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NEWS HIGHLIGHTS

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

NOVEMBER 13, 2023

OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND[1]

PORTLAND 15 OF 15 ALTERNATIVE FUND[1] COMPANY NEWS

D.R. Horton, Inc. (D.R. Horton) – reported net income of US$4.45 per diluted share for its fourth fiscal quarter ended September 30, 2023, compared to $4.67 per diluted share in the same quarter of fiscal 2022. Net income in the fourth quarter of fiscal 2023 was $1.5 billion compared to $1.6 billion in the same quarter of fiscal 2022. For the fiscal year ended September 30, 2023, net income per common share decreased 16% to $13.82 per diluted share compared to $16.51 per diluted share in fiscal 2022. Net income attributable to D.R. Horton in fiscal 2023 decreased 19% to $4.7 billion compared to $5.9 billion in fiscal 2022. Donald R. Horton, Chairman of the Board, said, "The D.R. Horton team finished the year strong, highlighted by fourth quarter consolidated pre-tax income of $2.0 billion on a 9% increase in revenues and a pre-tax profit margin of 19.2%. For the year, our consolidated pre-tax income was $6.3 billion on a 6% increase in revenues and a pre-tax profit margin of 17.8%. With a record 89,092 homes closed by our homebuilding and single-family rental operations in fiscal 2023, D.R. Horton completed its 22nd consecutive year as the largest homebuilder in the United States. These results reflect the strength of our experienced operators, industry-leading market share and broad geographic footprint." "Despite continued higher mortgage rates and inflationary pressures, our net sales orders increased 39% from the prior year quarter, as the supply of both new and existing homes at affordable price points remains limited and demographics supporting housing demand remain favorable. We are well-positioned to meet changing market conditions with our affordable product offerings and flexible lot supply and are focused on turning our inventory to maximize returns and capital efficiency in each of our communities. Our cash flow from operations in fiscal 2023 was $4.3 billion, and our consolidated leverage at the end of the year was 18.3%, the lowest in Company history. Our strong balance sheet, liquidity and low leverage provide us with significant financial flexibility, and we plan to maintain our disciplined approach to investing capital to enhance the long-term value of our company, including returning capital to our shareholders through both dividends and share repurchases on a consistent basis."

Nomad Foods Limited (Nomad) – reported financial results for the three and nine month periods ended September 30, 2023. Key operating highlights and financial performance for the third quarter 2023, when compared to the third quarter 2022, include: Revenue increased 0.5% to €764 million. Organic revenue growth of 1.6% was comprised of a 11.2% decline in volume/mix offset by a 12.8% increase in price. Gross profit decreased 2.0% to €217 million. The gross margin declined 70 basis points to 28.4%, due to an unfavorable comparison in the timing of pricing delivery in the prior year. Adjusted operating expenses increased 10.7% to €100 million due to increased advertising & promotional investment in the business. Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) decreased 8.8% to €140 million due to the aforementioned factors. Adjusted Profit for the period decreased 18.7% to €73 million due to the impact of the refinancing performed in November 2022, resulting in higher cash interest payments on a portion of debt. Adjusted earnings per share (EPS) decreased 17.3% to €0.43, reflecting the decrease in Adjusted Profit after tax due to higher interest charges. Reported EPS decreased 2.1% to €0.46. Stéfan Descheemaeker, Nomad Foods' Chief Executive Officer, stated, "In the third quarter, we maintained our organic sales momentum from the first half of the year. Additionally, during September we kicked off our stepped-up A&P investment plan with a new and dynamic media campaign augmented by a comprehensive in-store promotional program, positioning us for a return to sustainable, long-term volume and market share growth. As a result of our third quarter operational performance, share repurchase, and our positive expectations for the end of 2023, we are again raising our Adjusted EPS guidance range to €1.57 to €1.60 from our previous range of €1.54 to €1.57. We maintain our guidance for Adjusted Free Cash Flow conversion in the range of 90% to 95%, and we are on course to generate approximately €250 million of Adjusted Free Cash Flow for the year."

Brookfield Asset Management Ltd. (Brookfield) – announced the opening of its new Frankfurt office. The new office reinforces Brookfield's long-term conviction in Germany and enables it to be closer to its investors, portfolio companies and investment opportunities across the German-speaking region. Brookfield has been actively investing in Germany since 2013, and today has over €25 billion of assets across sectors critical to the German economy. Its portfolio spans digital and residential decarbonization infrastructure, student housing, logistics and renewable power, in addition to investments in iconic real estate like the newly redeveloped Potsdamer Platz in the heart of Berlin. Through its operations, Brookfield employs over 4,000 people in Germany. Connor Teskey, President, Brookfield, said, "The launch of our new Frankfurt office is an exciting milestone in our continued growth in Europe. We have been investing in Germany for over a decade and have built a portfolio of high-quality assets and businesses and see significant opportunities for further investment." Sikander Rashid, Head of Europe and Head of European Infrastructure, said, "Germany is home to some of the world's foremost industrial companies and ranks among the most influential economies globally. We are excited to partner with businesses seeking to reduce carbon emissions, localize supply chains and build out the critical infrastructure that underpins an increasingly digital economy." Brookfield's investments in Germany over the last two years total over €10 billion of equity and include a partnership with Deutsche Telekom AG on the €10.7 billion GD Towers transaction, the acquisition of Sunovis GmbH, a German solar developer, and an investment in alstria real estate investment trusts. Brookfield has been investing in Europe since 2003, and today manages approximately €160 billion of assets across the region. With offices in London, Madrid and now Frankfurt, Brookfield is active across all its major strategies in Europe.

Brookfield Corporation – announced strong financial results for the quarter ended September 30, 2023. Distributable earnings (DE) before realizations increased by 11% per share over the last twelve months (LTM), after adjusting for the special distribution of 25% of asset management business in December last year. Net income in the third quarter was CA$35 million. DE before realizations were $1.1 billion for the quarter and $4.2 billion over the LTM. Nick Goodman, President of Brookfield Corporation, stated, "We delivered strong financial results in the third quarter, bolstered by the growing cash flows and robust earnings of our underlying businesses. We are well positioned for the balance of the year and heading into 2024, supported by strong momentum in fundraising, anticipated acquisitions in our insurance solutions business, the resilience of our market-leading operating businesses and our differentiated capital base. As always, our focus remains on creating long-term wealth for all stakeholders." Within the asset management business, fee-related earnings increased by 13%, when excluding performance fees, compared to the prior year, due to successful fundraising efforts and capital deployment. The insurance solutions business continues to deliver earnings growth driven by strong investment performance on growing insurance asset base. The operating businesses generated stable and predictable streams of cash flows, supported by the underlying earnings across the renewable power & transition, infrastructure, and private equity businesses and growth in same-store net operating income in real estate business. During the quarter and over the last twelve months, earnings from realizations were $94 million and $836 million, respectively, with total DE for the quarter and the last twelve months of $1.2 billion and $5.0 billion, respectively.

Australian pension fund AustralianSuper said it had rejected an "eleventh hour" offer from a Brookfield-led consortium and its partner EIG Global Energy Partners (EIG) to drop its opposition to their US$10.5 billion bid for Origin Energy and join the takeover. Australia's largest pension fund reaffirmed its intention to reject the bid at the shareholder meeting in November 2023, hours after receiving the consortium's "unsolicited" offer, the fund said in a statement. "AustralianSuper's position is unchanged on the upcoming vote, as we believe the offer remains substantially below our estimate of Origin Energy's long-term value," a spokesperson said. AustralianSuper said it was Origin Energy's largest shareholder but did not specify the size of its stake as it has done in previous releases. The Australian Financial Review reported the fund had raised its stake to 16.5% from 15%. The moves come just under two weeks since the AU$300 billion fund turned down an improved "best and final" AU$9.53 per share bid from the group and threatens to scupper the buyout of Australia's largest energy retailer. While AustralianSuper's stake is below the quarter threshold required to block a bid, generally low turnout from the retail shareholders, who make up about a third of the listing gives the fund's stake extra weight. Brookfield argues its bid, which comes with the commitment of AU$20 to AU$30 billion worth of investment, will decarbonize Origin Energy faster than if the company remains in public hands. "We're offering a clear pathway to a faster reduction of the company's emissions and an acceleration of Australia's net zero targets," Luke Edwards, Brookfield Corporation Managing Director of Renewable Power & Transition said in a statement.

Reliance Industries Limited (Reliance) – is seeking to raise as much as 200 billion rupees (US$2.4 billion) via rupee-denominated bonds, according to filings seen by Bloomberg. The base size of the sale is 100 billion rupees with an option to retain subscriptions worth another 100 billion rupees. The 10-year bonds will be auctioned on Thursday and are rated AAA with a stable outlook by rating companies Crisil and CareEdge. The transaction, once concluded, would be the biggest rupee sale ever for Reliance. It would also be its first domestic bond since 2020, according to the statistics. The filings confirm a Bloomberg News report last week that the company was planning to sell local-currency bonds.

Samsung Electronics Co., Ltd. (Samsung) – is testing a generative AI model named "Gauss" after a 19th century German mathematician, joining the growing ranks of companies hoping to create rivals to ChatGPT. The world's largest smartphone maker has begun internal testing of a bot that can help staff in the mobile and consumer electronics divisions compose emails, summarize documents and translate content, executives told attendees to a company conference Wednesday. Samsung joins companies from the U.S. to China in trying to stake a claim on a buzzy market since the advent of ChatGPT. Other artificial intelligence (AI) tools it's developing include a coding assistant and a platform that can create visuals from simple keywords. Samsung aims to weave its AI services into a variety of products in the near future. Samsung may also be responding in part to mounting concerns around the pervasiveness of the technology. Earlier this year, it banned employee use of generative AI after discovering staff had uploaded sensitive code to the platform.

Altice USA, Inc. (Altice) - is preparing to receive initial bids for its Portuguese business and a stake in its French unit, people with knowledge of the matter said. Altice has sent out information on the businesses to potential bidders and asked for first-round offers as soon as next month, noted the people.. The Portuguese unit, which runs the MEO carrier, is being studied by potential private equity suitors including Apax Partners LLP, Apollo Global Management Inc., CVC Capital Partners and Warburg Pincus LLC, explained the people, who asked not to be identified because the process is private. Some suitors have pegged the value of the Portuguese business at about €7 billion including debt, though Altice is seeking a higher valuation, noted the people.. Altice is also soliciting interest in its Dominican Republic unit as well as its online advertising arm Teads, the explained the people.. There's no certainty the suitors will proceed with formal proposals, and details of the potential divestments could change. A sale of Altice Portugal was previously considered in 2021. Drahi told investors in September that he was open to selling virtually all of his assets for the right price, as rising interest rates weigh on his US$60 billion debt pile. He added that he would prefer to sell stakes in Altice's European carriers to private equity investors rather than industrial or strategic partners. Altice bond prices now are higher than they were when the scandal broke in mid-July.

Amazon.com, Inc. (Amazon) - Claire Peters, head of Amazon Fresh, says that the company is not making a pullback in its expansion across the brick-and-mortar grocery stores. Ms. Peters was in Los Angeles last week for the grand reopening of three Amazon Fresh stores, a brand the company launched during the pandemic to target a larger mass-market audience. As part of the revamp, Amazon expanded its selection by 3,000 new products after hearing feedback from customers. Ms. Peters acknowledged that Amazon has "more work to do" to win over customers, but that it is focused on making the grocery shopping experience more enjoyable and delightful for people. Also part of the broader grocery strategy changes are new executive appointments, including that of Dilip Kumar who now oversees retail technology within Amazon Web Services, and Stephanie Landy, a former Vice President of grocery now moving into sustainability operations.

Meta Platforms Inc. (Meta) - is working with Amazon to allow customers to link their Facebook and Instagram accounts to their Amazon account to then shop through Meta's social apps. "For the first time, customers will be able to shop Amazon's Facebook and Instagram ads and check out with Amazon without leaving the social media apps," Callie Jernigan, an Amazon spokesperson, stated. "Customers in the U.S. will see real-time pricing, Prime eligibility, delivery estimates, and product details on select Amazon product ads in Facebook and Instagram as part of the new experience," she explained. Amazon shared that the new feature will be available for select products advertised on Facebook or Instagram and sold by Amazon or independent sellers on Amazon's storefront. TechCrunch notes that, in the process, Meta would gain better targeting and optimization by using information by Amazon and stores that offer Buy with Prime to show consumer ads, which could lead to higher conversion rates. Plus, the shared data of this partnership also circumvents challenges with Apple Inc's AT&T Inc.

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]
GO TO PORTLAND GLOBAL ARISTOCRATS PLUS FUND[1]
GO TO PORTLAND GLOBAL BALANCED FUND[1]

Coloplast reported Fourth quarter (Q4) sales of Danish krone (DKK) 6,226 million (2% below company-compiled consensus) with an organic growth rate of 8% (versus (vs.). consensus at 8.3%). Voice and Respiratory Care and Ostomy Care delivered 13% and 9% organic growth, ahead of consensus expectations, whereas the remaining segments came in below. The Ostomy care business in China posted double-digit growth with easy comparables, as previously guided. This was also the first quarter with Kerecis in the books, with a one month sales contribution of DKK 75 million above the DKK 63 million estimate. Its adjusted earnings before interest, taxes, amortization contribution margin of 12% was above the 10% estimate. Earnings before interest and taxes (EBIT) before special items was DKK 1,714 million (7% below consensus), which implies an adjusted EBIT margin of 27.5% (consensus at 28.9%). The margin commentary goes "negatively impacted by the inflationary headwinds on production costs and the increase in operating expenses, mainly distribution costs" as well as a 60 basis point (bp) negative impact from foreign exchange (FX). Despite a lower tax rate than expected, net income came in 8% below consensus at DKK 1,229 million. FX was -6% for the top line compared with -4.3% by consensus. Coloplast issued a Fiscal Year 2023/24 outlook for the first time. Organic sales growth of ~8% and compared with company compiled consensus of 8.3% and the underlying market expected to grow 4-5%. Reported growth in DKK is expected to be ~12% and compares with consensus of 11.9%, including a ~4 percentage points tailwind from 11 months of sales impact from Kerecis. The company highlighted that macroeconomic trends and anti-corruption initiatives in China brings higher degree of uncertainty to the guidance. Reported EBIT margin before special items of 27-28% and compared with company compiled consensus of 28.4%. Coloplast also announced that it will invest DKK 100 million in a new manufacturing site in Portugal to diversify its manufacturing footprint given its high concentration in Hungary - the site is expected to be operational as of 2026.

Great-West LifeCo Inc. (GWO) reported third quarter 2023 (Q3/23) base earnings per share (EPS) of CA$1.02 vs. consensus at $0.98. Outperformance was driven mainly by the Canadian segment, where GWO reported positive morbidity claims experience in its Group business (after giving cautious guidance with Q2/23 results). Separately, the U.S. segment had another impressive quarter, benefiting from higher rates and expense synergies related to the Prudential Financial Inc. acquisition (with more upside from this source coming in First Quarter 2024 (Q1/24).

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Amgen Inc. (Amgen) – announced results from the global Phase 4 FOREMOST study evaluating Otezla (apremilast) in patients with early oligoarticular psoriatic arthritis. FOREMOST is the first placebo-controlled study designed to specifically assess people with oligoarticular psoriatic arthritis with early disease duration of five or fewer years. The multicenter, randomized, double-blind, placebo-controlled, parallel-group Phase 4 FOREMOST study met the primary endpoint of modified minimal disease activity (MDA-Joints) and key secondary endpoints at week 16. In patients with early psoriatic arthritis disease duration (≤5 years) and ≤4 tender and ≤4 swollen joints affected, Otezla plus standard of care doubled the modified minimal disease activity (MDA-Joints) response compared to placebo plus standard of care. In the study, standard of care was defined as nonsteroidal anti-inflammatory drugs (NSAIDs), oral glucocorticosteroids or ≤1 conventional synthetic disease-modifying antirheumatic drugs. The study randomized 308 patients with a mean disease duration of 9.9 months, of whom 39.9% were using a conventional synthetic disease-modifying antirheumatic drugs (csDMARD). Minimal disease activity (MDA)-Joints was a composite endpoint consisting of tender joint count ≤1 and swollen joint count ≤1 plus achieving 3 of the following: psoriasis Body Surface Area (BSA) ≤3%, patient assessment of pain visual analog scale (VAS) on a 100-mm scale ≤15, Patient Global Assessment (PtGA) of disease activity on a 100-mm scale ≤20, physical function [HAQ-DI] ≤0.5, and enthesitis count ≤1 based on the Leeds Enthesitis Index. (csDMARDs).

Arvinas, Inc. (Arvinas) – released its financial results for the third quarter ended September 30, 2023. The company reported a cash position of US$1,004.0 million, a decrease from $1,210.8 million as of December 31, 2022. The decrease was primarily related to cash used in operations of $253.0 million. Research and development expenses for the quarter were $85.9 million, compared to $77.5 million for the same quarter in 2022. General and administrative expenses were $22.6 million, compared to $20.0 million for the same period in the previous year. Revenues for the quarter were $34.6 million, compared to $33.2 million for the same quarter in 2022. The net loss for the quarter was $64.0 million, compared to $66.2 million for the same quarter in the previous year.

Clarity Pharmaceuticals Limited (Clarity) – announced that 50 patients have now been imaged with 64Cu-SAR-Bombesin in its United States-based diagnostic trial, serious adverse blood reaction and events (SABRE), for participants with Prostate-specific membrane antigen (PSMA)-negative prostate cancer. SABRE, which derives from “Copper-64 SAR-Bombesin in Biochemical Recurrence of prostate cancer” is a Phase II Positron Emission Tomography (PET) imaging trial of participants with PSMA-negative biochemical recurrence of prostate cancer following definitive therapy. It is a multi-center, single arm, non-randomized, open-label trial of 64Cu-labelled SAR-Bombesin. The primary objectives of the trial are to investigate the safety and tolerability of the product as well as its ability to correctly detect recurrence of prostate cancer.

Danaher Corporations (Danaher) – Abcam plc (Abcam) shareholders approved the proposal from Danaher to acquire all outstanding shares of the company for US$24 per share in cash. Danaher agreed to buy Abcam in September in a $5.7 billion all-cash deal, including debt, in a bid to expand its portfolio of products and services.

Guardant Health – The precision oncology company reported a 22% increase in revenue to US$143 million, fueled by a 35% growth in clinical volume and an 11% rise in biopharma sample volume. The firm’s precision oncology revenue saw an uptick of 31%, even with a gross margin decrease from 66% to 60%. This decline was attributed to changes in the product mix. Despite this, Guardant Health managed to make a gross profit of $85.4 million. Operating expenses for the company have also seen a downward trend, falling to $199 million due to efficiency measures and infrastructure leverage. The net loss stood at $86.1 million, equivalent to $0.73 per share, marking a substantial recovery from the loss experienced the previous year. In light of these results, Guardant Health has revised its full-year revenue guidance upwards to between $553 and $556 million. This suggests an anticipated growth rate of 23% to 24% over the previous year. The company’s financial health is further evidenced by its holding of cash and marketable securities worth $1.2 billion. However, it projects a negative free cash flow of $350 million for the year 2023.

Iovance Biotherapeutics, Inc. (Iovance) – reported third quarter and year-to-date 2023 financial results. Iovance had US$427.8 million in cash, cash equivalents, investments and restricted cash on September 30, 2023, compared to $478.3 million on December 31, 2022. The combined net proceeds in the third quarter of 2023 from the Company’s public offering in July 2023 and the at-the market equity financing facility were approximately $203.2 million. The current cash position and anticipated revenue in 2024 from lifileucel and Proleukin is expected to be sufficient to fund current and planned operations into 2025. Net loss for the third quarter ended September 30, 2023, was $113.8 million, or $0.46 per share, compared to a net loss of $99.6 million, or $0.63 per share, for the third quarter ended September 30, 2022. Net loss for the nine months ended September 30, 2023, was $327.7 million, or $1.44 per share, compared to a net loss of $290.6 million, or $1.85 per share, for the same period ended September 30, 2022. Revenue for the third quarter and nine months ended September 30, 2023, was $0.5 million and $0.7 million, respectively, and comprised of product sales following the Proleukin acquisition in May 2023. There was no revenue for the third quarter and nine months ended September 30, 2022. Cost of sales for the third quarter and nine months ended September 30, 2023, was $4.3 million and $6.4 million, respectively, and comprised of cost of inventory associated with sales of Proleukin as well as $4.0 million and $5.9 million, respectively, of non-cash amortization expenses of the acquired intangible asset for developed technology. There was no cost of revenues for the third quarter and nine months ended September 30, 2022. Research and development expenses were $87.5 million for the third quarter ended September 30, 2023, an increase of $15.0 million compared to $72.5 million for the same period ended September 30, 2022. Research and development expenses were $256.6 million for the nine months ended September 30, 2023, an increase of $42.4 million compared to $214.2 million for the same period ended September 30, 2022.

RadNet Inc. (RadNet) – For the third quarter of 2023, RadNet reported Revenue from its Imaging Centers reporting segment of US $399.1 million and Adjusted EBITDA of $60.4 million, which excludes revenue and adjusted EBITDA losses from the AI reporting segment. As compared with last year's third quarter, Revenue increased $49.9 million (or 14.3%) and adjusted EBITDA increased $10.2 million (or 20.3%). Including AI reporting segment, Revenue was $402.0 million in the third quarter of 2023, an increase of 14.8% from $350.0 million in last year's third quarter. Including the Adjusted EBITDA losses of the AI reporting segment, Adjusted EBITDA was $57.9 million in the third quarter of 2023 and $45.8 million in the third quarter of 2022, an increase of 26.5%. For the third quarter of 2023, RadNet reported Net Income of $17.5 million as compared with $668,000 for the third quarter of 2022. Diluted Net Income Per Share for the third quarter of 2023 was $0.25, compared with a Diluted Net Income per share of $0.01 in the third quarter of 2022, based upon a weighted average number of diluted shares outstanding of 68.8 million shares in 2023 and 57.7 million shares in 2022. For the third quarter of 2023, as compared with the prior year's third quarter, **Magnetic Resonance Imaging** (MRI) volume increased 11.7%, computed tomography (CT) volume increased 10.9% and PET/CT volume increased 17.7%. Overall volume, taking into account routine imaging exams, inclusive of x-ray, ultrasound, mammography and other exams, increased 8.6% over the prior year's third quarter. On a same-center basis, including only those centers which were part of RadNet for both the third quarters of 2023 and 2022, MRI volume increased 6.9%, CT volume increased 6.0% and PET/CT volume increased 15.2%. Overall same-center volume, taking into account routine imaging exams, inclusive of x-ray, ultrasound, mammography and other exams, increased 4.2% over the prior year's same quarter.

Telix Pharmaceuticals Limited (Telix) – announces it has signed an exclusive agreement with Denmark-based WIIK Pharma ApS (Wiik Pharma) for the distribution of Telix's investigational prostate cancer imaging agent, Illuccix (TLX591-CDx, Kit for the preparation of 68Ga-PSMA-11 injection) in the Nordic region. Under the terms of the agreement, Wiik Pharma, a specialist supplier and distributor of nuclear medicine products and services will be the exclusive commercial distributor of Illuccix in Denmark, Finland, Norway and Sweden for a period of three years from the national approval date in each country.

Telix and Paris-based Mauna Kea Technologies (Mauna Kea), announced an expansion of the IRiS (Imaging and Robotics in Surgery) Alliance through a strategic €6.0 million (AU$9.6 million) investment to develop new hybrid pharmaceutical-device products through the combination of Telix's cancer-targeting agents with Mauna Kea's Cellvizio surgical endomicroscopy platform. Telix's investment in Mauna Kea will further support the development of advanced imaging techniques for minimally invasive (laparoscopic and robotic) surgery, with a specific focus on urologic oncology. Mauna Kea is a leading medical device company pioneering the development of real-time intraoperative visualization of cancer tissue during surgery. Mauna Kea's Cellvizio confocal laser endomicroscopy in vivo cellular imaging platform has received U.S. Food and Drug Administration (FDA) approval and is CE Marked for a range of applications. Cellvizio's regulatory approval landscape and broad clinical experience make it an ideal platform to explore applications of endomicroscopy combined with radiopharmaceutical and fluorescence imaging techniques to build a comprehensive intra-operative imaging toolbox for urology applications. This strategic investment is synergistic with Telix's current diagnostic radiopharmaceutical portfolio as well as its recent Lightpoint and Dedicaid GmbH acquisitions. When used pre-operatively, Telix's radiopharmaceutical imaging agents such as TLX591-CDx (Illuccix) or TLX250-CDx (Zircaix) potentially enable improved surgical planning to determine the location and extent of disease. Lightpoint's SENSEI, a radio-guided surgical probe works in conjunction with suitable cancer-seeking radiotracer agents to enable the intra-operative detection of cancer during a surgical intervention to help accurately answer the question, "where is the cancer?" In a complementary fashion, Mauna Kea's Cellvizio platform enables highly localized tissue visualization through endomicroscopic fluorescence detection to potentially define and confirm surgical margins in real-time. Reflecting a shared commitment to building a long-term clinical and commercial partnership, Telix will acquire 19.33% of Mauna Kea's ordinary shares in a reserved private placement with a closing date of 17 November 2023.

Telix announced that the first patient has been dosed in the Company's Phase III ProstACT GLOBAL study of its investigational prostate-specific membrane antigen (PSMA) targeting radio-antibody drug conjugate (rADC) therapy, TLX591 (177Lu-rosopatamab tetraxetan). TLX591 is a rADC composed of a high-specificity PSMA-targeting antibody, chelator linker, and cytotoxic lutetium (177Lu) payload. The PSMA-targeted monoclonal antibody approach offers significantly different targeting and pharmacology to anti-PSMA small molecules. ProstACT GLOBAL is the first Phase III trial to evaluate TLX591 in adult patients with PSMA-positive metastatic castrate-resistant prostate cancer administered together with Standard of Care (SoC, androgen receptor inhibition or taxanes) versus SoC alone. Integration with current real-world SoC differentiates ProstACT GLOBAL from other PSMA studies and reflects Telix's continued innovation in prostate cancer care and commitment to patient outcomes. To date, 242 patients have been treated across eight Phase I and II studies of TLX591, including Telix's ProstACT SELECT study, which confirmed the clinical validity of Telix's optimal fractionated dosing and product safety profile. Prior published Phase II (single-arm) study data reported a 42.3 month overall survival and an acceptable safety profile when delivered under a fractionated dosing regimen administered concurrently with docetaxel chemotherapy. Compared to other radioligand therapies, collective long-term follow-up of patients administered with TLX591 has not observed significant acute or delayed nephrotoxicity due to the hepatic clearance of the agent. Preliminary data from the recently completed ProstACT SELECT study demonstrated high on-target PSMA tumour-binding and radiation delivery to bone, nodal, and visceral metastases while minimizing uptake and toxicity concerns in kidney, salivary glands, and lacrimal glands. This differentiated biodistribution is significant when compared to small molecule diagnostic and therapeutic PSMA agents, as uptake may not be strictly limited to cancerous tissue. The SELECT results also confirm the clinical advantage of the short, simple treatment regimen of two doses administered 14 days apart, while demonstrating the longer retention, internalization, and potential therapeutic benefits of the 177Lu-labelled PSMA-antibody targeting approach. ProstACT GLOBAL builds on the previous Phase I and II studies of TLX591, including ProstACT SELECT. It is a multinational, multicenter, prospective, randomized, controlled, open label Phase III study designed to investigate and confirm the patient benefits and risks associated with TLX591 administered together with SoC, compared to SoC alone. ProstACT GLOBAL has an overall target enrolment of ~400 patients, with the first dose successfully administered at GenesisCare's center at the St John of God Hospital Murdoch campus in Australia. The study is expected to expand internationally, subject to regulatory approvals, including in Europe and the U.S. where Telix's investigational new drug application remains on track for filing with the FDA in the fourth quarter of 2023. The planned U.S. arm of the study will also incorporate a run-in to bridge manufacturing data to a new commercial-scale process. An interim analysis is expected after the first 120 patients.

NUCLEAR ENERGY

Bloom Energy Corporation – has reported a total revenue of US$400.3 million for Q3 2023, marking a 37% increase from the same period in 2022. The growth is attributed to significant expansion in Product and Service revenue, which amounted to $352.5 million, a 40.7% increase from Q3 2022. Despite a gross margin decline to (1.3%), the non-GAAP **(Generally accepted accounting principles)**, gross margin improved to 31.6%. Operating loss for Q3 2023 was $103.7 million, a $51.1 million decrease from Q3 2022, while non-GAAP operating profit reached $51.8 million, reflecting an $80.3 million improvement compared to the same period last year.

BWX Technologies Inc. – has been chosen as the nuclear fuel and components manufacturer for the Air Force Research Laboratory's Joint Emergent Technology Supplying On-Orbit Nuclear (JETSON) program. This initiative, led by Lockheed Martin with participation from Space Nuclear Power Corporation and BWXT Advanced Technologies LLC (BWXT), aims to advance high-power nuclear electric power and propulsion technologies and spacecraft design. BWXT will play a key role in manufacturing and testing nuclear fuels and components, as well as providing support for design and system integration. The JETSON program addresses the increasing demand for enhanced spacecraft mobility, space situational awareness, and power generation beyond conventional capabilities.

Cameco Corporation (Cameco) – announced that the acquisition of Westinghouse Electric Company LLC (Westinghouse) in a strategic partnership with Brookfield alongside its publicly listed affiliate Brookfield Renewable Partners and institutional partners completed. Cameco now owns a 49% interest and Brookfield owns the remaining 51% in Westinghouse, one of the world's largest nuclear services businesses. The total enterprise value of US$7.9 billion was adjusted for working capital balances at the close, resulting in a final enterprise value of $8.2 billion. Westinghouse has $3.8 billion in outstanding debt commitments, for which it maintains responsibility after closing and which reduces the equity cost of the acquisition.

Centrus Energy Corp. (Centrus Energy) – has achieved a key milestone by delivering the first batch of high-assay, low-enriched uranium (HALEU) from its American Centrifuge Plant in Piketon, Ohio, to the U.S. Department of Energy (DOE). This marks the completion of the initial phase of a cost-share contract signed in 2022. The plant, the first new US-owned uranium enrichment facility using domestic technology since 1954, began enrichment operations in October. HALEU, enriched to 5-20% uranium-235, is crucial for advanced nuclear fuel in next-gen reactors, and the DOE is actively supporting efforts to ensure its availability and establish a domestic supply chain.

Centrus Energy has reported third-quarter 2023 results, posting a net income of US$8.2 million compared to a net loss of $6.1 million in the same period last year. The earnings per common share were $0.53 (basic) and $0.52 (diluted). Notable achievements include the initiation of HALEU production in October 2023 and the completion of Phase I of its Department of Energy contract in November 2023. In the third quarter of 2023, the company reported a net income of $8.2 million on $51.3 million in revenue, contrasting with a net loss of $6.1 million on $33.2 million in revenue in the third quarter of 2022. The consolidated cash balance stood at $183.3 million as of September 30, 2023.

NuScale Power Corporation (NuScale Power) – has released its third-quarter financial results, indicating both advancements in small modular reactor (SMR) technology commercialization and financial challenges. Despite an increase in revenue from US$3.2 million in the third quarter of 2022 to $7.0 million in the third quarter of 2023, the net loss expanded to $58.3 million, up from $49.6 million in the corresponding period last year. Notably, the company maintains a healthy balance sheet with $196.6 million in cash and equivalents and no debt. NuScale Power Corp has made progress in SMR technology commercialization, securing key regulatory approvals and establishing strategic partnerships.

NuScale Power and Utah Associated Municipal Power Systems (UAMPS) have jointly decided to terminate the Carbon Free Power Project. Despite substantial efforts by both entities to advance the project, it seems improbable that there will be enough subscription to support its deployment. Consequently, UAMPS and NuScale have mutually agreed that discontinuing the project is the most sensible decision for both parties.

Plug Power Inc. (Plug Power) – reported the third quarter of 2023 revenue of US$199 million, acknowledging challenges due to unprecedented supply issues in the North American hydrogen network. The company believes these challenges are temporary and expects full capacity at its Georgia and Tennessee facilities by year-end. Despite delays caused by constrained liquid hydrogen markets, Plug demonstrated leadership in the green hydrogen economy through facility scaling, manufacturing ramp-ups, and new customer acquisitions. The company faced difficulties in managing hydrogen supply issues but achieved a 21% sequential gross margin improvement in the fuel business in the third quarter of 2023. Overall, the company's gross margin was impacted negatively, reporting a GAAP gross loss of (69%), influenced by equipment sales mix, service contract loss accruals, and negative fuel margins. Despite these challenges, there was margin expansion in certain new product platforms.

ECONOMIC CONDITIONS

U.S. rating agency Moody's retained its Aaa rating but downgraded the U.S. credit outlook to negative citing persistently large budget deficits and rising interest costs. It estimates the government will spend about a quarter of revenue on interest payments by 2033 compared with a tenth last year. Moody's is the last of the big three rating agencies to retain triple-A status on U.S. debt following Fitch's downgrade earlier this year and S&P's in 2011.

China's October data came in mixed, with exports surprising to the downside while imports registered a big beat higher. Exports growth retreated to -6.4% year over year (y/y) (consensus: -3.5%, September: -6.2%) despite favorable base effects and suggest that underlying exports activity remain weak which tracks the poor contractionary reading in both the official and Caixin October manufacturing Purchasers Managers Index (PMI). Exports to key regions such as U.S. and Association of Southeast Asian Nations (ASEAN) remain depressed at -8.2% y/y and -15.1% y/y respectively. On the flip side, imports surprisingly rose to +3% y/y, contrary to expectations for a negative print (consensus: -5%, September: -6.3%) and marks the first gain since September 2022. Commodity imports (volume terms) such as crude, copper and steel mill gained which bodes well for factory/construction activity though the sharp drop in the October National Building Specification construction PMI runs counter to this data.

China returned to deflation in October 2023, not seen since July 2023, coming in at -0.2% y/y (consensus:-0.1%, September: 0%). Food prices were the biggest drag on consumer price index at -2.1% y/y, with the sharp fall in pork prices the main culprit (-30% y/y). Core and services inflation eased further to 0.6% y/y (September: 0.8%) and 1.2% y/y (September: 1.3%) respectively. The Producer Price Index also fell for a 13th straight month, at -2.6% y/y (consensus: -2.7%, September: -2.5%) which reflects the weak cost environment domestically. Looking ahead, November is also typically a seasonally weak month for prices which suggests that we could see deflation extending to the next month. In the absence of price gains, we expect the People's Bank of China to cut rates possibly by 10 bps this quarter to ensure real rates remain low to support the economic recovery in the near-term.

UK Real Gross Domestic Product (GDP) grew 0.2% in September but given the 0.6% decline in July and a 0.1% gain in August, was flat on a 3-mma basis. For the last month of the quarter, though, services grew 0.2% (but was down 0.1% over the past three months), following a 0.3% gain in August. For the latest month, spending on hotels & restaurants jumped 0.5%, but wholesale & retail were down 0.4%. Elsewhere, construction grew 0.4%, and manufacturing inched up 0.1% (though overall industrial production was unchanged). The visible trade deficit narrowed a bit to £14.3 billion (but as imports dropped more than exports).

FINANCIAL CONDITIONS

The U.S. 2 year/10 year treasury spread is now -0.41% and the UK's 2 year/10 year treasury spread is -0.35%. 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 7.35%. Existing U.S. housing inventory is at 3.4 months supply of existing houses as of September 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 14.73 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

And Finally: **"In politics stupidity is not a handicap." ~ Napoleon Bonaparte**

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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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