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NEWS HIGHLIGHTS

EST. 2007

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

AUGUST 28, 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

Reliance Industries Limited. (RIL)– Reliance Retail Ventures Limited (RRVL) announced on August 23 that Qatar Investment Authority (QIA), through a wholly-owned subsidiary, will invest ₹ 8,278 crore (USD 1.0 billion) into RRVL, a subsidiary of Reliance Industries Limited. This investment values RRVL at a pre-money equity value of ₹ 8.278 lakh crore (USD 100 billion). RRVL, through its subsidiaries and associates, operates India's largest, fastest growing, and most profitable retail business serving 267 million loyalty customers with an integrated omnichannel network of over 18,500 stores and digital commerce platforms across grocery, consumer electronics, fashion & lifestyle, and pharma consumption baskets. QIA's investment will translate into a minority equity stake of 0.99% in RRVL on a fully diluted basis. The previous fund-raise round by RRVL in 2020 from various global investors of an aggregate amount of ₹ 47,265 crore was done at a pre-money equity value of ₹ 4.21 lakh crore.

RIL– On August 24, Reliance announced that it has entered into an understanding with The Oberoi Hotels and Resorts to jointly manage three properties across India and the UK. These include the upcoming Anant Vilas Hotel in Mumbai's Bandra Kurla Complex the iconic Stoke Park in the UK, and another planned project in Gujarat. Anant Vilas, Mumbai has been conceived as the first metro-centric property as part of the iconic luxury 'Vilas' portfolio run by Oberoi. Anant Vilas is located in the business district of Bandra Kurla Complex in Mumbai, which is becoming a mixed-use destination with business, hospitality, shopping, Food & Beverage (F&B), arts and culture, educational and residential uses and high footfall of citizens and visitors to the city. Anant Vilas seeks to augment the hotel footprint of the business district with an iconic experience for the discerning visitors. Stoke Park, UK, a subsidiary of Reliance Industries Limited, owns sports and leisure facilities in Stoke Poges, Buckinghamshire. The facilities include a hotel, sports facilities and one of the highest rated golf courses in Europe. Oberoi will assist with RIL to upgrade the facilities and make it an iconic world-class destination and to deliver an unrivalled experience for guests. The plans that will include a comprehensive upgrade of Stoke Park, including golf and other sports facilities, are under preparation. Gujarat Envisaged is another iconic hotel project to augment the tourism potential in the state of Gujarat, the yet unnamed project is under implementation.

RIL - The Board of Directors of RIL, at its meeting held on August 28, on the recommendation of the Human Resources, Nomination and Remuneration Committee, considered and recommended to the shareholders for approval of appointment of Isha Ambani, Akash Ambani and Anant Ambani as Non-Executive Directors of the Company. Their appointment will take effect from the date they assume office after approval by the shareholders. The Board of Directors also accepted the resignation of Nita Ambani from the Board respecting her decision to devote her energies and time to guide and enable Reliance Foundation (RF) to make even greater impact for India. The Board of Directors appreciated Nita Ambani for her leadership of Reliance Foundation as its Founder Chairperson. Over the years, RF has made considerable progress in its mission of nurturing and empowering marginalised and under-resourced communities in India. Isha Ambani, Akash Ambani and Anant Ambani have been closely involved with and are leading and managing key businesses of RIL over the last few years including retail, digital services and energy and materials businesses. They also serve on the boards of the key subsidiaries of RIL. Their appointment to the Board of RIL will enable RIL to gain from their insights and infuse new ideas, the Board opined.

Samsung Electronics Co., Ltd. (Samsung) - Samsung cut its stake in ASML Holding NV (ASML) by more than half in the second quarter, as the world's largest memory maker beefs up its chipmaking business. The South Korean company sold around 3.55 million shares from April to June, according to its first-half report filed earlier this week. That lowered Samsung's holding in the Dutch chip gear maker to 0.7%, or 2.75 million shares, from 1.6% at the end of the first quarter. Spokespeople for Samsung and ASML declined to comment further. The sale raised about US$2.2 billion, according to Korea Economic Daily. Samsung is expected to use the proceeds for investment in chip production lines, the paper reported, citing industry sources. Samsung's chip foundry business is adding production capacity and more advanced manufacturing techniques to take on the market leader Taiwan Semiconductor Manufacturing Co., which is ASML's biggest customer. In June, Samsung said it will introduce so-called 2-nanometer production for mobile phone parts by 2025 and expand applications. The company will also significantly increase output in Pyeongtaek, South Korea, and Taylor, Texas, to shore up the foundry division, which makes chips for customers on a contract basis. ASML is Europe's most valuable tech firm and the world's only maker of machines needed to produce the most advanced chips crucial to everything from cars and smartphones to computers and airplanes.

Berkshire Hathaway Inc. (Berkshire) – Warren Buffett's Berkshire recently surpassed US$1 trillion of assets for the first time ever. That figure is more than double the size of Amazon.com, Inc. (Amazon)'s asset base, triple Apple Inc. (Apple)'s figure, and greater than Microsoft Corporation (Microsoft), Meta Platforms Inc. (Meta), and Alphabet Inc. (Alphabet)'s assets put together. The famed investor's company held $1.04 trillion of assets at the end of June, according to its second-quarter earnings report. The mammoth sum included its stock portfolio, which was worth $353 billion at the quarter's close, including a $178 billion stake in Apple. Berkshire's assets have ballooned 33,000-fold under Buffett, from under $30 million when he began. Berkshire's four commas' or 13 figures' worth of assets also encompassed $147 billion of cash and Treasury bills. Moreover, it reflected the conglomerate's equity-method investments in companies like Kraft Heinz, Pilot and Occidental Petroleum, plus equipment, inventories, receivables and more. Buffett's sprawling conglomerate owns scores of businesses across dozens of industries including insurance, energy, railroads, real estate, industrials, manufacturing, services, and retail. Given Berkshire's vast scale and focus on the "real economy" instead of asset-light technologies, it makes sense that it has a larger balance sheet than any of the Big Tech companies. Indeed, Apple owned $335 billion of assets at the end of its most recent quarter, including $167 billion of cash, marketable securities, and other liquid assets. Amazon had $463 billion in assets, while Microsoft, Alphabet, and Meta reported between $200 billion and $400 billion each. Tesla Inc., which commands a similar market capitalization to Berkshire, held just $91 billion of assets at the end of June. Nvidia Corporation, which dwarfs Berkshire's $768 billion market value with its almost $1.2 trillion market cap, owned just $44 billion of assets or less than 1/20 of Berkshire's total at the last count. However, Berkshire holds significantly fewer assets than Wall Street's largest banks. For example, JPMorgan Chase & Co. reported $3.9 trillion of assets last quarter, including $469 billion of deposits and $1.3 trillion of loans. Even so, Berkshire's $1 trillion milestone is quite an achievement. The company owned about $30 million of assets in 1964, the year before Buffett took charge. That figure swelled to around $21 billion in 1994, a 700-fold rise in 30 years. Berkshire's assets have ballooned by another 48 times since then, meaning Buffett has overseen a roughly 33,000-fold increase during his tenure as Chief Executive Officer (CEO).

Danaher Corporation (Danaher) – Danaher said it would buy smaller rival Abcam Plc (Abcam) in an all-cash deal valued at US$5.7 billion including debt, as the medical tools supplier expands its services to capture bigger contracts. The deal will help Danaher cushion the hit from sluggish demand for its products such as antibodies and sample preparation equipment from smaller biotech companies that are grappling with a funding crunch. Danaher, one of the world's largest suppliers of medical tools, has already cut its annual sales growth forecast a few times this year. Danaher, which has a market value of nearly $190 billion, expects the deal to close in mid-2024 and add to adjusted earnings per share by 20 cents in the first full year after completion. The company has offered $24 per Abcam share in cash, a 2.7% premium to the stock's last closing price, and a nearly 26% premium since it was reported in mid-June that the company was fielding takeover interest. Abcam's shares fell about 4.5% to $22.44, while Danaher's shares rose 1.4% in early trading. Abcam is Danaher's latest deal in recent years. It acquired General Electric Co's biopharma solution business for $21.4 billion in 2019 and contract development and manufacturing organization Aldevron for $9.6 billion in 2021. Cambridge, England-based Abcam supplies so-called protein consumables such as antibodies, reagents and other products used for life sciences research, the discovery of drugs and diagnostics.

Telix Pharmaceuticals Limited (Telix) – announced its financial results for the half-year ended 30 June 2023. Total Group revenue was AU$220.8 million - a nine-fold increase on the first half of 2022 ($24.0 million) reflecting continued growth in sales of its prostate cancer imaging agent, Illuccix® (kit for the preparation of Gallium 68 gozetotide injection), since U.S. commercial launch in April 2022 (the first half of 2022). Net loss after tax $14.3 million, representing an 80% reduction on the first half of 2022 (net loss $70.9 million) including a non-cash adjustment of $36.6 million (the first half of 2022: $5.7 million) reflecting the strong commercial performance of Illuccix®. The contingent consideration liability reflects future variable payments based on percentages of Illuccix sales. Adjusted earnings before interest, tax, depreciation, amortisation and research and development (Adjusted EBITDAR) were $82.4 million (the first half of 2022: loss of $28.0 million), demonstrating the profitability of the commercial organization. Gross margin was 64% (compared to 56% in the first half of 2022) reflecting normalised operating expenditure. Transition to positive operating cash flow was driven by growth in commercial sales and expenditure control. Closing cash balance was $131.7 million on 30 June 2023 (31 December 2022: $116.3 million). Teliz put forward a positive growth outlook for Illuccix in the U.S. and globally as market adoption increases. Supplemental new drug application (sNDA) for Illuccix was approved by the U.S. Food and Drug Administration (FDA), as the product label expanded in the U.S. to include selection of patients for PSMA (prostate-specific membrane antigen)-directed 177Lu radioligand therapy. The company is operationally focused on preparation of regulatory submissions and commercial launch readiness for renal (TLX250-CDx) and glioma (TLX101-CDx) imaging candidates. Telix reported completion of the ProstACT SELECT study of TLX591 for prostate cancer therapy, with first data readout expected the fourth quarter 2023. ProstACT GLOBAL study is on track to begin patient dosing at Australian sites imminently. New studies were initiated, exploring the carbonic anhydrase IX (CAIX) program in indications beyond kidney cancer, including STARBURST, a 'basket' study exploring multiple theranostic targets and STARSTRUCK, a study of TLX250 investigational therapy in combination with a Deoxyribonucleic acid (DNA) damage repair inhibitor candidate. Multiple studies of TLX101 glioblastoma therapy candidate are progressing, including dosing of first patients in IPAX-2 in newly diagnosed patients. Also, multiple studies progressing with Grand Pharmaceutical Group Limited in China, including bridging studies to support regulatory filings for Illuccix and TLX250-CDx, and approval to commence the Phase I IPAX-China study of TLX101 investigational therapy. The company completed stage one of the buildout of Telix Manufacturing Solutions, the company's European radiopharmaceutical production facility located in Brussels South, Belgium. Agreements to acquire Lightpoint Medical and its SENSEI® radio-guided surgery business, and Dedicaid GmbH and its artificial intelligence-based platform enhance Telix's product offering. Dr Christian Behrenbruch, Managing Director and Group Chief Executive Officer commented on the result: "Telix has delivered an excellent result across all key financial metrics. The business has demonstrated its ability to commercialise successfully, delivering an impressive $218.3 million in total revenue from Illuccix sales in the half year of 2023, with sustained growth in demand since launch." "Importantly, Telix has transitioned to positive earnings on an adjusted EBITDAR basis signalling the profitability of our commercial organisation." "We have a positive outlook for continued growth in commercial sales of Illuccix, based on an expanding global PSMA positron emission tomography (PET) imaging market, and expect to see Telix launch two new products in 2024 for brain and kidney cancer imaging, subject to regulatory approval." "The business is making great progress across its therapeutic programs and, with a number of exciting clinical milestones ahead, will further demonstrate the value and differentiation of its industry-leading pipeline."

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

Royal Bank of Canada reported core cash earnings per share (EPS) of C$2.84 in the third quarter/fiscal year 2023, which beat the Street estimate of $2.70. The bank reported core return of earnings (ROE) of 15.1% this quarter, which was up 20 basis points over the quarter. The Core Equity Tier 1 ratio of 14.1% was up 40 basis points sequentially. As expected, the bank left its quarterly dividend unchanged at C$1.35/share, up 5% year over year. The beat was driven by higher net revenues (+C$0.20/share), and lower taxes (+C$0.17/share), which more than offset higher than expected expenses (-C$0.31/share). Total Provisions for Credit Losses (PCLs) were slightly lower than expected (+C$0.02/share). On a segmented basis, all operating units delivered a beat with the exception of Wealth Management (-C$0.17/share).

Toronto-Dominion Bank (TD) reported core cash EPS of C$1.99 in the third quarter/fiscal year 2023, which missed the Street estimate at C$2.03. The bank reported core ROE of 14.1%, which was unchanged over the quarter. The Core Equity Tier 1 ratio of 15.2% was down 10 basis points sequentially. As expected, the bank left its quarterly dividend unchanged at C$0.96/share, up 8% year over year. The miss was driven by lower revenue and higher expenses (-C$0.07/share and -C$0.05/share, respectively), which more-than-offset lower Provisions for Credit Losses (+C$0.04/share). Net interest margins results came in lower than forecast (down 11basis points quarter over quarter); while domestic margins held in steady sequentially, that was offset by 25 basis points slide in U.S. margins. Expenses also came in higher-than-expected and were up 3% quarter over quarter and 14% year over year. Credit came in better-than-expected (12% lower), with the PCLs ratio rising 7 basis points reflecting 20% quarter over quarter increase in total impaired PCLs, and a higher build of performing PCLs. The bank announced its intention to repurchase 90 million shares (5% outstanding) upon closing of its existing normal-course issuer bid (NCIB); on that, the bank also bought back 14 million shares (less than 1%) during the quarter.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Amgen, Inc. (Amgen) – The U.S. Federal Trade Commission (FTC) has suspended its challenge of Amgen's US$27.8 billion purchase of Horizon Therapeutics, allowing the FTC to consider whether the agency should settle the case. The pause is effective until September18. Amgen said the company was aware of the move and is prepared to demonstrate that there is no legal or factual reason to prohibit the acquisition to the courts. "We would be pleased if our commitment were honored instead of going through a lengthy court process," the company explained in a statement adding that it anticipates closing the acquisition by mid- December this year. The FTC filed a lawsuit on May 16 aimed at stopping the transaction in a rare move to block a large pharmaceutical deal. The agency had said it opposed the deal because of concern that Amgen would leverage its big selling drugs to pressure insurance companies and pharmacy benefit managers to give favorable terms for Horizon's two key products - the fast-growing thyroid eye disease treatment Tepezza and gout drug Krystexxa. The Thousand Oaks, California-based company announced plans to buy Horizon in December last year, saying that its rare disease drugs would offer it some protection from the drug pricing provisions of the Inflation Reduction Act, which are aimed at drugs most widely used by the government's Medicare health plan. The agency and Amgen are due to meet over the injunction in Chicago federal court in September.

Arvinas Inc. (Arvinas) – The UK Innovative Licensing and Access Pathway Steering Group has awarded an Innovation Passport to vepdegestrant, developed by U.S. pharma giant Pfizer Inc. (Pfizer) and Arvinas. Also known as ARV-471, vepdegestrant is an investigational protein degrader. It has won this designation as a treatment for estrogen receptor (ER)+/ human epidermal growth factor receptor (HER)2-

locally-advanced breast cancer or metastatic breast cancer. The UK Innovative Licensing and Access Pathway Steering Group consists of The All-Wales Therapeutics and Toxicology Centre, The Medicines and Healthcare products Regulatory Agency (MHRA), the National Institute for Health and Care Excellence (NICE) and the Scottish Medicines Consortium (SMC). Its Innovation Passport is the entry point for the Innovative Licensing and Access Pathway (ILAP). The goal of ILAP is to accelerate the time to market facilitating patient access to medicines in the UK. The Innovation Passport application is the first step in the ILAP process, which activates the MHRA and its partner agencies, including NICE and Scotland's SMC, to develop a roadmap for regulatory and development milestones.

Clarity Pharmaceuticals Ltd. (Clarity) – announce the dosing of the first participant at the highest dose level of 12 gigabecquerel (GBq) in the third cohort of its Phase I/II theranostic trial evaluating 67Cu (content uniformity) SAR (structure-activity relationship)-bisPSMA in participants with metastatic, castrate-resistant prostate cancer (mCRPC). The SECuRE trial is a Phase I/IIa theranostic trial for identification and treatment of participants with Prostate-Specific Membrane Antigen (PSMA)-expressing mCRPC using 64Cu/67Cu SAR-bisPSMA. 64Cu SAR-bisPSMA is used to visualise PSMA-expressing lesions and select candidates for subsequent 67Cu SAR-bisPSMA therapy. The trial is a multi-centre, single arm, dose escalation trial with a cohort expansion involving up to 44 participants in the U.S. The overall aim of the trial is to determine the safety and efficacy of 67Cu SAR-bisPSMA for the treatment of prostate cancer. Cohort 3 explores the effects of the highest dose of 12GBq (gigabyte) on the SECuRE trial participants following a single administration of 67Cu SAR-bisPSMA. The third cohort will be the last to assess single doses of 67Cu SAR-bisPSMA and will be followed by a multi-dose cohort, pending safety evaluation. The first two cohorts in the dose escalation phase of the trial were successfully completed with no Dose Limiting Toxicities (DLTs) reported in any of the participants dosed. The 3 participants in cohort 2, who were administered a single dose of 8GBq of 67Cu SAR-bisPSMA, have been monitored by their physicians for safety and treatment response as per the trial protocol. All 3 participants in cohort 2 remain on the trial following their administration of 8GBq of 67Cu SAR-bisPSMA, with all 3 participants exhibiting a greater than 50% reduction in prostate-specific antigen (PSA), which is one of the primary endpoints of the SECuRE trial and a commonly used surrogate endpoint for efficacy in this patient population. PSA levels continue to fall in all patients, with the first 2 participants showing reductions of greater than 95% and the last participant showing a drop of approximately 70% so far.

NUCLEAR ENERGY

Centrus Energy Corp. (Centrus)– Oklo Inc. (Oklo) and Centrus Energy Corp. announced a new Memorandum of Understanding (MOU) between the two companies to support the deployment of Oklo's advanced fission powerhouses and advanced nuclear fuel production in Southern Ohio, making the region a critical hub for the future of the U.S. nuclear industry. Oklo and Centrus have been partners since 2021 when the companies signed a Letter of Intent to cooperate in the development of a High-Assay, Low-Enriched Uranium ("HALEU") fuel facility. With this new MOU, Oklo and Centrus plan to enter into a broad range of collaboration programs supporting the development and operation of Oklo's Aurora powerhouses including supply of HALEU produced by Centrus at its Piketon, Ohio, facility. Centrus also intends to buy clean, reliable, and affordable energy from Oklo's planned Ohio plants to power its HALEU Production Facility. Oklo would purchase HALEU from the production facility Centrus is planning to build in Piketon, Ohio, the only such facility licensed by the U.S. Nuclear Regulatory Commission to produce HALEU. Centrus would purchase electricity from the Aurora powerhouses that Oklo is planning to build in Piketon. These two power plants are designed to power thousands of homes and businesses in addition to the HALEU production facility; similarly, the HALEU production plant is designed to be scaled up to support hundreds of reactors. Centrus would manufacture components for Oklo's Aurora powerhouse at Centrus' advanced manufacturing facility in Oak Ridge, Tennessee, as well as manufacturing capacity at the American Centrifuge Plant in Piketon, Ohio, where HALEU production will take place. Centrus and Oklo would work together to establish and license the capabilities necessary to deconvert HALEU from uranium hexafluoride to uranium metal and fabricate fuel assemblies for Oklo's Aurora powerhouses. At the American Centrifuge Plant in Piketon, Ohio, Centrus has constructed the first U.S. HALEU production facility licensed by the U.S. Nuclear Regulatory Commission and expects to begin production of HALEU by the end of 2023 as part of the company's contract with the Department of Energy (DOE). With sufficient funding and offtake commitments, Centrus could expand the facility to meet the full range of commercial and national security requirements for enriched uranium, including the production of Low-Enriched Uranium as well as HALEU.

Plug Power Inc. (Plug) – hosted an Analyst Day event to present the achievements of the company's 15 tonne per day (TPD) liquid green hydrogen plant, located in Camden County, Georgia. The plant, equipped with 40 megawatts (MW) of Plug proton exchange membrane (PEM) electrolysers, will play a pivotal role in establishing a hydrogen highway in the U.S. for refueling stations, supporting the automotive sector's efforts towards decarbonization. Shrestha, Plug's General Manager and Energy Solutions and Chief Strategy Officer, highlighted the competitive advantage gained from expanded electrolyser manufacturing capacity, emphasizing the importance of the showcased plant in meeting growing demand for green hydrogen. The plant is grid-connected and, with plans for further scale up, it is projected to improve the company's fuel margin significantly from the second quarter to the fourth quarter 2023. In August, the company recorded its largest quarterly revenue of $260.2 million.

Silex Systems Limited (Silex) – issued the company's annual report to shareholders. The ordinary activities' net loss amounted to AU$17.4 million, rising from $9.5 million the previous year. This increase is primarily attributed to heightened activities at Global Laser Enrichment LLC (GLE) - the jointly controlled venture between Silex and Cameco Corporation - over the year. Furthermore, a decision was taken in February 2023 to augment GLE's calendar year 2023 budget, expediting the commercial-scale pilot demonstration project for the SILEX uranium enrichment technology. As such, Silex's share of GLE's loss increased by $8.2 million, totaling $16.1 million in the current year. Revenue from ongoing operations grew by $4.8 million, reaching $9.2 million. An increase in interest revenue by $2.2 million was observed, primarily due to greater cash holdings post a $114.7 million equity raise investment. Recoverable project costs, representing Silex's cost reimbursement for the uranium enrichment project, increased by $1.9 million due to increased activities in the commercial-scale pilot demonstration project. Employee benefits expenses and research and development materials also increased by $1.8 million and $1.5 million, respectively, compared to the previous period. These increases aligned with the company's expanding headcount and heightened project endeavors.

ECONOMIC CONDITIONS

China's worrying slide towards economic stagnation: On the current trajectory, in our view, Chinese Gross Domestic Product (GDP) outlook +5% 2023 target (and 5% target in the following years) is unlikely to be met without massive fiscal and monetary stimulus and could potentially be <2% per annum by end of this decade. With Chairman Xi likely unwilling to launch a large fiscal stimulus package, this will likely make economic recovery even more difficult/uneven/slower as consumer confidence year to date (YTD) has been hit by the concerns of COVID 19 fatalities from abrupt reopening, flat-to-falling real estate prices, ongoing crackdown on numerous sectors has hurt hiring, and ongoing new record high young unemployment (officially 21.3% for ages 16-24; unofficial reports suggest could be >46%; China this month discontinued reporting youth unemployment data). With Chairman Xi firmly exerting control under his new term mandate (aka (also known as) his vision), a sluggish recovery/stagnation for 2024 seems more likely but while that would be negative for exporters (eg. Germany), negative for many commodities, negative for international tourism it would not necessarily be all bad for the global outlook: less inflation pressure; helpful in buying more time for supply chains to continue diversifying and a more disorderly China market selloff could also ease the pressure on the Federal Reserve to keep raising rates (ie. repeat of what happened in 2015).

U.S. durable goods orders fell 5.2% in July as expected. The June advance was also taken down to 4.4% (previously 4.7%). The reversal marks the first decline in new orders since February. Aircraft bookings fell back to earth (after a gravity-defying surge in June), which sent transportation down 14.3%. However, excluding transportation, orders moved up 0.5% (a few ticks above June's revised 0.2% advance). Machinery and communications led the way with some solid gains. With continued investment spurred by the Inflation Reduction Act, it's also no surprise that electrical equipment rose to yet another record high. Meanwhile, computers fell 2.2% after managing a modest increase in June. Core capital goods orders, a gauge for business investment, edged up 0.1%, while the prior month was revised down to now show a 0.4% decrease (previous: +0.1%). Overall, that points to slowing business investment ahead. The control measure of core shipments (includes aircraft)—an input for GDP—dipped 1.1%, marking back-to-back declines. That flags a cooling in business investment spending in the third quarter after a double-digit advance (annualized) in the previous quarter.

U.S. existing home sales fell more than expected, down 2.2% to 4.07 million annualized in July, marking the lowest level since the start of the year. Sales of single-family homes wilted 1.9% while condos fell 4.5%. The Northeast, Midwest, and South all posted declines, though the West managed to buck the general downward trend. Amid a lack of inventory, the annual median selling price turned positive for the first time in 6 months, up 1.9% year over year to $406,700. The number of homes available for sale fell 14.6% year over year, the biggest drop since February 2022. At the current pace, it would take 3.3 months to sell all homes on the market. While that's better than the record-low of 1.6 months posted at the start of 2022, conditions are still tight. With 30-year mortgage rates above 7%, many homeowners have been unwilling to put their homes up for sale and give up the low mortgage rates they already have, keeping activity muted.

European Purchasing Managers Index (PMIs) came in quite weak on aggregate in August, despite a bit of an improvement in the manufacturing index to 43.7 (market: 42.7), as the services PMI registered a notable drop to 48.3 (market: 50.5). Overall, this pulled down the composite index to a 33-month low of 47.0 (market: 48.5).

The French and German data largely reflected the story for the Eurozone PMIs as a whole. In France, the services PMI fell for the fourth consecutive month to 46.7 (market: 47.5), as services providers noted further slowing in market conditions. In Germany, while the manufacturing PMI rose slightly to 39.1 (market: 38.8), following six consecutive declines, this was almost entirely driven by longer supplier delivery times—orders and new output continued to decline on the back of soft demand conditions. Moreover, the German services PMI fell a notable 5.1-points to 47.3 (market: 51.5), making it the fourth largest month-on-month decline on record. Adding to the negative report was some sign of inflationary strength, as the pace of both output and input price changes increased for the first time since January 2023 and September 2022, respectively.

The UK flash PMIs came in much weaker than expected across the board in August. An almost 3-point drop in the services PMI to 48.7 (market: 51.5) was consistent with the sharp deterioration in the euro area services PMIs. But while manufacturing improved in the eurozone, the UK manufacturing PMI fell sharply to 42.5 (market: 45.0). On net, the weak services and manufacturing PMIs left the composite PMI at 47.9 (market: 50.4)—its first time since below the 50-point neutral threshold since January. The decline in manufacturing came on the back of broad-based weakness, most notably from sharp declines in new orders and output, as companies cited "reluctance to spend among clients in the wake of higher interest rates and stretched disposable household incomes". That said, inflationary developments were quite promising, as the pace of both input and output price increases continued to weaken, as some survey respondents reported that they had adjusted their pricing strategies due to weaker demand and falling input cost inflation.

FINANCIAL CONDITIONS

The U.S. 2 year/10 year treasury spread is now -0.85% and the U.K.'s 2 year/10 year treasury spread is -0.58%. 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 7.30%. Existing U.S. housing inventory is at 3.3 months supply of existing houses as of

June 30th, 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 15.77 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

And Finally: *"It is a miracle that curiosity survives formal education." ~ Albert Einstein*

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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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RISK TOLERANCE

Risk tolerance measures the degree of uncertainty that an investor can handle regarding fluctuations in the value of their portfolio. The amount of risk associated with any particular investment depends largely on your own personal circumstances including your time horizon, liquidity needs, portfolio size, income, investment knowledge and attitude toward price fluctuations. Investors should consult their financial advisor before making a decision as to whether this Fund is a suitable investment for them.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. The indicated rates of return are the historical annual compounded total returns including changes in units [share] value and reinvestment of all distributions [dividends] and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. The rates of return are used only to illustrate the effects of the compound growth rate and are not intended to reflect future values of the mutual fund or returns on investment in the mutual fund. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Information presented in this Newsletter should be considered for background information only and should not be construed as investment, tax, or financial advice. As each individual's situation is different, you should consult with your own professional investment, accounting, legal and/or tax advisers prior to acting on the basis of the material in the Newsletter. Commissions, management fees and expenses may be associated with investment funds. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated. Please read the prospectus or offering document before investing.

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