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NEWS HIGHLIGHTS

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

AUGUST 8, 2023

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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

Ares Management Corporation (Ares)– reported its financial results for its second quarter ended June 30, 2023. Generally accepted accounting principles (GAAP) net income attributable to Ares was US$144.5 million for the quarter ended June 30, 2023. On a basic basis, net income attributable to Ares per share of Class A and non-voting common stock was $0.75 for the quarter ended June 30, 2023. On a diluted basis, net income attributable to Ares per share of Class A and non-voting common stock was $0.74 for the quarter ended June 30, 2023. After-tax realized income was $292.2 million for the quarter ended June 30, 2023. After-tax realized income per share of Class A and non-voting common stock was $0.90 for the quarter ended June 30, 2023. Fee related earnings were $266.1 million for the quarter ended June 30, 2023. “In the second quarter, we continued to demonstrate strong fundraising momentum with more than $17 billion in new gross commitments along with a strong pipeline of fund offerings,” said Michael Arougheti, Chief Executive Officer (CEO) and President of Ares. “With private capital taking a more significant share of investing activity, we are well positioned to continue sourcing attractive investment opportunities across our global footprint.” “Our managed portfolios continue to perform well as evidenced by our strong investment performance for the second quarter,” said Jarrod Phillips, Chief Financial Officer (CFO) of Ares. “In addition, our balance of available capital continues to expand providing us with excellent visibility on our future earnings potential.”

Berkshire Hathaway Inc. (Berkshire Hathaway) – delivered second-quarter 2023 operating earnings of US$10 billion, which increased 6.6% year over year. The increase was driven by higher earnings insurance underwriting, insurance-investment income, other businesses, and non-controlled businesses. Revenues increased 21.4% year over year to $92.5 billion, attributable to higher revenues at Insurance and Other, as well as Railroad, Utilities and Energy. Costs and expenses increased 24.4% year over year to $80.6 billion, largely due to an increase in insurance losses and loss adjustment expenses, insurance underwriting expenses, selling, general and administrative expenses, utilities and energy cost of sales and other expenses, and interest expenses. Berkshire Hathaway’s Insurance and Other segment revenues increased 4% year over year to $65.6 billion in the reported quarter on the back of higher insurance premiums earned, leasing revenues and interest, dividend and other investment income. Railroad, Utilities and Energy operating revenues doubled year over year to $26.8 billion, attributable to higher utility and energy operating revenues. Pre-tax earnings of Railroad decreased 24.9% year over year to $1.6 billion. Total revenues at Manufacturing, Service and Retailing decreased 1.2% year over year to $42.1 billion. Pre-tax earnings increased 4.4% year over year to $4.5 billion. Earnings from Manufacturing, Service and Retailing businesses increased 4.3% year over year. As of Jun 30, 2023, consolidated shareholders’ equity was $548.5 billion, up 13.9% from the level as of Dec 31, 2022. At quarter-end, cash and cash equivalents were $44.6 billion, up 38.2% from the level at 2022 end. Berkshire Hathaway exited the second quarter of 2023 with a float of about $166 billion, up from $164 billion from the figure at year-end 2022. Cash flow from operating activities totaled $21.1 billion in the reported quarter, up 37.5% from the year-ago period. The company bought back shares worth $5.8 billion in the first half of 2023.

Reliance Industries Limited (Reliance)– Brookfield Asset Management Ltd. (Brookfield)has signed a Memorandum of Understanding (MoU) with Reliance, to explore opportunities to manufacture renewable energy and decarbonization equipment in Australia. The MoU aims to both accelerate and de-risk Australia’s energy transition by enabling it to locally produce clean energy equipment such as photovoltaic modules, long duration battery storage and components for wind energy. Under the terms of the MoU, Brookfield will work with Reliance to explore avenues of direct capital investment and development of skills, knowledge and expertise in the renewable energy sector of Australia to facilitate the nation's transition to a net zero future. Reliance and Brookfield will evaluate the establishment of advanced operations in Australia to make/or assemble equipment used in the construction of renewable energy projects supplying equipment to all players in the market including Origin Energy Markets. Reliance has strong expertise in solar panel technology and long duration battery storage technology. It is currently in the process of setting up one of the world's largest integrated renewable energy manufacturing facilities in India. The MoU with Reliance is one of the key initiatives being undertaken by Brookfield to bring global manufacturing technology and expertise to Australia. In March this year, it signed a binding agreement with EIG Partners to acquire Origin Energy Limited (Origin). The proposed acquisition is currently going through the relevant approvals processes. As part of its proposed acquisition of the OriginMarkets division, Brookfield along with its institutional partners and global institutional investors Government of Singapore Investment Corp and Temasek Holdings (Private) Limited have set out a plan to invest between AU$20 billion and AU$30 billion over the next ten years to accelerate its energy transition. The MoU with Reliance intends to support this investment to ensure consistent and adequate supply of the clean energy equipment required to develop up to 14 gigawatts of new, large-scale generation and storage capacity in Australia. Independent analysis undertaken for Brookfield indicates the establishment of onshore sovereign manufacturing capability for the energy transition has the potential to create approximately 18,000 direct and indirect jobs, many in regions most impacted by the transition such as the Hunter Valley in New South Wales and the La Trobe Valley in Victoria.

Reliance said it expects shares of its financial services business to be listed soon as the conglomerate seeks to position its recently carved out unit into India's largest non-banking lender, leveraging its digital and retail businesses. According to Mukesh Ambani message to shareholders in the recent annual report, the new entity is expected to unlock value for shareholders and give them an opportunity to be a part of a new growth platform. Ambani, has used the annual investors' gathering to announce big-bang projects and future growth plans. In the past, he has offered free shares and launched a new smartphone at effectively zero cost to users. This year, analysts are keen to know more about the strategy for his new unit Jio Financial Services Ltd., clean energy and digital businesses. Reliance Strategic Industries Ltd., which will be later renamed as Jio Financial, has been valued at about US$20 billion after its shares were spun off last month through a special session conducted by exchanges to discover its trading value. The newly formed firm, which little revenue as of now but owns 6.1% stake in Reliance Industries, has already announced partnership with BlackRock, Inc. to set up an Indian asset management venture. Reliance is also seeking to make Jio Financial Services one of India's top non-banking finance companies to bolster its positioning similar to Alibaba Group Holding Ltd. and Tencent Holdings Ltd.

Samsung Electronics Co., Ltd. (Samsung) - is freezing new imports of laptops and tablets to India after the South Asian country abruptly banned inbound shipments without a license. Regulators on Thursday surprised the world's biggest personal computer (PC) makers when they made licenses mandatory for import of electronics from small tablets to all-in-one PCs. Laptop makers had been bracing for some government measures aimed at reducing reliance on imports and boosting local production, but the sudden licensing imposition caught the industry off-guard, people familiar with the matter said, declining to be named due to the sensitivity of the issue. Technology firms are now engaging with New Delhi on how to most quickly obtain licenses at a period of heightened consumer interest with India's Diwali shopping season and back-to-school period approaching, the people said. Representatives for India's trade ministry, Apple Inc., Samsung and HP Development Company, L.P did not immediately respond to requests for comment. Companies bringing laptops, tablets and other information technology products to India from overseas will get at least one month to apply for import licenses, a senior technology ministry official told reporters in New Delhi Friday. The government is simplifying the process of applying for licenses which can be approved, in as little as a day, the official added. Officials are also helping companies for the clearance of shipments already in transit to the South Asian nation as the halt threatens to disrupt a multibillion-dollar trade in foreign PCs at a crucial time. The requirement creates additional headaches for manufacturers already grappling with a global glut of inventory and few triggers to restart sales growth. It could result in delayed India launches or even product shortages in a market that's still largely reliant on shipments from overseas.

Altice USA, Inc. (Altice) - lost few video subscribers during the second quarter, even as its quarterly earnings fell on lower overall revenue as expected by Wall Street. The company said it lost 68,300 video subscribers during the three months to June 30, 2023, against a loss of 84,500 video customers in the year-ago period. For the last quarter, Altice posted net income attributable to shareholders at US$78.3 million. The consensus estimate had forecast revenues to be $2.33 billion, down 5.4 percent from the year-ago quarter. Residential revenue declined 5.7 percent year-on-year to $1.84 billion during the latest second quarter. During an after-market analyst call, Mathew addressed a corruption investigation at Altice's operations in Europe, especially in Portugal where a fraud probe is underway. In response to these circumstances in Portugal, Altice has made the immediate and prudent decision to launch their own investigation at Altice. That has led to the departure of the chief procurement officer of Altice, Yossi Benchetrit, after he was placed on leave. Former Comcast executive Jennifer Yohe is the new chief procurement officer. Mathew added that a review of the company's supplier and vendor relationships was underway, which includes a pause on some fiber capital upgrade expenditures until the internal investigation is completed. Mathew also chose not to address media reports of a possible sale of Cheddar News, the streaming news channel acquired for $200 million in 2019.

Amazon.com, Inc. (Amazon) - reported strong second quarter results, with total revenue growing 10.8% year over year to $134.4 billion in the second quarter (versus +11% in the first quarter), ~2% ahead of consensus, and an operating margin of 5.7%, well ahead of expectations. Many consumers continue to trade down to lower-priced items, although demand for everyday essentials, along with categories such as beauty, health, and personal care, remained strong, and efficiencies gained from the company's transition to a regional fulfillment model in the U.S., along with easing inflationary pressures, contributed to the margin expansion. Amazon Web Services revenue grew ~12% year over year to $22.1 billion in the second quarter (versus 16% in the first quarter), ~2% above consensus, as growth began to stabilize in May as many customers started to move beyond cost optimization and focused on new workloads and management highlighted numerous areas of innovation to serve clients looking to utilize large language models ranging from the foundational to application layers. The third quarter revenue and profitability guidance both came in ahead of consensus (Amazon provided the third quarter revenue guidance of US$138-143 billion, up 9-13% year over year ahead of consensus at $138.3 billion and the third quarter GAAP Operating Income guidance of $5.5-8.5 billion – versus consensus at $5.5 billion.), and management is encouraged by progress reducing delivery times from the regionalized fulfillment network, noting that faster delivery times on product pages not only drive heightened purchase conversion but also increase consideration for future purchases.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Amgen Inc. (Amgen) – announced financial results for the second quarter of 2023. Total revenues increased 6% to US$7.0 billion in comparison to the second quarter of 2022, resulting from a 6% increase in product sales. Product sales growth was driven by 11% volume growth, partially offset by 2% lower net selling price, 1% lower inventory levels and 1% negative impact from foreign exchange. Excluding the 1% negative impact of foreign exchange on product sales, total revenues increased 7%. Volume growth of 11% included double-digit volume growth from EVENITY (romosozumab-aqqg), BLINCYTO (blinatumomab), Repatha (evolocumab), LUMAKRAS/LUMYKRAS (sotorasib), Vectibix (panitumumab), KYPROLIS (carfilzomib), Nplate (romiplostim) and biosimilar AMJEVITA/AMGEVITA (adalimumab). Ex-U.S. volume grew 16%, including 46% volume growth in the Asia Pacific region. GAAP earnings per share (EPS) increased 5% from $2.45 to $2.57, driven by increased revenues and decreased operating expenses following the second quarter 2022 impairment charge taken in connection with the divestiture of GENSENTA, a generics business in Turkey, partially offset by higher second quarter 2023 non-operating expenses. GAAP operating income increased from $2.2 billion to $2.7 billion, and GAAP operating margin increased 5.6% to 40.2%. Non-GAAP EPS increased 8% from $4.65 to $5.00, driven by increased revenues, partially offset by higher operating expenses in second quarter 2023. Non-GAAP operating income increased from $3.3 billion to $3.5 billion, and non-GAAP operating margin decreased 0.5% to 52.6%. The company generated $3.8 billion of free cash flow for the second quarter of 2023 versus $1.7 billion in the second quarter of 2022, driven by timing of tax payments, higher interest income and higher operating income. Total Operating Expenses decreased 3%. Cost of Sales margin increased 3.1%, primarily driven by higher profit share, acquisition-related costs and changes in product mix. Research & Development expenses increased 7%, due to higher spend in late-stage programs and marketed product support. Selling, General & Administrative expenses decreased 2%, primarily driven by lower marketed product support, partially offset by higher acquisition-related expenses. The company's second quarter 2023 dividend of $2.13 per share was declared on March 7, 2023, and was paid on June 8, 2023, to all stockholders of record as of May 18, 2023, representing a 10% increase from 2022. Cash and investments totaled $34.2 billion and debt outstanding totaled $61.5 billion as of June 30, 2023.

Arvinas, Inc. (Arvinas) – reported financial results for the second quarter ended June 30, 2023. Cash, cash equivalents, restricted cash and marketable securities were US$1,044.3 million as compared with $1,210.8 million as of December 31, 2022. The decrease in cash, cash equivalents, restricted cash and marketable securities of $166.5 million for the six months ended June 30, 2023 was primarily related to cash used in operations of $172.9 million (net of $2.5 million received from two collaborators), leasehold improvements of $1.7 million and loss on the sale of marketable securities of $0.9 million, partially offset by unrealized gains on marketable securities of $7.0 million and proceeds from the exercise of stock options of $2.0 million. Research and development expenses were $103.4 million for the quarter ended June 30, 2023, as compared with $75.3 million for the quarter ended June 30, 2022. The increase in research and development expenses of $28.1 million for the quarter was primarily due to increasing investment in Arvinas' platform and exploratory programs of $5.4 million, as well as increases its AR (androgen receptor) program of $7.4 million, which includes bavdegalutamide and ARV-766, and its ER (estrogen receptor) program of $15.3 million, which is net of the cost sharing of vepdegestrant (ARV-471) under the global Pfizer collaboration agreement to develop and commercialize vepdegestrant that was initiated in July 2021 (Vepdegestrant (ARV-471) Collaboration Agreement). General and administrative expenses were $25.7 million for the quarter ended June 30, 2023, as compared with $24.3 million for the quarter ended June 30, 2022. Revenues were $54.5 million for the quarter ended June 30, 2023 as compared with $33.8 million for the quarter ended June 30, 2022. Revenue is related to the Vepdegestrant (ARV-471) Collaboration Agreement, the license and rights to technology fees and research and development activities related to the collaboration and license agreement with Bayer that was initiated in July 2019, the collaboration and license agreement with Pfizer that was initiated in January 2018, the amended and restated option, license and collaboration agreement with Genentech that was initiated in November 2017 and revenue related to the company's Oerth Bio joint venture which was initiated in July 2019. The increase in revenues of $20.7 million was primarily due to an increase in revenue from the Vepdegestrant (ARV-471) Collaboration Agreement totaling $24.2 million, partially offset by a net decrease in revenue of $1.8 million as the performance period under the collaboration agreement with Genentech has concluded and a decrease of $1.2 million of previously constrained deferred revenue related to Arvinas' Oerth Bio joint venture.

BeiGene, Ltd. (BeiGene) – Bristol-Myers Squibb Company (Bristol)and BeiGene on agreed to end a China licensing deal that BeiGene signed with Celgene Corporation (Celgene) back in 2017 before its acquisition by Bristol. In the original deal, Celgene essentially sold its China business, including local rights to cancer drugs Revlimid, Abraxane and Vidaza. Now, to end the deal, Bristol will return nearly US$23.3 million ordinary shares of BeiGene that Celgene had previously purchased. BeiGene won't pay anything for those shares.

Guardant Health, Inc. (Guardant)– announced an agreement with Illumina, Inc. (Illumina), a global leader in DNA sequencing and array-based technologies, that resolves their pending litigation and promotes a shared resolution to advance the companies' long-term, commercial partnership. The three-year agreement includes a joint request to dismiss with prejudice the pending litigation between the companies, including any allegations related to the subject intellectual property. The companies have also extended their long-standing commercial relationship by agreeing to collaborate on the sharing of specimen samples to advance cancer research, and by entering into a new long-term purchase and supply commitment. "Both companies are deeply committed to our collaboration to help patients and conquer cancer," said Chris Freeman, chief commercial officer of Guardant. "This agreement supports getting our transformative technologies to even more patients globally, while strengthening our long-standing and valued partnership with Illumina."

Guardant reported financial results for the quarter ended June 30, 2023. Revenue was US$137.2 million for the three months ended June 30, 2023, a 26% increase from $109.1 million for the three months ended June 30, 2022. Precision oncology revenue grew 36%, driven predominantly by an increase in clinical testing volume and biopharma sample volume, which grew 49% and 12%, respectively, over the prior year period. Development services and other revenue decreased by 30%, primarily due to the timing and amount of milestones related to the company's partnership agreements and the change in companion diagnostics collaboration projects with biopharma customers. Gross profit, or total revenue less cost of precision oncology testing and cost of development services and other, was $83.3 million for the second quarter of 2023, an increase of $10.9 million from $72.4 million for the corresponding prior year period. Gross margin, or gross profit divided by total revenue, was 61%, as compared to 66% for the corresponding prior year period. Precision oncology gross margin was 61% in the second quarter of 2023, as compared to 63% in the prior year period. The reduction is due to the change in mix between clinical and biopharma revenue, as well as the year over year change in blended clinical average sales price due to the increased proportion of volume coming from Reveal, TissueNext and Response. Development services and other gross margin was 62% in the second quarter of 2023, as compared to 86% in the prior year period. The change is primarily due to the inclusion of the cost of processing Shield Laboratory Developed Test samples as part of the screening market development activities. Operating expenses were $202.9 million for the second quarter of 2023, as compared to $202.7 million for the corresponding prior year period. Non-GAAP operating expenses were $180.5 million for the second quarter of 2023, as compared to $176.2 million for the corresponding prior year period. Net loss was $72.8 million for the second quarter of 2023, as compared to $229.4 million for the corresponding prior year period. Net loss per share was $0.67 for the second quarter of 2023, as compared to $2.25 for the corresponding prior year period. The year over year reduction in net loss is primarily due to a charge of $99.8 million recorded in the second quarter of 2022 to reflect an increase in the fair value of the outstanding shares in Guardant's Asia, Middle East and Africa (AMEA) joint venture which was acquired in June 2022, and other income of $64.0 million reflecting an unrealized gain related to its strategic equity investment in Lunit, Inc., Guardant's artificial intelligence (AI) partner for TissueNext, which has seen a substantial increase in its share price over the last few months. Non-GAAP net loss was $88.7 million for the second quarter of 2023, as compared to $101.8 million for the corresponding prior year period. Non-GAAP net loss per share was $0.82 for the second quarter of 2023, as compared to $1.00 for the corresponding prior year period. Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) loss was $85.2 million for the second quarter of 2023, as compared to a $94.3 million loss for the corresponding prior year period. Free cash flow for the second quarter of 2023 was negative $100.5 million. Cash, cash equivalents and marketable debt securities were $1.2 billion as of June 30, 2023. Guardant Health now expects full year 2023 revenue to be in the range of $545 to $550 million, representing growth of 21% to 22% compared to full year 2022. This compares to its previous guidance range of $535 to $545 million. Guardant continues to expect full year 2023 operating expenses to be below full year 2022, driven by efficiency measures and continued leverage of its existing infrastructure, and free cash flow to be approximately negative $350 million in 2023.

Lantheus Holdings, Inc. (Lantheus) – reported financial results for its second quarter ended June 30, 2023. Worldwide revenue for the second quarter of 2023 totaled US$321.7 million, compared with $223.7 million for the second quarter of 2022, representing an increase of 43.8% over the prior year period. Second quarter 2023 GAAP net income was $94.1 million, or $1.33 per fully diluted share, as compared to GAAP net income of $43.1 million, or $0.61 per fully diluted share for the second quarter of 2022. Second quarter 2023 adjusted fully diluted net income per share, or earnings per share, was $1.54, as compared to $0.89 for the second quarter of 2022, representing an increase of approximately $0.66 from the prior year period. Lastly, net cash used in operating activities was $32.3 million for the second quarter 2023. Free Cash Flow was $(43.0) million in the second quarter of 2023, representing a decrease of approximately $111.2 million from the prior year period.

Lantheus announced the divestiture of its RELISTOR (methylnaltrexone bromide) net sales royalties. The sale of this non-core asset strategically aligns with Lantheus' long-term vision and growth strategy, allowing the company to enhance its focus on the core radiopharmaceutical business and fuel further investment in this growing field. HealthCare Royalty Partners (HCRx) has acquired the tiered, sales-based royalty rights on worldwide net sales of RELISTOR while Lantheus retains the rights to future sales-based milestone payments. Lantheus plans to use the net proceeds of the transaction to continue to invest in its growth strategy. The sale not only provides financial flexibility, but also enables the company to continue advancing its innovative pipeline. Under the terms of the purchase agreement, Lantheus received an initial payment of approximately $98 million and has the right to receive an additional payment of $5 million from HCRx if worldwide net sales of RELISTOR in 2025 exceed a specified threshold. In exchange for the payment, HCRx received the rights to the tiered, sales-based royalties on worldwide net sales of RELISTOR related to the second quarter of 2023 and subsequent quarters. During the twelve-month period ended December 31, 2022, Lantheus reported $22.3 million in aggregate royalties derived from net sales of RELISTOR. For the first six months of 2023, RELISTOR royalties contributed $13.2 million of revenue and approximately $0.13 adjusted fully diluted earnings per share. Progenics Pharmaceuticals, Inc., a Lantheus company, licensed methylnaltrexone (MNTX) along with products containing MNTX including the Tablet and Subcutaneous injection RELISTOR products to Salix Pharmaceuticals, Inc., a Bausch Health company in 2011. "It is an exciting time at Lantheus, with multiple ongoing late-stage radiopharmaceutical therapeutic programs that we believe have the potential to make a meaningful difference in patients' lives," said Mary Anne Heino, the CEO.

RadNet, Inc. (RadNet)– reported financial results for its second quarter of 2023. Revenue from its Imaging Centers reporting segment of US$401.3 million and Adjusted EBITDA of $63.7 million, which exclude Revenue and Losses from the AI reporting segment. As compared with last year's second quarter, Revenue increased $48.5 million (or 13.8%)

and Adjusted EBITDA increased $8.2 million (or 14.7%). Including RadNet's AI reporting segment, Revenue was $403.7 million in the second quarter of 2023, an increase of 13.9% from $354.4 million in last year's second quarter. Including the losses of the AI reporting segment, Adjusted EBITDA was $60.4 million in the second quarter of 2023 and $51.3 million in the second quarter of 2022, an increase of 17.7%. RadNet reported Net Income of $8.4 million as compared with $7.9 million for the second quarter of 2022. Diluted Net Income Per Share for the second quarter of 2023 was $0.12, compared with a Diluted Net Income Per Share of $0.13 in the second quarter of 2022, based upon a weighted average number of diluted shares outstanding of 60.9 million shares in 2023 and 57.0 million shares in 2022. For the second quarter of 2023, as compared with the prior year's second quarter, magnetic resonance imaging (MRI) volume increased 11.8%, computerized tomography (CT) volume increased 11.3% and positron emission tomography (PET)/CT volume increased 18.3%. Overall volume, taking into account routine imaging exams, inclusive of x-ray, ultrasound, mammography and other exams, increased 11.4% over the prior year's second quarter. On a same-center basis, including only those centers, which were part of RadNet for both the second quarters of 2023 and 2022, MRI volume increased 7.3%, CT volume increased 6.3% and PET/CT volume increased 18.8%. Overall same-center volume, taking into account routine imaging exams, inclusive of x-ray, ultrasound, mammography and other exams, increased 7.1% over the prior year's same quarter.

Schrödinger, Inc. – announced financial results for the quarter ended on June 30, 2023. Total revenue for the second quarter was US$35.2 million compared to $38.5 million in the second quarter of 2022. Software revenue for the second quarter was $29.4 million compared to $30.0 million in the second quarter of 2022. Software gross margin was 77% for the second quarter compared to 76% in the second quarter of 2022. Drug discovery revenue was $5.8 million for the second quarter compared to $8.5 million in the second quarter of 2022. Operating expenses were $74.9 million for the second quarter compared to $60.6 million for the second quarter of 2022. Other income for the second quarter was $45.0 million compared to a loss of $4.2 million in the second quarter of 2022, driven by changes in the fair value of equity investments and interest income. Net income for the second quarter was $4.3 million, compared to net loss of $47.7 million in the second quarter of 2022. During the second quarter, the company reported $20.4 million in tax benefit, reducing the company's tax liability recorded in the first quarter of 2023. At June 30, 2023, Schrödinger had cash, cash equivalents, restricted cash and marketable securities of approximately $554 million, compared to approximately $456 million at December 31, 2022. For the three and six months ended June 30, 2023, Schrödinger reported non-GAAP net losses of $56.8 million and $84.4 million, respectively, compared to non-GAAP net losses of $43.8 million and $72.1 million for the three and six months ended June 30, 2022, respectively.

Telix Pharmaceuticals Limited (Telix)– announced that a first patient has been dosed in a Phase I study of the company's investigational therapy TLX101 (4-L-[131I] iodo-phenylalanine, or 131I-IPA) in combination with post-surgical standard of care treatment in patients with newly diagnosed glioblastoma, the most common and aggressive form of primary brain cancer. PAX-2 is a Phase I dose escalation study to confirm safety profile of TLX101 in combination with external beam radiation therapy (EBRT) and temozolomide in front-line glioblastoma. Twelve patients are expected to be recruited to evaluate whether the observed safety and drug interaction profile remains suitable in this setting before progressing to a proof-of-concept Phase II study. IPAX-2 is being conducted at six sites across Australia, New Zealand and Europe. The study will build on data generated in IPAX-1, which reported final results in September 2022. The IPAX-1 study met its primary objective demonstrating safety and tolerability profile of intravenous 131I-IPA administered concurrently with second line EBRT. The study also delivered encouraging preliminary therapeutic effect, demonstrating a median overall survival of 13 months from the initiation of treatment in the recurring setting, or 23 months from initial diagnosis.

NUCLEAR ENERGY

Ares Acquisition Corporation - announced that shareholders have approved a further extension of the period that the company has to consummate its proposed business combination with X-Energy Reactor Company, LLC, a Delaware limited liability company to November 6, 2023. At the extraordinary general meeting of the company, holders of 1,392,821 of the company's Class A ordinary shares exercised their right to redeem their shares for a pro rata portion of the funds in the company's trust account in connection with the announcement of the second extension, reflecting redemptions of approximately 3.0% of the total Class A ordinary shares outstanding. As a result, approximately US$482,395,329.56 will remain in the Company's trust account.

Bloom Energy Corporation (Bloom) – reported second quarter results ended June 30, 2023 where revenue grew 24% compared to the second quarter of 2022. The record revenue for the quarter was driven by continued growth in the Product and Service revenue segment. Bloom achieved a revenue of US$301.1 million in the second quarter of 2023, an increase of 23.8% compared to $243.2 million in the second quarter of 2022. The company reported Product and Service revenue of $257.0 million in the second quarter of 2023, an increase of 21.2% compared to $212.1 million in the second quarter of 2022. Gross margin of 18.7% in the second quarter of 2023, an increase of 19.5% compared to (0.8%) in the second quarter of 2022. Non-GAAP gross margin of 20.4% in the second quarter of 2023, an increase of 0.8% compared to 19.6% in the second quarter of 2022. Operating loss of ($54.5) million in the second quarter of 2023, an improvement of $47.7 million compared to ($102.2) million in the second quarter of 2022. Non-GAAP operating loss of ($25.9) million in the second quarter of 2023, an increase of ($1.3) million compared to ($24.6) million in the second quarter of 2022.

BWX Technologies, Inc. (BWXT) – reported second quarter results ended June 30, 2023. Second quarter revenue increased in both operating segments. The Government Operations increase was driven by higher naval nuclear component production and microreactors volume, partially offset by lower long-lead material procurement. The Commercial Operations increase was driven by an increase in medical sales as well as higher revenue associated with commercial nuclear field services, which was partially offset by lower fuel fabrication and nuclear component volumes. Second quarter operating income decreased in both operating segments. The Government Operations decrease was mainly due to higher costs associated with the increase in staffing levels and associated training and related inefficiencies, as well as mix, due to higher advanced technologies revenue. The Commercial Operations decrease was largely due to a less favourable business mix that was weighted toward refurbishment and life extension field services, compared to a greater mix of outage work in the second quarter of 2022, and mitigated by higher profitability in medical. In accordance, the company's second quarter total adjusted EBITDA decreased for reasons aforementioned. The second quarter GAAP and non-GAAP EPS decrease was driven primarily by lower operating income as well as higher interest expense and lower pension income. Operating cash flow increased as lower net income was offset by improving working capital management. Lower capital expenditures were driven by lower spending on two major growth capital campaigns, for U.S. naval nuclear reactors and medical radioisotopes, that are nearing completion, partially offset by an increase in capital expenditures for microreactors. BWXT paid US$21.1 million in dividends to shareholders in second quarter 2023. On August 2, 2023, the BWXT Board of Directors declared a quarterly cash dividend of $0.23 per common share payable on September 7, 2023, to shareholders of record on August 17, 2023.

Cameco Corporation (Cameco) – reported its consolidated financial and operating results for the second quarter ended June 30, 2023, in accordance with International Financial Reporting Standards. The company reported the second quarter net earnings of CA$14 million; adjusted net losses of $3 million: Results reflect normal quarterly variations in contract deliveries, which were expected to be lower than in the second quarter of 2022. Despite lower deliveries and higher unit costs in Cameco's uranium segment, gross profit improved due to a higher average realized price as market-related contracts benefitted from increases in the uranium spot price relative to a year ago. However, unrealized losses on U.S. dollar cash balances, reflected in the $44 million of reported foreign exchange losses for the quarter, contributed to lower net earnings and adjusted net earnings compared to in the same period of 2022. The unrealized losses in the quarter were primarily due to higher-than-normal U.S. dollar cash balances, being held for the company's pending acquisition of Westinghouse, and a strengthened Canadian dollar relative to at the end of the first quarter. Cameco did not adjust net earnings for these losses. Cameco experienced strong performance in the uranium and fuel services segments which translated to an improved 2023 consolidated revenue outlook. Results for the first six months of the year reflect the impact of higher sales volumes and average realized prices in both the uranium and fuel services segments under our long-term contract portfolio. In the uranium segment Cameco delivered 15.2 million pounds, in line with the delivery pattern disclosed in the company's annual management discussion and analysis, at an average realized price 11% higher than in the same period last year. In the fuel services segment, sales were 12% higher than in the first six months of 2022 and at an average realized price 5% higher. With improving market fundamentals, for 2023 Cameco has increased the consolidated revenue outlook to between $2.4 billion and $2.5 billion (previously $2.2 billion and $2.4 billion), which is primarily driven by higher expected average realized prices under the company's contract portfolio and increased deliveries under the uranium segment. The company continues to achieve long-term contracting success while maintaining exposure to higher prices: As of June 30, 2023, Cameco had long-term contracting commitments requiring annual delivery of an average of 28 million pounds over the next five years compared to 26 million at the end of March due to the inclusion of volumes under contracts previously accepted that are now finalized. Additionally, Cameco expects a large and growing pipeline of business under discussion, which will help further build the company's long-term contract portfolio. Cameco also provided updates on the Joint Venture Inkai LLP (Inkai). The first shipment of Cameco's share of Inkai's 2023 production, which has been delayed, is expected to begin transit in the third quarter. The geopolitical situation continues to cause transportation risks in the region. Cameco continues to work closely with Inkai and joint venture partner, National Atomic Company Kazatomprom , to receive the company's share of production via the TransCaspian International Transport Route, which does not rely on Russian rail lines or ports. Cameco provided details on the company's tax dispute with Canada Revenue Agency (CRA): In March, CRA issued revised reassessments for the 2007 through 2013 tax years, which resulted in a refund of $297 million of the $780 million in cash and letters of credit held by CRA at the time. The refund consisted of cash in the amount of $86 million and letters of credit in the amount of $211 million, which were returned in the second quarter. The company ended June 30, 2023 with a strong balance sheet: $ 2.5 billion in cash and cash equivalents and short-term investments and $1.0 billion in total debt, in addition to a $1.0 billion undrawn credit facility which matures October 1, 2026.

Centrus Energy Corp. (Centrus) – reported second quarter 2023 results. The company reported net income of US$12.7 million for the three months ended June 30, 2023, compared to net income of $37.4 million for the three months ended June 30, 2022. The net income per common share in the three months ended June 30, 2023 was $0.84 (basic) and $0.83 (diluted). Centrus generated total revenue of $98.4 million and $99.1 million in the three months ended June 30, 2023 and 2022, respectively, a decrease of $0.7 million. Revenue from the Low-Enriched Uranium (LEU) segment was $87.6 million and $85.5 million in the three months ended June 30, 2023 and 2022, respectively, an increase of $2.1 million. The increase was primarily due to the $39.5 million increase in uranium revenue for the three months ended June 30, 2023, partially offset by a $37.4 million decrease in separative working units (SWU) revenue. The decrease in SWU revenue was due to a decrease in the average price of SWU sold, partially offset by an increase in the volume of SWU sold. Revenue from the Technical Solutions segment was $10.8 million and $13.6 million in the three months ended June 30, 2023 and 2022, respectively, a decrease of $2.8 million. The decrease was primarily related to the transition from the High-Assay Low-Enriched Uranium (HALEU) Demonstration Contract to the HALEU Operation Contract in late 2022. Cost of sales for the LEU segment was $60.8 million and $26.1 million in the three months ended June 30, 2023 and 2022, respectively, an increase of $34.7 million. The increase was primarily due to a $34.6 million increase in uranium costs. SWU costs remained constant at $26.2 million, reflecting a decrease in the average unit cost of SWU sold, offset by an increase in the volume of SWU sold. Cost of sales for the Technical Solutions segment was $9.6 million and $12.1 million in the three months ended June 30, 2023 and 2022, respectively, a decrease of $2.5 million. The decrease was related to a reduction in costs of approximately $10.0 million associated with the HALEU Demonstration Contract signed in 2019 and $1.7 million associated with other contracts, partially offset by $9.1 million of costs incurred for the HALEU Operation Contract signed in 2022. Gross profit for the company was $28.0 million and $60.9 million in the three months ended June 30, 2023 and 2022, respectively. The decrease for the three months ended June 30, 2023 was due primarily to the specific contract and pricing mix of SWU contracts and the timing of their deliveries quarter over quarter. This was reflected by a decrease in the average profit margin per SWU, partially offset by an increase in the volume of SWU sold and an increase in uranium gross profit. Centrus provided a HALEU update, where in June, the company announced the completion of the Nuclear Regulatory Commission (NRC) operational readiness review for HALEU production and received NRC approval to possess uranium at the Piketon, Ohio, site and to introduce uranium into the cascade of centrifuges Centrus has constructed. This is a critical milestone in advancing toward first-of-a-kind production of HALEU and means that Centrus remains on track to begin production by the end of 2023. This will be the first new U.S.-owned, U.S.-technology enrichment plan to begin production in 70 years.

Constellation Energy Corporation (Constellation) – Constellation, U.S. largest producer of carbon-free energy, announced an agreement with Cook County, Illinois, to supply zero-emission, renewable energy equivalent to the annual electricity use of 18 of the county's owned-and-operated buildings. Cook County has entered into a 12-year agreement set to begin in March 2025. As part of the retail agreement with Constellation, Cook County will receive energy and renewable energy certificates to match the energy use at public buildings including health clinics, office buildings, highway maintenance facilities, public safety buildings and warehouses. Backed by Cook County's commitment, Constellation has entered into a separate long-term power purchase agreement to procure 24 megawatts (MW) of renewable energy from Swift Current Energy, who will own and operate Double Black Diamond Solar located in Morgan and Sangamon Counties, Illinois. Construction of the solar project started in March 2023 and by its completion, Double Black Diamond is expected to be one of the largest solar projects in the U.S. with 593 MW of renewable energy generation.

Constellation reported financial results for the second quarter of 2023. The company reported GAAP Net Income for the second quarter of 2023 increased to $833 million from ($111) million GAAP Net Loss in the second quarter of 2022. Adjusted EBITDA (non-GAAP) for the second quarter of 2023 increased to $1,031 million from $603 million in the second quarter of 2022. Adjusted EBITDA (non-GAAP) in the second quarter of 2023 primarily reflects favourable market and portfolio conditions; partially offset by unfavourable labour, contracting, and materials, unfavourable nuclear outage impacts and decreased capacity revenues. The company also raised full year 2023 Adjusted EBITDA (non-GAAP) guidance range that is now between $3,300 million and $3,700 million. The company's nuclear fleet, including the owned output from the Salem Generating Station, produced 41,895 gigawatt-hours (GWhs) in the second quarter of 2023, compared with 42,522 GWhs in the second quarter of 2022. Excluding Salem, nuclear plants at ownership achieved a 92.4% capacity factor for the second quarter of 2023, compared with 94.2% for the second quarter of 2022. There were 94 planned refueling outage days and 25 non-refueling outage days in the second quarter of 2023, compared to 66 planned refueling outage days and 15 non-refueling outage days in the second quarter of 2022. Constellation continues the share repurchase program, repurchasing nearly 3 million shares for a total of $252 million in the second quarter 2023, where to date, the company has successfully repurchased approximately 6.2 million shares for a combined $503 million. Constellation provided an update on the previously announced acquisition of NRG Energy Inc.'s 44% ownership stake in the South Texas Project Nuclear Generating Station, a 2,645-megawatt, dual-unit nuclear plant located about 90 miles southwest of Houston, for $1.75 billion. Constellation expects to issue approximately $500 million of incremental debt to finance the transaction, with the remainder of the purchase price funded by existing cash and previously planned debt issuances. This acquisition is intended to be complementary to and strategically aligned with the company's existing clean energy business operations. Constellation expects to close thew acquisition within 2023, absent any delays. The company further provided a summary of highlights achieved throughout the quarter which included Moody's raised outlook on credit ratings from stable to positive, reflecting continued strength in the balance sheet, the landmark agreement with Microsoft that will allow Microsoft to track power usage using Constellation's hourly carbon-free energy matching platform and Constellation role as a leader in the clean energy transition by setting an industry record for blending hydrogen with natural gas at its Hillabee Generating Station.

NuScale Power Corporation (NuScale) – announced that the NRC accepted its Standard Design Approval (SDA) Application for formal review. After beginning the technical review of NuScale's application in March 2023, the NRC has docketed the application for NuScale's VOYGR™-6 plant design featuring an uprated 77 MWe small modular nuclear reactor (SMR), which will support capacity requirements for a wider range of customers. The NRC provided a 24-month review schedule for approval, which will align with the timing needs of NuScale's U.S. customers. NuScale received NRC approval for its 50 MWe design in 2020 and design certification in 2023, making it the first and only SMR to achieve either milestone. The uprated design currently under review includes the same fundamental and unparalleled safety case the NRC approved in 2020 thus setting the stage for an efficient and effective review of NuScale's SDA application. Carrie Fosaaen, NuScale's Vice President of Regulatory Affairs, commented upon the announcement, saying "this Standard Design Approval will allow our customers to benefit from an increased power output from the small modular reactor design that the NRC previously reviewed and approved."

NuScale announced updates made to the company's senior leadership team to support the company as it advances in the manufacturing and commercial deployment phase of its VOYGR™ SMR power plants. Effective immediately, Robert Ramsey Hamady has been appointed CFO, succeeding Chris Colbert, who has departed the company. Hamady joins NuScale from U.S.-based finance firm Equify Financial, where he held the role of CFO. He will be responsible for NuScale's financial strategies, planning and reporting, in addition to overseeing finance operations and investor relations. He will report to John Hopkins, NuScale President and CEO and sit on the company's leadership team. Hamady's experience includes roles as a CFO, investment banker, and asset manager, possessing both U.S. public company and tier one financial institution experience. His career has focused on special situations, private and public corporate finance, reporting, risk management, and leading the institutionalization of high-growth firms engaged in transformative development. Hamady brings investment banking experience from roles at Lehman Brothers Inc. and JPMorgan Chase & Co. and he previously served as an asset manager on behalf of private equity, sovereign wealth, ultra-high-net-worth family offices, and multilateral investment organizations. The company also announced that Clayton Scott has been promoted to Chief Commercial Officer, after previously serving as NuScale's Executive Vice President of Business Development. Scott joined NuScale in 2022 with diverse global business development experience and more than 40 years of professional work in the nuclear sector.

ECONOMIC CONDITIONS

U.S. Nonfarm payrolls rose 187,000 last month, a little lighter than expected, following a cumulative downward revision of 49,000 in the prior two months. Payrolls growth has downshifted from the 312,000 average of the previous 12 months, though it's close to long-run norms. For a change, government hiring was limited at 15,000, down from the prior month's pace of 57,000. But private sector payrolls rose 172,000, stepping up from June's increase of 128,000, though this is still below the previous 12-month average of 264,000. Health care led the gains (63,000), with construction and leisure/hospitality assisting, while manufacturing shed 2,000 positions.

U.S. Institute of Supply Management services Purchasing Managers' Index (PMI) fell 1.2 points to 52.7 in July but which comes after the gauge jumped to a four-month high in the prior month, with the services sector continuing to stay in expansion territory. Growth in business activity (-2.1 points to 57.1) and new orders (-0.5 points to 55.0) moderated, though both indicated that services demand remains resilient. Meanwhile, the orders backlog catapulted 8.2 points to 52.1—above the 50-mark for the first time in five months.

China, the world's second-largest economy continues to weaken. After a brief two-month foray above the 50 mark, the Caixin manufacturing PMI fell 1.3 points to 49.2 in July, the lowest reading since the start of the year. This prompted yet another announcement of more support forthcoming. The National Development and Reform Commission declared it will increase credit to the private sector, while the Ministry of Industry and Information Technology said it would boost support for smaller firms in key supply chains.

Chinese house sales also reported a 33% year over year fall and highlighted a property slowdown that is potentially undermining economic recovery. Bloomberg reporting that that China's State Council called on cities to introduce policies to introduce policies to support the property markets. Policy makers also seem to be stressing the importance of targeted measures for economic growth.

Another weak set of China's trade numbers in July, extending the poor performance last month. Exports growth printed slightly weaker-than-expected, at -14.5% year over year (consensus: -1.32%, Jun: -12.4%) as weak global demand kept Chinese exports depressed. Exports to major trading partners such as U.S., European Union and The Association of Southeast Asian Nations all fell on a month over month basis while exports of key products such as integrated circuits, high-technology equipment and medical instruments also declined over the month. More importantly, imports growth surprised sharply to the downside at -12.4% year over year (consensus: -5.6%, June: -6.8%). The sharp fall in the non-manufacturing July PMI hinted of a quick fade in optimism in the services/construction sector which was reflected in the poorer than expected imports outturn. Additionally, firms may be avoiding any ramp-up in activity as seen from the decline in commodity imports (volume terms) such as coal, copper, iron ore and crude. Taken together, July's trade print casts doubt on the official 5% growth target in the absence of fiscal stimulus.

European zone manufacturing PMI came in again at a low 42.7 and same as the flash reading. Concern grows on economic circumstances in the Eurozone despite unemployment rate sitting at 6.4% which is a record low.

UK manufacturing PMI came in at 45.3 in July and slightly better than the 45.3 flash read. Nationwide house price index fell 3.8% year over year in June and hit its largest fall since 2009.

Russia's President Vladimir Putin has signed a law allowing for foreign investors from "unfriendly" countries to be barred from holding stakes in major Russian companies and banks, State news agency RIA Novosti said the government would draw up a list of Russian firms to be covered by the law, including all systemically important banks and firms above a certain size in terms of revenue, employees, assets or taxes paid. Under the law, the rights of foreign investors from unfriendly countries - meaning those that have imposed sanctions on Russia over its war in Ukraine - could be suspended, and their shares distributed proportionally among Russian owners. Russia has moved increasingly in recent months to take control of the assets of Western companies in retaliation for the seizure of Russian-owned assets abroad. Last month it took control of Danish beer company Carlsberg's stake in a Russian brewer, as well as a Russian subsidiary of French yoghurt maker Danone. In April it took similar steps against Finnish utility Fortum and Germany's Uniper (source Reuters).

Bloomberg reported that Russian President Putin has approved a windfall tax on large Russian and foreign companies, calculated off a profit differential between time periods (pre- and post-the conflict in Ukraine). Russian Financial Minister Siluanov suggested that this could raise ~RUB300 billion (~US$3.1 billion) from industry. This is meant to be one-time only, but the temporary nature could be revisited, if Russia needs help in financing its budget deficit. For overseas firms etc., this might well be seen as indirectly helping to fund the conflict in Ukraine, so brings additional reputational challenges, even beyond the financial impact.

FINANCIAL CONDITIONS

Fitch downgraded the U.S.' Long-Term Foreign-Currency Issuer Default Rating from AAA to AA+, due to expected fiscal deterioration. This is only the second time ever (previously: S&P when it downgraded to AA+ in 2011). The statement noted that the one-notch downgrade to AA+ reflects an "expected fiscal deterioration" from an "erosion of governance" that has "manifested in repeated debt limit standoffs and last-minute resolutions". In our view perhaps the limited impact on U.S. Treasury yields so far is based on the fact that a modest ratings downgrade doesn't alleviate the fact that there really isn't a sizeable and risk-equivalent alternative for bond investors to park their money in.

Moody's cut credit ratings of 10 small to mid-sized U.S. banks one notch and placed six large banks, including The Bank of New York Mellon Corporation, U.S. Bancorp, State Street Corporation and Truist Financial Corporation on review for potential downgrades, warning that the sector's credit strength will likely be tested by funding risks and weaker profitability.

Italy approved a 40% windfall tax on banks for 2023. Italy plans to use the funds to help mortgage holders and cut taxes.

Bank of England (BOE) raised rates by 25 basis points despite some in the markets looking for a 50 basis points hike. UK benchmark rates are now sitting at 5.25% with the BOE saying it may need to hike rates further if inflation persists. The vote was split with one member (Dhingra) voting to keep rates on hold while Haskel and Mann preferred to hike by 50 basis points. BOE also promised a schedule for Quantitative Tightening assets sales for October and beyond next month. The current schedule is for GBP 10 billion per quarter. BOE forecasts revised CPI down to 4.9% from 5.0% and expects inflation to hit targets by mid-2025. Gross domestic product was revised higher to +0.5% for 2023 and in 2024 before falling to +0.25% in 2025.

The Reserve Bank of Australia chose to pause again, leaving the cash rate target at 4.1%. The Bank is now recalibrating its focus towards the pursuit of a "soft landing" given its more pessimistic assessment of the economic outlook. However, the Bank is still leaving the option to hike on the table through the reinstatement of upside risks to inflation and isn't calling it quits.

The U.S. 2 year/10 year treasury spread is now -0.73% and the UKs 2 year/10 year treasury spread is -0.56%. 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 6.92%. Existing U.S. housing inventory is at 3.1 months supply of existing houses as of June 30, 2023 - well off its peak during the Great Recession of 11.1 months and we consider a more normal range of 4-7 months.

The volatility index (VIX) is 16.72 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

And Finally: *"Simplicity is the ultimate sophistication" ~ Leonardo da Vinci*

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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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