grid."

Audible, Amazon's premium audiobook and podcast platform, recently announced that Susan Jurevics, current Head of International, will now oversee the development and execution of the company's global brand strategy, in addition to continuing her current responsibilities. As chief brand and international officer, Ms. Jurevics will report directly to Bob Carrigan, Audible CEO. "During her tenure at Audible, Susan has made a tremendous impact growing and developing our international business," Carrigan said in a statement. "As Susan is also a veteran entertainment and brand executive, her multifaceted expertise will take our brand to the next level as we continue to scale globally." In addition, James Finn, who joined Audible in February 2022 as head of content marketing, will join Jurevics' team as head of global brand and content marketing, overseeing Audible's global, social, creative, and U.S. content marketing teams.

SoftBank Group Corp. ("SoftBank") – SoftBank sold bonds to retail investors in Japan for the second time this year, underlining demand for juicier yields. Softbank raised 385 billion yen (US$2.82 billion) from seven-year bonds with a coupon of 2.84%, according to a filing. That's higher than the 2.48% it paid on 550 billion yen of seven-year subordinated notes sold to retail investors in January. Both Renault SA and Rakuten Group, Inc.'s credit card subsidiary are also set to sell such debt as soon as this week. Along with the SoftBank issuance, this would boost annual volumes of retail bonds in Japan to the highest in at least three years, according to data compiled by Bloomberg. SoftBank has a strong brand name in Japan, which means it can take advantage of consumers' appetite at a time when institutional investors remain wary over market risks. Retail bonds by companies offering well-known products and services are popular among individuals, especially because they offer higher yields compared to the rock-bottom rates at Japanese banks. Savings accounts at Mitsubishi UFJ Financial Group, Inc., the country's biggest lender, pay an annual interest rate of 0.001% to 0.002%. SoftBank is regularly one of the biggest issuers in the Japanese domestic bond market and was able to turn to individual buyers even after its core Vision Fund segment posted a loss in the July-September quarter and S&P Global Ratings revised the company's credit outlook to negative from stable.

Arm, the chip division of SoftBank Group, has added Paul Jacobs, former QUALCOMM Incorporated ("QUALCOMM") Chief Executive Officer and Rose Schooler, ex- Intel Corporation ("Intel") executive to its board as the business heads toward an initial public offering ("IPO"). The executives will help Arm prepare for the IPO by providing experience handling strategy at publicly held firms, according to a statement from the company Wednesday. Arm's other directors include Masayoshi Son, SoftBank CEO and iPhone pioneer Tony Fadell. Schooler was most recently head of sales for the server chip division at Intel, a company that still dominates this lucrative area of computing. Jacobs, meanwhile, led QUALCOMM for close to a decade, a stretch during which the company became the largest provider of smartphone processors. Arm's technology and chip designs are pervasive in modern electronics, particular phones. Its customer list includes Apple Inc., Amazon.com, Inc. and many of the world's other big tech companies. CEO Rene Haas is tasked with trying to spread that reach into computers and the emerging market for silicon needed to run self-driving vehicles. Becoming a public company will bring greater scrutiny to Arm and require more focus, Jacobs said in an interview. Schooler, who worked at Intel for more than 30 years, was until recently an Arm adversary. Part of her job was persuading customers not to switch to the company's chip technology. Now she's looking forward to helping Arm push into new markets, just as she did earlier in her career at Intel.

Reliance Industries Limited ("Reliance") – Reliance is seeking shareholder approval to alter its memorandum of association to include two new sub-clauses pertaining to engineering, procurement and construction ("EPC") services. The development comes following the approval by the RIL board in October to restructure the EPC business, which is part of Reliance Projects and Property Management Services, a wholly-owned subsidiary of the company. The board had given its nod on October 21 for the EPC and infrastructure undertaking of Reliance Projects and Property Management Services to be merged into Reliance. The deal was a related-party transaction and was being done at arm's length, the company had said. On Wednesday, in notice issued to the stock exchanges, Reliance said that it was seeking shareholder approval to alter its Memorandum of Agreement to include two new sub-clauses pertaining to the EPC business. The company also said that it was seeking shareholder approval for the appointment of Kundapur Vaman Kamath as an independent director of the company. The e-voting period would begin on December 1 and conclude on December 30, it said. Reliance had indicated in October that the new EPC undertaking would facilitate internationalization by setting up EPC centres of excellence at strategic offshore locations. It would align with existing subsidiaries of Reliance in the U.S. and Dubai. And would also incorporate new subsidiaries in Singapore and UK. These subsidiaries would enable faster mobilization of high-quality talent and EPC resources in an increasingly constrained global EPC environment, it added.

Altice USA, Inc. ("Altice") – Altice will retain its regional internet and cable business, Suddenlink, the broadband service operator said on Thursday, following a strategic review. The company, controlled by Franco-Israeli telecoms entrepreneur Patrick Drahi, had hired Goldman Sachs Group, Inc. to run the divestment process, a source told Reuters in July, with the business likely fetching a valuation of US$20 billion including debt. Altice had acquired Suddenlink, which primarily serves customers in the south-central U.S., for $9.1 billion in 2015 and rebranded it as "Optimum" in August.

The company was exploring a sale of Suddenlink to reduce its debt load amid strong competition and subscriber losses.

Berkshire Hathaway Inc. ("Berkshire") – President Joe Biden signed legislation to block a national U.S. railroad strike that could have devastated the American economy. The U.S. Senate voted 80 to 15 to impose a tentative contract deal reached in September on a dozen unions representing 115,000 workers, who could have gone on strike on December 9. But the Senate failed to approve a measure that would have provided paid sick days to railroad workers. 8 of 12 unions had ratified the deal. But some labor leaders have criticized Biden, a self-described friend of labour, for asking Congress to impose a contract that workers in four unions have rejected over its lack of paid sick leave. Railroads have slashed labour and other costs to bolster profits in recent years, and have been fiercely opposed to adding paid sick time that would require them to hire more staff. A rail strike could have frozen almost 30% of U.S. cargo shipments by weight, stoked already surging inflation, cost the American economy as much as US$2 billion a day, and stranded millions of rail passengers. There are no paid short-term sick days under the tentative deal after unions asked for 15 and railroads settled on one personal day. Congress invoked its sweeping powers to block strikes involving transportation - authority it does not have in other labour disputes. The contract that will take effect with Biden's signature includes a 24% compounded pay increase over five years and five annual $1,000 lump-sum payments. Without the legislation, rail workers could have gone out next week, but the impacts would be felt as soon as this weekend as railroads stopped accepting hazardous materials shipments and commuter railroads began canceling passenger service. The contracts cover workers at carriers including Union Pacific, Berkshire's Burlington Northern Santa Fe, LLC, CSX Corporation, Norfolk Southern Corporation and Kansas City Southern.

Brookfield Super-Core Infrastructure Partners: Brookfield Super-Core Infrastructure Partners (an investment in the Portland Private Income Fund) will buy a 49% stake in the education portfolio of Sweden's Samhallsbyggnadsbolaget i Norden AB ("SBB"), for 9.2 billion Swedish crowns (US$870.42 million) in cash. Brookfield, through its infrastructure fund Brookfield Super-Core Infrastructure Partners, will also make two additional earn-out payments of up to 1.2 billion crowns in cash, SBB said in a statement. EduCo, the education subsidiary of SBB, will also enter into an asset management agreement with SBB to pay 1.8% of its net operating income per annum. The SBB unit's debt financing includes an existing external bank financing of nearly 6.9 billion crowns and inter-company financing of 14.5 billion crowns, with a tenor of up to six years. The deal is likely to be completed in two stages - a part closing when 77% of the asset value will be transferred to EduCo by the end of this year. The second step that entails transfer of remaining assets could be completed in the first or second quarter of 2023.

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

The Bank of Montreal ("BMO") Financial Group has reached a CA$40 billion agreement with U.S. community groups, which could help push its pending acquisition of Bank of the West over the finish line. Under the five-year deal, the Canadian banking giant promised to boost its mortgage lending to lower-income and minority homeowners, increase its small business lending in underserved communities and make other community development investments.

BMO reported core cash earnings per share ("EPS") of $3.04, down 9% year-over-year ("Y/Y") and 2% quarter-over-quarter ("Q/Q"). This was 3 cents below the consensus at $3.07. The miss to was primarily driven by lower-than-expected market-sensitive revenues (including a big swing in the securities gains and losses line), higher expenses and higher provision for credit losses ("PCL"). Pre-tax, pre-provision ("PTPP") earnings was up 7% Y/Y and 3% Q/Q, which is 2% above consensus at $3,027 million. Reported all-bank net interest margins (excluding trading) increased 3 basis points ("bps") Q/Q to 1.86%. On a segmented basis relative to estimates, Canadian Property & Casualty ("P&C") Banking, Wealth Management, and Capital Markets missed while U.S. Property & Casualty Banking and Insurance beat. Core Return On Equity came in at 12.9% and Book Value Per Share was up 19% Y/Y to $95.60. The bank boosted its quarterly dividends by 3% to $1.43 per share.

The Bank of Nova Scotia ("Scotiabank"): Scotiabank reported 2022 fourth quarter core cash EPS of CA$2.06 versus consensus of $2.00. The beat was driven by a lower than expected tax rate (+12c) that offset higher than expected non-interest expenses (-7c) and other smaller items (-2c). Consolidated PTPP of $3.7 billion was up 2% Y/Y. Excluding trading revenues, consolidated revenue growth was 4% Y/Y.

Canadian P&C: adjusted PTPP growth of 10% Y/Y; net interest margins were down 3 bps Q/Q. PCL ratio of 15 bps was up 6 bps Q/Q. Segment loan growth was 12% Y/Y (+2% Q/Q), led by commercial (25% Y/Y and 4% Q/Q) and mortgage loans (11% Y/Y and 1% Q/Q). Cards balances were up 11% Y/Y (up 3% Q/Q).

International Banking: adjusted PTPP up 9% Y/Y (constant foreign exchange). Provisions for Credit Losses ("PCL") ratio of 89 bps was up 5 bps Q/Q. Net interest margins increased 13 bps Q/Q to 4.08%. Loan growth of 12% Y/Y (2% Q/Q) was driven by mortgages up 16% Y/Y (4% Q/Q), commercial up 12% Y/Y (2% Q/Q). Card balances were up 21% Y/Y and up 4% Q/Q.

Capital Markets: adjusted PTPP up 12% Y/Y. Trading revenues of CA$547 million were above our $440 million estimate. Advisory revenues of $136 million were above our $100 million estimate.

Global Wealth: earnings down 6% Y/Y (PTPP down 6% Y/Y). Assets under management was down 10% Y/Y and Assets under administration was down 3% Y/Y, primarily driven by market depreciation.

Core Equity Tier 1 ("CET1") capital ratio of 11.5%. The 10 bps increase from the third quarter of 2022 was primarily the result of organic capital generation of 21 bps, Gross Impaired Loans ("GILs"). CA$4.8 billion, up 13% Q/Q and up 7% Y/Y. 62 bps GILs ratio vs. 67 bps in the fourth quarter of 2021 and 58 bps at the third quarter of 2022. Total PCLs of $529 million vs. $531 million forecast and consensus of $555 million.

The Canadian Imperial Bank of Commerce ("CIBC"): CIBC reported adjusted EPS of CA$1.39, 19% below the consensus at $1.72. EPS was down 17% Y/Y (-24% Q/Q), and PTPP was down 2% Y/Y (-16% Q/Q). The miss versus was primarily driven by lower-than-expected non-interest revenue, higher PCLs, and higher expenses, partially offset by lower taxes. Revenue was up 6% Y/Y (-3% Q/Q). Reported net interest margins (excluding trading) declined 7 bps Q/Q to 1.61%. Expenses were up 12% Y/Y (+7% Q/Q). On a segmented basis, Personal & Small Business Banking, Wholesale Banking, and U.S Commercial Banking and Wealth Management ("CB&WM") missed while CB&WM beat modestly. The bank boosted its quarterly dividends by 2% to $0.85 per share.

The National Bank of Canada reported adjusted EPS of CA$2.08, down 5% Y/Y and 12% Q/Q. This was 7% below consensus at $2.24. At the all-bank level, credit came in modestly higher than expected, but expenses were essentially in line with estimates. PTPP earnings of $1,083 million was 6% below the consensus at $1,150 million, and up 9% Y/Y but down 8% Q/Q. Net interest income was up 24% Y/Y, while market-sensitive revenues were down 4% Y/Y. P&C net interest margins increased 8 bps Q/Q to 2.25%. Overall, total revenues increased 8% Y/Y, while expenses increased 7% Y/Y. On a segmented basis relative, P&C Banking and Wealth Management beat, while U.S. Specialty Finance and Capital Markets missed expectations. Core return on equity came in at 15.3% and Book Value Per Share came in at $55.24, up 16% Y/Y. The bank boosted its quarterly dividends by 4% to $0.97.

Royal Bank of Canada ("RBC"): RBC reported adjusted EPS of CA$2.78 versus consensus at $2.69. This result was up 3% Y/Y and 9% Q/Q, and the beat was primarily driven by higher-than-expected revenue, lower PCLs and lower taxes partially offset by higher expenses. PTPP earnings of $5,452 million was 2% above consensus at $5,345 million and up 10% Y/Y and 7% Q/Q. On a segmented basis Global Insurance, Wealth Management, and the Caribbean and U.S. Banking all beat, while Capital Markets and Information Technology & Services missed estimates and Canadian Banking was in line. Core Return On Equity came in at 15.8%. The bank announced at 2% discounted dividend reinvestment plans and boosted its quarterly dividend by to $1.32 this quarter. The bank's CET1 ratio came at 12.62%, down 44 bps Q/Q. Strong net internal capital generation of 35 bps was more than offset by declines of 41 bps due to Brewin Dolphin Acquisition, 17 bps due to share repurchases, 14 bps due to risk-weighted assets growth, and 7 bps due to other. Total PCLs came in at $381 million vs. consensus $405 million.

The fact that RBC is acquiring HSBC Bank Canada ("HSBC") should not surprise anyone who has read a financial paper in Canada over the past two months, but what is a surprise is the purchase price of $13.5 billion which is certainly higher than even the high end of the price range ($8-$11 billion) that most speculated this highly coveted asset would fetch. 2.5x current tangible book is a high multiple in our view, but we note that it does not include $740 million in targeted synergies that RBC expects to realize by 2024 and which works out to 55% of HSBC's projected cost-base in that out year. That Price over Tangible Book Value multiple also does not capture the fact that under the terms of the agreement HSBC Canada's earnings from the end of June 2022 will accrue to RBC. The fully-synergized price to earnings multiple is just under 9.5x and projected accretion of 6%. An alternative way of looking at it is through the eyes of HSBC- their disposal equates to the loss of around 4% of group earnings for a price equivalent to ~9% of the group market capitalization. We don't discount the strategic value of this asset for RBC either given a large cross-sell opportunity. The one lingering issue is whether this deal will be allowed on competition grounds. It's estimated RBC will be increasing its current 21% domestic market share in loans and deposits by about 200 bps each. In its presentation, RBC points out that it donates 1% of its Canadian pre-tax profits to charities, pays out a lot of dividends (mostly to Canadians) and is one of Canada's largest corporate taxpayers, but maybe RBC will need to look at the promises made by BMO to acquire Bank of the West (see above). The deal has been approved by both banks' Boards and is expected to close in late 2023.

Toronto-Dominion Bank reported EPS of CA$2.18, 6% above the consensus at $2.06. The beat was primarily driven by lower-than-expected taxes and higher non-interest revenues, partially offset by higher PCLs. Expenses were relatively in line with estimates. Reported all-bank net interest margins expanded 7 bps to 1.80% while Canadian P&C margins increased 11 bps Q/Q and U.S. margins increased 51 bps. PTPP earnings were up 16% Y/Y and 7% Q/Q, and came in 3% higher than the consensus at $4,986 million. On a segmented basis, Canadian P&C banking and Corporate beat estimates while Wholesale Banking, the U.S. Retail and Wealth & Insurance missed. Core Return On Equity came in at 16.0% and Book Value Per Share came in at $55.00, up 6% Y/Y. The bank boosted its quarterly dividends by 8% to $0.96 per share.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

GO TO ITM AG INVESTMENT TRUST[1]

GO TO ITM AG INVESTMENT LP[1]

Amgen Inc. ("Amgen") – Amgen reported results of a phase 1 study of their obesity drug. In the trial, recipients of the highest dose of the company's would-be challenger to Novo Nordisk's Wegovy maintained double-digit percentage weight loss 150 days after receiving the last of three subcutaneous shots. The phase 1 clinical trial has enrolled 110 people with obesity, but without diabetes, across single- and multiple-ascending dose stages. Amgen shared an early look at the data last month, revealing a 14.5% reduction in body weight at the highest dose after 12 weeks, and used the World Congress on Insulin Resistance, Diabetes and Cardiovascular Disease. In the update, researchers showed what happened to body weight in the weeks after the final dose. The news is encouraging for Amgen, with percentage body weight loss in the high-dose cohort slipping over the 150 days after the third dose to come in at 11.2%. Buoyed by the finding, Amgen plans to start a phase 2 dose-ranging trial of the bispecific GIPR antagonist and GLP-1 receptor agonist early next year.

Johnson & Johnson ("J&J")'s Janssen unit has sued Amgen over its plan to market a drug for ulcerative colitis and other conditions similar to J&J's top-selling Stelara, saying it would infringe two patents in a lawsuit made public. Stelara accounted for US$9.1 billion of J&J's $52 billion in global drug sales last year. Sales for the first nine months of this year were $7.3 billion, up 7.9% over the same period last year. The drug is also approved to treat Crohn's disease, the skin condition psoriasis and a related form of arthritis. It is a biologic drug, meaning it is made inside living cells. A 2009 law allows companies to make so-called biosimilar versions of biologic drugs that can be substituted for them, much like generic versions of conventional drugs. However, J&J alleges that Amgen failed to follow the legal process required by that law for the companies to litigate any patent disputes. If Amgen launches its drug, J&J said it would infringe J&J's patent on the drug's active ingredient and on its use for treating ulcerative colitis. J&J told the court that an Amgen filing indicates the U.S. Food and Drug Administration could approve its biosimilar in the second or third quarter of 2023, and that Amgen intends to start selling it as early as next May. A spokesperson for Amgen said the company had no comment on the lawsuit. J&J said in a statement that Janssen is "confident in its intellectual property and has filed suit to protect its rights."

Lantheus Holdings Inc. ("Lantheus") – Lantheus announced the appointment of Amanda Morgan as Senior Vice President, Commercial. Ms. Morgan will report to Paul Blanchfield, Lantheus' Chief Operating Officer, and will be responsible for leading all of the company's commercial activities, including Sales, Marketing, and Market Access. Ms. Morgan is an established commercial leader with more than 20 years of experience in the healthcare industry. She was most recently the Chief Revenue and Customer Officer at Acadia Pharmaceuticals, Inc. ("Acadia") where she led the commercial organization. Prior to her time at Acadia, Ms. Morgan held roles of increasing responsibility at Shire plc and was the former U.S. Head of Sales and U.S. Head of Patient Services, supporting multi-billion-dollar pharmaceutical businesses. Ms. Morgan earned her Bachelor of Business Administration degree from The University of Iowa.

Lantheus announced that it intends to offer, subject to market conditions and other factors, US$500 million in aggregate principal amount of the company's convertible senior notes due 2027. The company also expects to grant the initial purchasers of the Notes an option to purchase, within the 13-day period beginning on, and including, the initial closing date of the offering, up to an additional $75 million in aggregate principal amount of Notes. The Notes will be senior unsecured obligations of the company. The Notes will be fully and unconditionally guaranteed on a senior unsecured basis by Lantheus Medical Imaging, Inc., a direct wholly owned subsidiary of the Company. The Notes will mature on December 15, 2027, unless earlier redeemed, repurchased or converted. The company's board of directors has authorized the repurchase of up to $150 million in aggregate amount of its common stock under certain circumstances. The company intends to use the remainder of the net proceeds from the offering of the Notes (including any proceeds from the exercise of the initial purchasers' option to purchase additional Notes) for general corporate purposes, including other repurchases of its common stock from time to time in an amount up to $75 million, working capital, capital expenditures, refinancing or repaying debt, payments related to the previously announced license and collaboration agreements with POINT Biopharma Global Inc. ("POINT") and with an affiliate thereof if the transactions contemplated by such agreements are consummated, potential acquisitions and strategic transactions.

POINT – POINT released new preclinical data from the company's pan-cancer fibroblast activation protein-α(FAP-α) targeted program, PNT2004. The preclinical study focused on assessing the potential of the lead candidate in the PNT2004 clinical program, 177Lu-PNT6555, in combination with anti-PD-1 immunotherapy. The CT26-mFAP tumor model used expresses low levels of FAP, grows aggressively, and is insensitive to anti-PD-1 immunotherapy. The study found that combination treatment with 177Lu-PNT6555 and anti-PD-1 resulted in a significant survival benefit, as compared to either treatment independently. The new preclinical data from the study can be found in an updated investor presentation available on the investors section of the company's website. 177Lu-PNT6555, the lead of the PNT2004 program, is currently in the phase 1 FRONTIER trial with cohort 1 underway and three clinical sites open. Cohort 2 in FRONTIER is expected to commence in the first quarter of 2023. Preclinical activities are currently underway, including additional studies in syngeneic and PDX models, and will be used to inform phase 2 opportunities. CMC and clinical teams are actively expanding access to gallium-68 imaging agent, technology transfers of imaging agent to multiple sites to expand phase 1 recruitment, and plans for phase 2 are underway. The FAPi Radioligand OpeN-Label, Phase 1 Study to Evaluate Safety, Tolerability, and DosImetry of [Lu-177]-PNT6555; A Dose Escalation Study for Treatment of Patients with Select Solid Tumors (FRONTIER) trial is an open-label, phase 1 trial to evaluate safety, tolerability, and dosimetry of 177Lu-PNT6555 and 68Ga-PNT6555, the lead assets of the PNT2004 program. The phase 1 clinical trial commenced in summer 2022 in Canada and uses a 68Ga-based PNT6555 molecular imaging agent to select patients to receive a no-carrier-added 177Lu-based PNT6555 therapeutic agent. The phase 1 clinical protocol will evaluate PNT6555 in approximately 30 patients in five FAP-avid cancer indications: colorectal, pancreatic, esophageal, melanoma, and soft tissue sarcoma. "While the initial clinical development of 177Lu-PNT6555 has focused on its application as a monotherapy, we have always held optimism for its broad potential in combination therapies." said Joe McCann, Ph.D., CEO of POINT.

Telix Pharmaceuticals Limited ("Telix") – Telix announced several key executive leadership appointments and promotions, reflecting the increased commercial focus of the company and ongoing succession planning. Richard Valeix, who has been in the role of Chief Executive Officer of Telix's Europe Middle East and Africa ("EMEA") operations since joining Telix in May 2021, has been appointed to the newly created role of Group Chief Commercial Officer. This key global leadership role will oversee commercialization strategy and activities for Telix's late-stage pipeline assets including the global rollout of Illuccix and launch of TLX250-CDx, Telix's kidney cancer imaging agent for which the company recently reported positive Phase III data. Richard is a highly experienced business leader, with marketing and sales and general management experience in large pharmaceutical companies, having previously held senior roles at Advanced Accelerator Applications ("AAA"), a Novartis AG company, Ipsen and Roche Holding AG. Raphael Ortiz has been promoted to Chief Executive Officer - EMEA. He has held the position of Chief Operating Officer - EMEA since joining in January 2022. Raphael has more than 20 years of pharmaceutical industry experience across finance, business development, marketing, sales and general management and has previously held senior roles at AAA, where he established radioligand therapy operations for the Asia Pacific region. Telix also announces that Genevieve Ryan joins as Group Company Secretary. Genevieve brings 17 years' experience in legal and governance roles, including most recently at Orora Limited ("Orora") where she had the broad remit of General Counsel - Governance, Corporate & Commercial. Prior to Orora, Genevieve spent almost ten years at Australian Pharmaceutical Industries Limited, including in the roles of Senior Legal Counsel, Alternate Company Secretary, and Compliance Officer Australia and New Zealand. Dr. Christian Behrenbruch, Telix Group CEO and Managing Director said, "These leadership appointments are a result of ongoing succession planning to ensure Telix has an optimal mix of skills and experience as we prepare to enter a new phase with a portfolio of multiple commercial products. I congratulate Richard, Raphael and Melanie on their new roles and am pleased that we are able to identify and develop talent to support the Company as it continues to grow. I'm also pleased to welcome Genevieve Ryan as Group Company Secretary, who brings a new depth of experience working within ASX-200 companies."

ECONOMIC CONDITIONS

Canadian employment registered a 10,000 increase in November, marking a third consecutive monthly gain following a weakness between May and August. This gain is in line with consensus expectations. November's job gains, combined to a one-tick decline in the participation rate resulted in a decrease in the unemployment rate from 5.2% to 5.1%. The increase in employment stemmed from full time jobs (+51,000) while part-time employment pulled back (-41,000). The public sector posted a decrease (-25,000), while the headcounts for private corporations increased (+25,000) for the third consecutive month. Self-employed people (+10,000), meanwhile, registered a second consecutive increase. November's gain came exclusively from the services sector (+20,000). Meanwhile, the goods sector registered a decline (-9,000) with declines stemming from construction (-25,000), utilities (-4,000) and agriculture (-3,000) while manufacturing (+19,000) and forestry (+4,000) posted increases. Regionally, Québec (+28,000) and Ontario (+23,000) registered sizable increases while Alberta (-15,000) and British Columbia (-14,000) posted declines. The increase in wages was slightly down on a Y/Y basis, reaching 5.4% in November (5.5% in October).

Statistics Canada released its gross domestic product estimate for the third quarter of 2022. the Canadian economy remained solid as it sprang 2.9% annualized from the previous quarter. This almost doubled consensus expectations which were anticipating a 1.5% annualized increase. Following in the footsteps of a 3.2% expansion in the second quarter, this gain hoisted economic output 3.0% above its pre-crisis level. Despite the quarterly increase, details of the report showed that final domestic demand fell in the third quarter of the year, declining at a 0.6% annualized rate, its first decline since the second quarter of 2021. The decline is attributable to a 6.5% annualized step back in spending on goods, while consumption of services grew 3.8%. Relative to their pre-crisis levels, consumption of services was up 2.6% while spending on goods was up 3.3%. Business investment also contributed to the drawback with machinery & equipment dipping 7.6% and residential structures dropping 15.4%. Meanwhile, non residential structure posting a 11.7% rise, which was not enough the offset the negative contributions of its counterparts. Those investments contributed to the buildup in inventory, which added 0.2 percentage points to the headline growth figure. Meanwhile, the government had a positive impact on quarterly performance with investments dropping 4.0%, which was more than offset by expenditures expanding 5.3%. Trade also had a positive impact on growth as the rise in exports (+8.6%) was amplified by a decrease in imports (-1.5%).

Statistics Canada also released an advance estimate for October showing a flat monthly change.

U.S. Nonfarm payrolls rose 263,000 in November, surprising once again to the high side. Prior two-month revisions of -23,000 kept this year's average at a still significant 392,000, so the November print does mark some slowdown. It was padded by the addition of 42,000 government positions, along with large gains in leisure/hospitality and health care and continued advances in manufacturing and construction. The recent wave of layoff announcements at some big high-tech firms has yet to make a major mark. The household survey continued to show more softness than the establishment report, with employment falling 138,000 after a bigger tumble the prior month. The labour force contracted again due to another step down in the participation rate. This kept the unemployment rate steady at a still-tight 3.7%. Consequently, wage pressures remain intense, with average hourly earnings increasing 0.6% to lift the yearly rate a couple of ticks to 5.1%. While that's down from the recent peak of 5.6% in March, it's been holding fairly steady in recent months…likely foreshadowing continued stickiness in core inflation in our view. Summarizing the two surveys, the labour market is softening, though possibly not enough to satisfy the Federal Reserve in our view. As such, it looks like the Federal Reserve is primed to taper the pace of tightening to 50 bps on December 14, but is also likely to raise its view on the expected terminal rate.

FINANCIAL CONDITIONS

The U.S. 2 year over 10 year treasury spread is now -0.77% and the UK's 2 year over 10 year treasury spread is -0.22%. 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 6.39%. 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 volatility index ("VIX") is 20.56 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

And Finally: *"I can resist everything except temptation." ~ Oscar Wilde*

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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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