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NEWS HIGHLIGHTS

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

OCTOBER 16, 2023

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OWNER OPERATED COMPANIES



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COMPANY NEWS

Ares Management Corp. (Ares) – announced the launch of Ares European Strategic Income Fund (AESIF), a new open-ended direct lending fund that will provide individual investors in Europe and Asia with access to Ares' European direct lending strategy. Ares launched its European direct lending strategy in 2007 gaining a first mover advantage in a nascent market. Since this time, the European direct lending strategy has deployed more than €56 billion (US\$61 billion) in capital, cementing a longstanding and cycle-tested track record. Ares represents the largest direct lending solutions provider to the European market with over €55 billion (\$60 billion) of assets under management dedicated to the strategy and more than 85 investment professionals across six originating offices in London, Frankfurt, Paris, Stockholm, Amsterdam and Madrid, as of June 30, 2023. AESIF will be the latest addition to the Ares Wealth Management Solutions (AWMS) platform and will be its first offering in the Europe and Asia regions. Leveraging the strength and scale of Ares' leading global private credit platform and its extensive experience in Europe, AESIF has been designed to deliver a highly diversified portfolio comprised predominantly of directly originated, senior secured floating rate loans to performing businesses in Western Europe. AESIF is intended to offer investors a core income-solution with meaningful downside protection and stable yields in a format that features lower investment minimums relative to traditional alternative investment products. Since the launch of AWMS in 2021, Ares has remained focused on scaling its wealth platform to deliver private market access and education to financial advisors and their clients. With a

growing team of over 130 professionals located in offices throughout the U.S., Europe and Asia, AWMS represents one of the most resourced wealth distribution and client service platforms in the alternatives industry today.

Brookfield Asset Management Ltd. (Brookfield) – announced the closing of its latest flagship global private equity program, Brookfield Capital Partners VI ("BCP VI" or the "Fund"). With US\$12 billion in total capital raised for the strategy, BCP VI is the largest private equity fund raised by Brookfield. Partners in BCP VI are a diverse group of institutional investors, including public and private pension plans, sovereign wealth funds, financial institutions, endowments and foundations, and family offices. Brookfield has committed \$3.5 billion to the Fund, underscoring the firm's alignment of interests with other investors. Cyrus Madon, Chief Executive Officer (CEO) of Brookfield's Private Equity Group, said, "We are grateful for the confidence and support from our investors for BCP VI, Brookfield's largest private equity fund raised to date. Reaching this milestone is a testament to our strong track record and longstanding strategy of investing in high-quality, cash-generative businesses that will benefit from Brookfield's deep operating expertise." Anuj Ranjan, President of Brookfield's Private Equity Group, said, "Our global deal pipeline remains robust during this current period of market dislocation, which is creating significant large-scale opportunities that suit our operationally intensive investment approach." To date, the Fund has committed approximately \$4 billion to acquire six market-leading businesses and continues to provide meaningful co-investment opportunities to its partners.

Brookfield has reportedly reached a deal to acquire British property developer The Banks Group's renewable energy division which currently operates 11 onshore wind farms. The financial details of the transaction were not disclosed; however, it has been unveiled by insiders quoted by the Financial Times that the deal is valued at nearly US\$1 billion (€954 million). According to the company's website, Banks Renewables' 11 operational wind farms have a combined capacity of just over 250

megawatts (MW). Some of the larger assets in that portfolio include the 88.4-MW Kype Muir wind farm, the expansion of which is nearing completion, and the 51-MW Middle Muir site, both located in South Lanarkshire, Scotland. Apart from the operational wind capacity, Banks Renewables also has several wind, solar and storage projects under development. “The United Kingdom is a high-quality location for renewable energy development, and we are delighted to have made a further commitment to this market,” said Sebastian Perl, vice president at Brookfield.

Australian Competition and Consumer Commission (ACCC) has granted authorization with conditions for the proposed acquisition of Origin Energy Limited (Origin) by the Consortium comprising Brookfield and MidOcean Energy (MidOcean), an entity managed by EIG Global Energy Partners. The authorization is granted on the basis of undertakings which have been provided separately by Brookfield, AusNet Services and MidOcean and which have been published by the ACCC. Origin noted that the transaction remains subject to the satisfaction of outstanding conditions, including additional regulatory approvals by the Foreign Investment Review Board, National Offshore Petroleum Titles Administrator and certain other foreign investment approvals. In March 2023, Origin said it entered into a binding Scheme Implementation Deed in relation to the transaction with the Consortium comprising Brookfield and MidOcean for the acquisition of all the issued shares in Origin for a total consideration of AU\$8.912 per share.

LVMH Moët Hennessy Louis Vuitton SE (LVMH) –, the world’s leading high-quality products group, recorded organic revenue growth of 14% in the first nine months of 2023 compared with the same period in 2022. All business groups reported sustained organic revenue growth over the period, with the exception of Wines & Spirits, faced with a high basis of comparison. After taking into account the negative 4% exchange rate impact, revenue for the Group was up 10%. Europe, Japan and the rest of Asia achieved double-digit organic growth. In the third quarter, organic revenue growth came to 9%. The Wines & Spirits business group saw a revenue decline (-7% organic) in the first nine months of 2023, faced with a high basis of comparison with the same period in 2022. The Fashion & Leather Goods business group achieved organic revenue growth of 16% in the first nine months of 2023. LVMH delivered an excellent performance, once again buoyed by the creativity and quality of its products, and by its strong ties to art and culture. The Perfumes & Cosmetics business group achieved organic revenue growth of 12% in the first nine months of 2023, driven by its powerful innovative momentum, and maintained its highly selective distribution strategy. The Watches & Jewelry business group achieved organic revenue growth of 9% in the first nine months of 2023. In Selective Retailing, organic revenue growth was 26% in the first nine months of 2023.

Reliance Industries Limited. (Reliance) – On October 4, Reliance Brands Limited (RBL), through its wholly owned subsidiary in UK, has signed a definitive agreement to enter a joint venture with UK-based Superdry plc (Superdry), marking a new chapter in its partnership with Superdry. The joint venture entity will acquire Superdry’s intellectual property (IP) assets for the India, Sri Lanka, and Bangladesh territories. Reliance Brands UK (RBUK) and Superdry will own 76% and 24% of the joint venture entity, respectively. The consideration for the IP is £40.0 million, which is estimated to result in Superdry receiving gross cash proceeds of £30.4 million (approximately £28.3 million net of fees and taxes) from RBUK. RBL had inked a long-term franchise agreement with Superdry in 2012 and introduced the brand in India. This strategic evolution of brand ownership aims to capitalize on the increasing

affluence and evolving consumption patterns of Indian shoppers. Coupled with RBL’s appetite to invest in accelerating the Indian consumption narrative, the deal paves the way for Superdry’s future expansion in the country and neighbouring territories. Superdry’s unique fusion of British heritage, American styling, and Japanese graphics has carved a niche among fashionable young Indian consumers. The brand has expanded rapidly to 200 points of sale across 50 cities. E-commerce continues to drive incremental growth for the brand, boosting its reach beyond 2,300 Indian cities, underlining RBL-run Superdry India operations as the largest franchisee network of the brand globally.

Abu Dhabi Investment Authority (ADIA) agreed to buy an additional stake in Reliance retail unit for 49.7 billion rupees (US\$597 million). ADIA will acquire a 0.6% stake in closely held Reliance Retail Ventures Ltd., according to an exchange filing late Friday from parent Reliance. The transaction values India’s largest retailer at pre-money equity value of 8.38 trillion rupees, the filing said. The United Arab Emirates-based firm had invested \$750 million in Reliance Retail in October 2020 and another \$507 million the same month in the Reliance’s fiber-optic assets. The latest investment from ADIA comes after global investment firm KKR & Co. Inc. invested an additional \$250 million in Ambani’s retail business that rivals global competitors including Amazon.com Inc. and Walmart Inc. in the world’s most populous nation. Before that, Qatar Investment Authority acquired a 0.99% stake in Reliance Retail for \$1 billion in August. Ambani also told shareholders in August that the retail business will line up more international investors. Reliance Retail has undertaken a series of acquisitions to establish a strong foothold in India’s burgeoning retail space to compete with Amazon.com Inc. and Walmart Inc. Reliance Retail raised over \$6 billion three years ago from investors that include sovereign wealth funds across the Middle East and Singapore along with General Atlantic and Silver Lake Partners.

Samsung Electronics Co., Ltd. (Samsung) - reported a more modest slide in quarterly profit, suggesting the global semiconductor market may have rounded a corner. Samsung’s shares rose as much as 4.4%, their most in more than a month, with some investors saying the decline in operating income was better than they had feared. Operating income fell to about 2.4 trillion won (US\$1.8 billion) on a 13% slide in sales in the three months to September, according to Samsung’s preliminary results. The numbers, in line with analyst estimates, reflect an improvement from the previous quarter. The news comes days after the U.S. granted the company and SK Hynix Inc. an exemption to acquire the equipment they need to sustain and expand their chipmaking operations in China. That’s lifted some uncertainty hanging over the two memory leaders, allowing them to operate in the world’s biggest chip arena and make longer-term bets. Samsung now seeks to position itself to benefit from a long-anticipated Artificial Intelligence (AI)-related boom in tech spending, fueled by OpenAI’s ChatGPT debut last fall. Samsung has said it plans to double its capacity to make high-bandwidth memory, which has the capacity needed to speed up AI training, by 2024. Samsung introduced the fifth generation of its foldable phones, pressing into a territory as yet untapped by rival products from Apple Inc. Its display sales are expected to have gotten a boost from smartphone users’ preference for bigger screens, such as those used in new iPhones by Apple Inc., which is a customer as well as a competitor. Samsung will give a more comprehensive snapshot of its earnings later this month. The company previously said that it expected a recovery in sales in the second half of the year.

Amazon.com, Inc. (Amazon) - plans to hike pay for its operations workers in the UK while expanding its staffing by 15,000 new workers

ahead of the holidays. Base pay for frontline operation workers who pick, pack, store, and ship items in the warehouses will rise to between £11.80 and £12.50 per hour. The pay increase will apply to part-time, temporary, and seasonal roles along with full-time positions and will come into effect from October 15. By April 2024, Amazon said the company will be increasing pay further for its workers to between £12.30 and £13 per hour, depending on the location. “We have some of the most talented colleagues around, and we’re proud to offer them competitive wages and benefits, as well as fantastic opportunities for career development, all in a safe and modern work environment,” said John Boumphrey, Amazon’s U.K. country manager.

Alphabet Inc. (Google) - Google Cloud announced new AI-powered search capabilities that will help health care workers quickly pull accurate clinical information from different types of medical records. There are significant amounts of valuable information and data in the healthcare industry which at times is difficult for clinicians to access due to the fact that it is stored across multiple systems and formats. This new search tool will allow doctors to pull information from clinical notes, scanned documents, and electronic records so it can be accessed in one place. “While it should save time to be able to do that search, it should also prevent frustration on behalf of clinicians and [make] sure that they get to an answer easier,” said Lisa O’Malley, senior director of product management for Cloud AI at Google Cloud. These new features will be offered to health and life sciences organizations through Google’s Vertex AI Search platform which companies in other industries can use to conduct searches across public websites, documents, and databases.

DIVIDEND PAYERS

 **GO TO PORTLAND GLOBAL ALTERNATIVE FUND¹**

 **GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND¹**

 **GO TO PORTLAND GLOBAL BALANCED FUND¹**

Citigroup Inc. (Citi)’s core earnings per share (EPS) of US\$1.52 beat consensus of \$1.21 by 26% due to higher-than-expected revenues (Net Interest Income (NII) 5% above consensus), lower operating expenses (consumer and corporate segments), and lower credit costs (lower Non-Conforming Obligations). Relative to \$1.63 reported EPS, it’s calculated \$1.52 is core EPS by stripping out the gain on sale of Taiwan Consumer (-\$0.11). Citi reiterated its prior outlook for full-year revenues (\$78-79 billion ex-exits) and operating expenses (\$54 billion); however, it raised NII guidance (ex-markets) to \$47.5+ billion (from \$46+ billion), implying the fourth quarter 2023 fees of only \$18.9 billion (1% below consensus). We will have to wait until January for details regarding the financial impact of Citi’s recently announced simplification initiatives; however, management noted it will help “bend the cost curve” by year-end 2024 (in tandem with business exits and efficiency gains from transformation investments). Citi still expects Return on Average Tangible Common Shareholders’ Equity of 11-12% by 2026.

JPMorgan Chase & Co. (JPM)’s core EPS of US\$4.71 beat consensus of \$3.87 by 22%, driven by higher-than-expected revenues (Net Interest Income and core fees), lower operating expenses and much lower credit costs (reserve release). Relative to \$4.33 reported EPS, it’s calculated that about \$4.71 is core EPS by adding back securities losses (+\$0.18), legal costs (+\$0.18), and a higher-than-normal tax rate (+\$0.08), while stripping out the reserve release (-\$0.03) and Mortgage Servicing Rights hedging gains (-\$0.03). JPM increased its prior full-year guidance due to higher expected net interest income (\$88.5 billion versus prior \$87.0 billion), lower core operating expenses (\$84.0 billion versus prior \$84.5 billion), and lower credit card net charge-off net charge-off rate (250 basis points versus prior 260 basis points). However, the new cost guidance implies the fourth quarter of 2023 core operating expenses of \$22.6 billion (5% above the current consensus).

LIFE SCIENCES

 **GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND¹**

BeiGene, Ltd. (BeiGene)– announced that the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency issued a positive opinion recommending approval of BRUKINSA (zanubrutinib), a Bruton’s tyrosine kinase inhibitor (BTKi), in combination with obinutuzumab for the treatment of adult patients with relapsed or refractory (R/R) follicular lymphoma (FL) who have received at least two prior lines of systemic therapy. The CHMP recommendation is based on positive results from the ROSEWOOD study and supported by the BGB-3111-GA101-001 study. The pivotal ROSEWOOD study is an ongoing global Phase 2 study of BRUKINSA plus obinutuzumab compared with obinutuzumab alone in 217 patients with R/R FL who received at least two prior lines of systemic therapy. In the randomized, open-label study, the overall response rate was 69.0% in the BRUKINSA plus obinutuzumab arm versus 45.8% in the obinutuzumab arm (p = 0.0012), with a median follow-up of approximately 20 months. BRUKINSA plus obinutuzumab was generally well-tolerated, with safety results consistent with previous studies of both medicines. BGB-3111-GA101-001 is a Phase 1b study designed to assess the safety, tolerability and antitumor activity of BRUKINSA with obinutuzumab in participants with B-cell lymphoid malignancies. Following the CHMP positive opinion, the European Commission will consider BeiGene’s Marketing Application, with a final decision expected within 67 days. The decision will be applicable to all 27 member states of the European Union (EU), plus Iceland and Norway. BRUKINSA is currently approved in the EU as monotherapy for the treatment of adult patients with chronic lymphocytic leukemia and as monotherapy for the treatment of adult patients with marginal zone lymphoma who have received at least one prior anti-CD20-based therapy. It is also approved in the EU for the treatment of adult patients with Waldenström’s macroglobulinemia who have received at least one prior therapy or for the first-line treatment of patients unsuitable for chemo-immunotherapy.

BridgeBio Pharma, Inc. (BridgeBio) – announced that the proof-of-concept Phase 2b data evaluating the effects of orally-administered encalaret on mineral homeostasis in patients with Alcohol dehydrogenase (ADH1) were published in the New England Journal of Medicine in partnership with the National Institutes of Health. As part of the Phase 2b study, participants completed one or two 5-day inpatient dose-ranging periods, followed by a 24-week outpatient period. Encalaret was administered twice daily with doses adjusted to achieve normal albumin-corrected blood calcium levels and participants stopped taking calcium and vitamin D supplements, the standard of care for ADH1. The results showed that Encalaret corrected hypocalcemia and reduced hypercalciuria within a few days of treatment initiation with sustained effect during the 24-week outpatient period. As expected with elevated Parathyroid hormone levels, levels of bone turnover markers increased during the outpatient period, with levels in nine of 13 participants remaining normal. Long-term study will continue to assess skeletal effects. Kidney function and preexisting renal calcifications did not worsen and will continue to be monitored in longer-term studies. No serious adverse events were reported with encalaret. Treatment-related adverse events were limited to infrequent mild, transient, asymptomatic hypophosphatemia, or hypercalcemia that resolved either spontaneously or with dose adjustment.

BridgeBio announced a strategic collaboration with Resilience Biotechnologies Inc. (Resilience) manufacture and advance BBP-812, an investigational adeno-associated virus (AAV) 9 gene therapy for Canavan disease, and BBP-631, an investigational AAV 5 gene therapy for congenital adrenal hyperplasia. The two companies have developed a novel manufacturing and aligned incentive business model to drive these gene therapies forward with an emphasis on sustainability and capital-efficiency. Under the terms of the collaboration, BridgeBio will transfer its manufacturing process for its lead AAV-based gene therapy candidates to Resilience's network of gene therapy sites. As part of an innovative cost and risk-sharing framework, Resilience will provide in-kind manufacturing services and will receive future development and approval milestones and low-to-mid single digit royalties on BBP-631 and BBP-812. Resilience will support the ongoing clinical development manufacturing needs and will serve as the primary commercial manufacturer for both programs if successful. Beyond BBP-812 and BBP-631, Resilience will also be the primary manufacturer for future clinical projects across BridgeBio's gene therapy portfolio. The agreement will reduce manufacturing uncertainty for these programs and is expected to help BridgeBio expedite development of gene therapies going forward.

BridgeBio shared new long-term data from its Phase 2 trial in patients with limb-girdle muscular dystrophy type 2I/R9 (LGMD2I/R9) at the Annual Congress of World Muscle Society (WMS). The new long-term data remains consistent with earlier data from the Phase 2 study showing a well-tolerated safety profile and encouraging preliminary efficacy. BridgeBio recently announced the first patient dosed in FORTIFY, its Phase 3 registrational study in patients with LGMD2I/R9 and is continuing to enroll throughout the U.S. with clinical trial sites planned for Europe and Australia. The Phase 3 FORTIFY registrational study is a randomized, double-blind, placebo-controlled study evaluating the safety and efficacy of BBP-418. FORTIFY has a planned interim analysis at 12 months focused on assessing glycosylated DG as a surrogate endpoint to potentially support an accelerated approval. The North Star Assessment for Dysferlinopathy and secondary endpoints will be evaluated at 36 months, and results are expected to provide confirmatory clinical data.

Clarity Pharmaceuticals Ltd (Clarity) – announced the dosing of the first patient in its theranostic 64Cu/67 Cu-Sarcophagine (Cu SAR)-Bombesin Phase I/II trial in metastatic castrate resistant prostate cancer (mCRPC). No issues were observed during the administration of 6GBq of 67Cu SAR-Bombesin and the participant continues to be followed for further safety and efficacy assessments as per protocol. COMBAT, which derives from “Copper-67 SAR Bombesin in metastatic castrate resistant prostate cancer” is a dose escalation and cohort expansion trial for up to 38 participants. 64Cu SAR-Bombesin is used to visualise gastrin-releasing peptide receptor (GRPr)-expressing lesions and select candidates for subsequent 67Cu SAR-Bombesin therapy. The aim for the trial is to determine the safety and efficacy of 67Cu SAR-Bombesin in participants with GRPr expressing mCRPC who are ineligible for therapy with 177Lu PSMA-617. These patients are unlikely to benefit from prostate-specific membrane antigen (PSMA)-targeted agents and represent a significant unmet need for both imaging and therapy. Doses of up to 14GBq of 67Cu SAR-Bombesin, in up to four cycles, are planned to be investigated in this trial (pending safety reviews).

POINT Biopharma Corp. (POINT) – Eli Lilly and Company (Lilly) and POINT announced a definitive agreement for Lilly to acquire POINT, a radiopharmaceutical company with a pipeline of clinical and preclinical-stage radioligand therapies in development for the treatment of cancer. Radioligand therapy can enable the precise targeting of cancer by linking a radioisotope to a targeting molecule that delivers radiation directly to cancer cells, enabling significant anti-tumor efficacy while limiting the impact to healthy tissue. Lilly will commence a tender offer to acquire all outstanding shares of POINT for a purchase price of US\$12.50 per share in cash (an aggregate of approximately \$1.4 billion) payable at closing. The transaction has been approved by the board of directors of both companies. The transaction is not subject to any financing condition and is expected to close near the end of 2023, subject to customary closing conditions, including the tender of a majority of the outstanding shares of POINT's common stock, and license transfer approval from the U.S. Nuclear Regulatory Commission. Following the successful closing of the tender offer, Lilly will acquire any shares of POINT that are not tendered in the tender offer through a second-step merger at the same consideration as paid in the tender offer. The purchase price payable at closing represents a premium of approximately 87% to POINT's closing stock price on October 2, 2023, the last trading day before the announcement of the transaction, and 68% to the 30-day volume-weighted average price. POINT's board of directors unanimously recommends that POINT's stockholders tender their shares in the tender offer.

Relay Therapeutics Inc. – announced initial clinical data for RLY-4008 (lirafugratinib) in patients with Fibroblast growth factor receptor 2 (FGFR2)-altered solid tumors. The data demonstrate activity across several sub-groups, including patients with FGFR2-fusion tumors and patients with FGFR2-altered Hormone receptor (HR)+/HER2- breast cancer. Lirafugratinib is currently being evaluated in the two-part global Phase 1/2 ReFocus trial in patients with FGFR2-altered tumours. The first part of the study (dose escalation) is complete, and the second part of the study (dose expansion) is ongoing at the 70 milligram (mg) quad dose recommended Phase 2 dose. There were 11 tumour types represented amongst enrolled patients with FGFR2 fusions, including pancreatic (n=6), ovarian (n=3), gastric (n=3), non-small-cell lung (NSCLC, n=2), and breast (n=2). In addition, there were compelling Response Rates with Multiple Long-Term Responses in Heavily Pre-Treated Patients with HR+/HER2- Breast Cancer. The study enrolled



14 patients with breast cancer across all FGFR2 alterations, 10 of whom had HR+/HER2- breast cancer. Four of the 10 HR+/HER2- patients achieved PRs (40% objective response rate) three of the four responders remain on treatment, with the longest duration of response 72 weeks and ongoing as of the data cut-off date all responders had a duration of response of at least 6 months.

Schrödinger, Inc. (Schrödinger) – announced an exclusive four-year research collaboration with Copernic Catalysts Inc. (Copernic) to help accelerate the discovery and development of sustainable catalysts for applications in e-fuels and bulk chemicals. The collaboration enables Copernic to leverage Schrödinger’s technology platform, in conjunction with Copernic’s expertise in catalyst design and scale up, to enhance the discovery of novel materials. Better catalysts would lead to faster, more energy-efficient chemical reactions, advancing the decarbonization of the energy and chemical industries.



NUCLEAR ENERGY

Ares Acquisition Corporation – has announced that the U.S. Securities and Exchange Commission has approved the Registration Statement on Form S-4 related to its proposed business combination with X-Energy Reactor Company, LLC (X-energy). An Extraordinary General Meeting of shareholders has been scheduled for October 31, 2023, at 4:00 p.m. Eastern Time. Assuming the conditions for the Business Combination’s closing are met, including shareholder approval, the post-combination company plans to list its securities on the New York Stock Exchange under the proposed symbols “XE” and “XEW.” J. Clay Sell, X-energy’s CEO, affirms the company’s commitment to delivering cost-effective, zero-carbon energy as they prepare to go public.

Centrus Energy Corp. – joined the Net Zero Nuclear initiative as a Gold Partner, seeking to triple global nuclear capacity by 2050 to achieve carbon neutrality. The Net Zero Nuclear Initiative was initially launched by the World Nuclear Association and the Emirates Nuclear Energy Corporation, supported by the International Atomic Energy Agency’s Atoms4NetZero initiative. The UK Department for Energy Security and Net Zero and GE Hitachi Nuclear Energy have already joined as government and corporate partners, respectively. The initiative aims to facilitate discussions and cooperation between political leaders and industry experts to accelerate the growth of the global nuclear sector and advance research in emerging nuclear technologies, in preparation for twenty-eighth session of the Conference of the Parties hosted by the United Arab Emirates. Ultimately, the initiative strives to promote the value of nuclear energy and remove barriers to its expansion for the decarbonization of global energy systems.

Constellation Energy Corporation (Constellation) – has been selected as a major participant in the Midwest Alliance for Clean Hydrogen (MachH2) hydrogen hub, which has received a substantial grant of up to US\$1 billion from the Department of Energy as part of the bipartisan Infrastructure Investment and Jobs Act. In line with this development, Constellation intends to allocate a portion of the hub’s funding to establish the world’s most extensive nuclear-powered clean hydrogen production facility at its LaSalle Clean Energy Center situated in Illinois. This pioneering project is anticipated to yield approximately 33,450 tons of clean hydrogen annually and, moreover, foster the creation

of numerous high-quality employment opportunities. Constellation estimates the project’s cost at approximately US\$900 million, with the MachH2 grant partially offsetting these expenses. The significant grant will empower the hub to attract billions of dollars in investments, facilitate the reduction of emissions in heavy industries, generate an estimated 13,600 direct jobs, and fortify the U.S.’ leadership position in the realm of clean energy.

NuScale Power Corporation (NuScale) – the only technology provider and producer of small modular reactors (SMRs) that has obtained U.S. regulatory approval, has been chosen as the developer of two SMR-powered facilities for Standard Power, a service provider for advanced data processing companies. The facilities, which will produce approximately 2 gigawatts (GW) of clean energy at sites in Ohio and Pennsylvania, aim to power nearby data centers using carbon-free energy from NuScale’s approved SMR Technology. The collaboration addresses the need for sustainable baseload energy generation, particularly as demand grows for AI computing and data centers. Utilizing NuScale’s certified SMR technology, SMR power plants provide an exceptional level of flexibility for utilities, industries, and governments seeking to reduce carbon emissions while retaining efficient baseload power. The collaboration between the companies allows for the delivery of reliable 24/7 energy services while contributing to carbon reduction goals.

Plug Power Inc. (Plug Power) – a global supplier of fuel cell and electrolyzers, has placed an order worth Swedish Krona 22.0 million to Cell Impact AB (publ) (Cell Impact), a fuel cell and electrolyzer manufacturer, for the production of flow plates and associated products, with delivery scheduled for the first half of 2024. Brandon Snyder, Senior Vice President Supply Chain at Plug Power, expressed appreciation for the strong collaboration between Plug Power and Cell Impact as the companies expand Plug Power’s fuel cell business. Snyder further states that Plug Power is looking forward to continuing the cooperation through the company’s dual sourcing structure involving the Rochester Innovation Center and Cell Impact.



ECONOMIC CONDITIONS

The International Monetary Fund (IMF) released its World Economic Outlook and although the tone was not negative, it was still quite cautious in our view. It now looks for global growth to slow to 3.0% in 2023, down from 3.5% in 2022 but that is an upgrade from April’s estimate of 2.8%. However, growth will ease further to 2.9% in 2024, a step down from the prior estimate of 3.0%. At its last official update in April, the IMF warned of an uncertain outlook given financial sector turmoil (this was a few weeks after the U.S. regional banking crisis broke out), high inflation, the war in Ukraine, and three years of COVID -19. In fact, the risks were “heavily skewed to the downside”, and that “the chances of a hard landing had risen sharply”. However, now, in Chapter 1 (“Global Prospects and Policies”), it still calls for downside risks to the outlook, but that it is “more balanced than earlier this year, on account of Swiss and U.S. authorities’ having acted decisively to contain financial turbulence.” But be wary as there is “little margin for policy errors”. Despite these risks, the IMF urges central banks to keep doing what they’re doing to rein in inflation, and for governments to watch fiscal spending “to tackle soaring debts”. Of course, this does not reflect the here and now... the new war in Israel.

Canadian employment registered a 64,000 increase in September, above consensus expectations for a 20,000 increase. Meanwhile, the participation rate increased by a tick to 65.6%. As a result, the unemployment rate remained unchanged at 5.5% for the third consecutive month. The increase in employment stemmed from both part-time jobs (+48,000) and full-time positions (+16,000). Employment in the private sector was essentially steady in the month (+1,000), while it increased in the public (+37,000) and self-employed (+26,000K) sectors. September's job increase came exclusively from the services sector (+74,000) while employment in the goods sector was down (-11,000). On the goods side, the decrease stemmed from the construction (-18,000) and utilities (-2,000) industries, which registered declines that could not be offset by a gain in manufacturing (+9,000) and essentially steady headcounts in agriculture (-300) and forestry/fishing/mining (+300). On the services side, notable increases were registered in education (+66,000), transportation/warehousing (+19,000), accommodation/food services (+11,000) and professional services (+8,000). Meanwhile, there were declines in the finance/insurance (-20,000), information/culture (-12,000) and trade (-11,000) sectors. Regionally, there were job gains in Québec (+39,000), British Columbia (+26,000) and Ontario (+20,000). Meanwhile, employment in Alberta (-38,000) was down. Wage inflation was 5.3% on a year-over-year basis in September (up from 5.2% in August).

U.S., nonfarm payrolls rose 336,000 in September, blowing past consensus expectations calling for a +170,000 print. This positive surprise was compounded by a 119,000 cumulative revision to the previous months' data. Employment in the goods sector advanced 29,000 on gains in both manufacturing (+17,000) and construction (+11,000). Payrolls in the mining/logging segment (+1,000K) also rose, but to a lesser extent. Jobs in service-producing industries, for their part, expanded 234,000 with notable increases for health/social assistance (+66,000), leisure/hospitality (+96,000), professional/business services (+21,000) and retail (+20,000). Alternatively, 12,000 jobs were lost in the information category (-12,000). The temporary help services category (-4,000), meanwhile, saw payrolls decrease for the eighth month in a row. In all, 263,000 jobs were created in the private sector (the most in 8 months), compared with 73,000 in the public sector, the latter split between local/state (+67,000) and federal (+6,000) administrations. Average hourly earnings rose 4.2% in September, down from 4.3% in August and two ticks below consensus expectations. Month on month, earnings progressed 0.2% for the second month in a row. Released at the same time, the household survey painted a less upbeat picture of the situation prevailing in the labour market, with a reported 86,000 gain in employment. This increase, combined with a small increase in the size of the labour force (+80,000) and an unchanged participation rate (+62.8%), left the unemployment rate unchanged at 3.8%. Full-time employment retraced 22,000, while the ranks of part timers swelled 151,000.

China's September consumer price index (CPI) inflation was flat, relative to consensus for a higher print (consensus: 0.2%). A high base last year and slower food inflation resulted in the downside surprise in CPI inflation but the core (ex-food and energy) and services inflation held steady at 0.8% year over year and 1.3% year over year respectively, unchanged from August which doesn't suggest further weakness in underlying price pressures in our view. As for producer price index, the decline narrowed to -2.5% (consensus: -2.4%, August 2.9%), tracking the surge in crude prices. A 0% CPI inflation rate would likely revive speculation of deflation returning but we think authorities are taking

active steps to prevent that by stoking a recovery in domestic demand through the rumored upcoming fiscal budget and further monetary easing.

China's September exports fared slightly better-than-expected, albeit still in negative territory at -6.2% year over year (consensus: -8%, August: -8.8%). Exports growth was boosted by higher annual exports in Leveraged Commentary Data panels and medical instruments while the upside surprise supports a brighter manufacturing outlook after the expansionary Sep manufacturing Purchasing Managers' Index reading. Imports also contracted at a slower pace at -6.2% year over year (consensus: -6.3%, Aug: -7.3%), driven by higher month over month capital goods and technology imports. Commodity imports (volume terms) such as coal, crude, copper and oil, however, fell over the month and adds doubts on the return of construction and factory activity ahead after the summer lull.

UK Gross Domestic Product (GDP) expanded 0.2% month over month in August, in line with the consensus, on the back of a 0.4% month over month increase in services production (market: 0.3%) and a 0.8% month over month decline in manufacturing (market: -0.3%). In terms of the details, as expected, both education and health services contributed to this month's rebound, following July's 0.6% month over month decline, but the drivers were pretty broad-based on the services side, with the biggest contribution coming from a 1.2% month over month gain in professional, scientific, and technical activities. Similarly, the decline in the manufacturing sector was also broad-based. Overall, this data puts GDP on track for flat quarter-on-quarter growth in the third quarter—far below the Monetary Policy Committee's forecast of 0.4%.

Norwegian inflation data for September came in much softer than expected, with the headline rate falling all the way to 3.3% year over year (market: 4.0%, Norges Bank: 4.2%)—a 19-month low—and core declining to 5.7% year over year (market & Norges Bank: 6.1%)—a 12-month low. Driving the downside surprise was in part a sharp 1.2% month over month decline in food prices, but it also appears that the drop in electricity prices was even larger than expected and reinforces our view that Norges Bank will not end up hiking anymore in this tightening cycle, despite signaling one more 25 basis points hike at its last policy meeting.



FINANCIAL CONDITIONS

Venture Capital returns hit 10-year nadir. After about half a decade of registering double-digit percentage returns in nearly every quarter, venture capital's performance has reversed dramatically.

US-based venture capital funds' internal rate of return fell to -16.8% in the fourth quarter 2022, according to PitchBook's latest Quantitative Perspectives report. That's the worst quarterly return the asset class posted in 10 years, and some investors think that it will likely be the worst performance for a while.

The Reserve Bank of Australia (RBA) left the cash rate unchanged at 4.1% (consensus term deposit: 4.1%), almost universally expected. While Bullock had the chance to make changes to the Statement at her first Board meeting as Governor, she clearly chose not to rock the boat and made mostly editorial changes. The key additions to the Statement were mostly factual, reflecting the rise in fuel prices and the slightly better growth numbers from second quarter GDP. Market reaction

was largely muted post-decision which probably reflects investors' expectations that the RBA Board wouldn't rock the boat before the release of third quarter CPI on 25 October. The Statement reiterates the possibility that 'some further tightening of policy may be required' but based on recent outcomes the Bank believes "the recent data are consistent with inflation returning to the 2-3 per cent target range over the forecast period and with output and employment continuing to grow". China risks are unlikely to force the RBA to hike this year, leaving an outsized CPI print later this month or in November as the only real catalyst for the Bank to act by year-end in our view. We expect the RBA to keep the target cash rate at current levels until at least mid next year.

The U.S. 2 year/10 year treasury spread is now -0.38% and the UK's 2 year/10 year treasury spread is -0.42%. 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 7.63%. 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 17.59 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

And Finally: **"Education is what remains after one has forgotten what one has learned in school."** - Albert Einstein

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1. Not all of the funds shown are necessarily invested in the companies listed

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