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NEWS HIGHLIGHTS

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

MAY 27, 2024

OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND[1]

PORTLAND 15 OF 15 ALTERNATIVE FUND[1] COMPANY NEWS

Reliance Industries Ltd. (Reliance) – Reliance's new venture, Tira, is leaning on artificial intelligence (AI) tools that can suggest perfumes or cosmetics to woo customers in the burgeoning but competitive Indian beauty sector. Tira, which was launched by Reliance in April last year, also uses electronic vending machines in its stores to dispense free samples of skincare products, according to Tejas Kapadia, head of marketing of the year-old startup that has 12 stores across India. The idea is to give a plethora of experiences using "some form of AI," Kapadia said in Tira's first interview since its launch. One such interactive in-store experience is a "fragrance finder," which gives perfume options after letting consumers smell a set of "cubes" with different notes of fragrances. Its "skin analyzer" infers the features of a customer by clicking a photo and recommends products that would suit them best. Its stores offer a free engraving service for buyers to personalize their purchases by etching names on perfumes bottles or make-up boxes. The website also provides makeup and skincare lessons. Tira is Reliance's lead horse in the race for the world's fastest growing major beauty market. The conglomerate's retail business, helmed by Ambani's daughter Isha, has also taken over the local operations of skincare brand Kiko Milano and LVMH Moet Hennessy Louis Vuitton Group's luxury beauty retailer Sephora in the past one year. The local beauty segment is expected to grow at 10% between 2022 and 2027, according to a September report by RedSeer Strategy Consultants and PeakXV, beating China's 7% and the US' 5% forecast growth rates. Tira, which offers brands from American Smashbox and Estee Lauder to Korea's Sulwhasoo and homegrown newbie Re'equil, is marketed as "slightly premium," according to Kapadia. Cut-throat pricing that drives out rivals has been Reliance's playbook across multiple sectors in the past. Reliance, in its December-quarter earnings release, said that Tira delivered a "strong performance across various operating metrics including sales productivity, average bill value," without sharing revenue or growth numbers.

Reliance - India has made a rare request to its state-run oil refiners and private processor Reliance Industries Ltd. to jointly negotiate a long-term supply deal with Russia, according to people familiar with the matter. The government wants its refiners to lock in at least a third of their contracted supply from Russia at a fixed discount to help shield the nation's economy from volatile prices, the people said, asking not to be named due to the sensitivity of talks. The appeal to join forces was informal, they added. However, Reliance is unlikely to share sensitive information with the state oil refiners given they're competitors in the domestic fuel market, stifling the government's efforts at collaboration, they said. An oil ministry spokesman didn't immediately reply to a text message seeking comment. Reliance, Indian Oil Corp. Ltd. (Indian Oil), Bharat Petroleum Corp. Ltd. and Hindustan Petroleum Corp. Ltd. also didn't reply to emails seeking comment. India has been a major buyer of Russian crude since the invasion of Ukraine, but tighter enforcement of U.S. sanctions crimped the trade and led to refiners needing to buy more expensive oil. The South Asian nation wants state processors to work together and boost their bargaining power during supply negotiations, rather than competing, the people said. There is precedent for collaboration. State refiners have held joint talks with suppliers in the Middle East and West Africa previously to secure more favorable terms, but it's unusual for India to request help from a private refiner. State refiners have been seeking oil at a discount of more than $5 a barrel to Dated Brent, but Moscow is offering crude at a discount of $3 and is showing an unwillingness to budge, according to the people. The discount for one Russian grade blew out to more than $30 after the war before narrowing.

Indian Oil is the only state refiner to previously have a long-term supply deal with Russia, but that expired at the end of March and hasn't been renewed due to a lack of consensus on volumes and price.

Samsung Electronics Co., Ltd (Samsung) - Chinese Premier Li Qiang told Samsung Chairman Jay Y. Lee on Sunday that China welcomed further investment by the Korean conglomerate, state news agency Xinhua reported, as foreign businesses in the Chinese market struggle to navigate geopolitical uncertainties. The meeting in Seoul between China's second highest-ranking official and the Korean executive took place ahead of a summit between Li, South Korean President Yoon Suk Yeol and Japanese Prime Minister Fumio Kishida, the first three-way talks by the Asian neighbours in more than four years. Samsung has over the past six years invested US$24 billion in the Chinese market, a company executive was quoted as saying in a November report by state-run China Daily. But the Korean company has seen its business face growing challenges amid U.S.-China tensions as it navigates export controls Washington has rolled out to cut off China's access to cutting-edge chips. Li's choice to meet with a Samsung executive echoed earlier remarks the Chinese leader gave during a bilateral meeting with Yoon, where he encouraged more Korean enterprises to invest and do business in China and urged Beijing and Seoul to cooperate on maintaining the stability of industrial supply chains.

Samsung - Samsung's next iteration of foldables will appear in Paris on July 10th, ahead of the Paris Olympics, reports the South Korean publication Korea JoongAng Daily, which cites industry sources. The event will reportedly feature the Galaxy Fold 6 series, which might feature three variants this year, alongside the Flip 6 and the highly anticipated Galaxy Ring. This is a bit earlier than last year's event, which took place on July 26th in Seoul, South Korea. The location and timing of Unpacked should benefit Samsung, leveraging the festive vibe formed around the Olympics while getting the spotlight all by itself, according to the Korean publication. New reports indicate that the Galaxy Ring might cost more than CA$400 in Canada and have a subscription rate. Further, the leaks indicate that Samsung may launch an 'Ultra' Z Fold 6 exclusive to South Korea; there might also be a more affordable variant. The Ultra variant might come with 12 or 16GB of random-access memory and up to 1TB of storage. It's worth noting that Samsung has yet to confirm when it will have its next Unpacked event.

Ares Management Corp. (Ares) – guided for a more than 75% climb in assets under management to exceed US$750 billion by the end of 2028, at its annual Investor Day. "We expect to grow faster than the projected industry average over the next five years," the alternative asset manager wrote in a slide presentation posted to its website. The company has benefited from strong demand for private credit and elevated borrowing costs, with shares up some 70% from a year before. The firm expects fee-related earnings to advance 16%-20% a year, with the midpoint of the range coming in at $2.65 billion in 2028. That compares with $1.2 for the last 12 months through the first quarter of 2024. Realized income is targeted to increase 20%-25% each year, with the midpoint amounting to $3.5 billion. That's up from $1.3 billion through the first of 2024. Some $3.6 billion in cash is expected to be generated over the next decade from realized income. Its target annual dividend is projected to grow to at least $7.66 a share by the end of 2028, vs. $3.08 through the end of 2023.

Brookfield Asset Management Ltd. – is eager to acquire Windlab Pty Ltd. (Windlab), the Australia-based renewable energy developer with an almost 24-gigawatts (GW) portfolio. The Canadian asset manager's interest is "well-advanced" and negotiations over the potential deal are ongoing. Squadron Energy, backed by Australian iron ore billionaire Andrew Forrest, currently owns 75% of Windlab, while the remaining 25% are held by Asia-Pacific investor Federation Asset Management. Windlab was taken private by the two companies following a deal in 2020. Canberra-based Windlab was spun out of the Commonwealth Scientific and Industrial Research Organisation (CSIRO) back in 2013. The company says it has almost 24 GW of renewable energy projects in development or under construction, as well as 7.4 GW of potential sites in North America, Australia, New Zealand and Southern Africa. Among its most notable assets are the 453-megawatts (MW) Coopers Gap, the Kennedy Energy Park, a hybrid wind, solar and battery storage park in Queensland, and the 206-MW Collgar wind farm in Western Australia.

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL ALTERNATIVE FUND[1]

GO TO PORTLAND GLOBAL BALANCED FUND[1]

Target Corp. (TGT): reported lower-than-expected quarterly earnings and its forecast for the current quarter was also largely below Wall Street expectations after shoppers cut back on non-essential spending and the retailer said it expects consumer caution to persist. Earnings per share of US$2.03 were 3 cents below analyst estimates, according to London Stock Exchange Group data. Comparable sales for the first quarter ended May 4 declined 3.7%, in line with expectations, marking the fourth straight decline. Target maintained its full-year target, with comparable sales seen flat to up 2%, and earnings of $8.60 to $9.60 per share. For the second quarter, it expects comparable sales flat to up 2%, and adjusted earnings of $1.95 to $2.35 per share. Analysts on average had anticipated a comparable sales increase of 1.39% and a profit of $2.19 per share.

Toronto-Dominion Bank (TD): reported the second quarter of 2024 cash EPS of CA$2.04, vs consensus of $1.85 - a large hedge gain (vs. a typical loss) explains the bulk of the beat. Consolidated highlights. Adjusted pre-tax, pre-provision (PTPP) growth of $5.6 billion (+11% year over year (Y/Y)) vs consensus estimate of ~$5.2 billion. Canadian property and casualty (P&C) posts 15% PTPP growth Y/Y. Segment loan growth was up 7% Y/Y (1% quarter over quarter (Q/Q)), led by commercial growth of 7% Y/Y (2% Q/Q). Cards were up 11% Y/Y (flat Q/Q). Net interest margin was flat Q/Q. Provision for credit losses (PCLs) stood at $467 million vs $423 million in quarter one 2024. U.S. P&C adjusted. PTPP is down 7% Y/Y (US dollar basis, excluding Charles Schwab Corporation& excluding Federal Deposit Insurance Corporation charge). Net Interest Margin was down 4 basis points Q/Q due to balance sheet mix and higher funding costs. Segment loans were +7% Y/Y (+1% Q/Q). PCLs stood at $280 million vs $285 million in the first quarter of 2024. Capital Markets adjusted net income was up 107% Y/Y. Operating leverage was +18%. Total trading revenues (teb) were $693 million. Advisory revenues were $387 million. Wealth earnings were up 25% Y/Y. Insurance segment earnings were up 8% Y/Y. Core Equity Tier 1 ratio of 13.4% was 20 basis points below 13.6% consensus and down ~40 basis points from the first quarter of 2024. Key factors impacting Common Equity Tier 1 movement were internal capital generation

(+28 basis points), increase in risk weighted assets (-36 basis points), repurchase of common shares (-23 basis points), impact of regulatory Anti Money Laundering (AML) provision (-11 basis points) and other items (-9 basis points). Buybacks amounted to 15 million shares this quarter, down from 21 million shares during the first quarter of 2024 and 38 million shares during quarter four 2024. Provisions for Credit Losses of $1,071 million versus consensus of $1,029 million. In our view AML could trigger even higher costs while we note the bank states that its U.S. program is "well underway, and will strengthen our program globally."

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Guardant Health Inc. (Guardant Health) – has received EU IVDR (in vitro diagnosis regulation) certification for its Guardant360® CDx liquid biopsy test, which is used for tumor mutation profiling across all solid cancers. The IVDR certification from TÜV SÜD facilitates broader adoption of guideline-recommended genomic profiling to inform optimal therapy selection for patients with advanced cancer. The certification also includes companion diagnostic indications to help identify patients who could benefit from specific targeted therapies for advanced non-small cell lung cancer and breast cancer.

Guardant Health announced that the Food and Drug Administration's (FDA) Molecular and Clinical Genetics Panel has strongly recommended approval of its Shield™ blood test for colorectal cancer (CRC) screening. This recommendation supports Shield as a primary non-invasive screening option for adults aged 45 and older who are at average risk for CRC. The panel's consensus highlights Shield's safety and effectiveness, noting that its benefits outweigh potential risks. This decision marks an important step toward Shield becoming the first FDA-approved blood test for CRC screening that meets Medicare performance requirements. The FDA will consider the panel's recommendations, alongside other factors, when making its final approval decision later this year.

Iovance Biotherapeutics Inc. – announced updated clinical data for lifileucel in combination with pembrolizumab for frontline advanced melanoma. The data revealed a confirmed overall response rate (ORR) of 65.2%, with 30.4% achieving complete responses and 34.8% partial responses. All evaluable patients showed tumour regression. These results support the ongoing Phase 3 TILVANCE-301 clinical trial, which examines the efficacy and safety of the Lifileucel regimen plus pembrolizumab.

Perspective Therapeutics Inc. (Perspective) – has announced the pricing of US$80 Million underwritten offering of common stock and pre-funded warrants. The offering is set to close around May 29, 2024, subject to customary closing conditions. All shares of common stock and pre-funded warrants in this offering are being sold by Perspective.

Telix Pharmaceuticals Ltd. (Telix) – has submitted a New Drug Application (NDA) to the U.S. Food and Drug Administration (FDA) for TLX007-CDx, a novel cold kit designed for the preparation of prostate-specific membrane antigen positron emission tomography (PSMA-PET) imaging for prostate cancer. This innovative kit aims to significantly broaden the distribution profile of PSMA imaging products compared to currently approved gallium-68 PSMA-PET imaging agents. It is engineered to enhance production flexibility by utilizing 68Ga from various sources, including newer high activity generators and cyclotrons powered by advanced systems. The company anticipates that this will expand the availability, distribution, and scheduling flexibility of PSMA-PET imaging addressing the unmet needs of patients.

Telix– announced the successful completion of CUPID, a first-in-human Phase I dose escalation study of TLX592 in patients with advanced prostate cancer. TLX592 (225Ac-PSMA-RADmAb) is Telix's investigational "next generation" targeted alpha therapy (TAT) for the treatment of prostate cancer and is the first clinical program to utilise Telix's proprietary RADmAb engineered antibody technology. The RADmAb approach accelerates blood clearance and reduces bone marrow residence time compared with standard monoclonal antibodies (mAbs), while retaining target selectivity, internalisation and retention. The RADmAb platform is currently under pre-clinical and clinical evaluation for multiple cancer targets. The CUPID (64Cu PSMA Imaging and (Bio) Distribution) study is a 3+3 mass dose escalation study with four patient cohorts intended to evaluate the safety, tolerability, pharmacokinetics, biodistribution and radiation dosimetry of TLX592. The study utilises copper-64 (64Cu) which is detectable by Positron Emission Tomography (PET) as a surrogate for actinium-225 (225Ac), enabling a successful proof-of-targeting study as well as predictive dosimetry calculations for future studies with 225Ac. Preliminary results in 11 evaluable patients enrolled in the study demonstrated accelerated blood kinetics compared to the standard antibody TLX591, while demonstrating similar (favourable) on-target and off-target biodistribution and hepatic clearance. There were no serious adverse events observed in the study. Based on these encouraging results, Telix expects to advance TLX592 into a therapeutic Phase I/II study with 225Ac in the second half of 2024, subject to regulatory approval. TLX592 further deepens Telix's PSMA[2]-targeting prostate cancer therapy portfolio and supplements its lead investigational radio antibody-drug conjugate (rADC) TLX591 (177Lu rosopatamab tetraxetan), currently being investigated in the ProstACT GLOBAL Phase III study.

Telix– filed with the SEC to raise up to US$100 million in an initial public offering. The company is currently listed on the Australian Securities Exchange under the symbol "TLX." The North Melbourne, Australia-based company was founded in 2017 and booked $385 million in revenue for the 12 months ended March 31, 2024. It plans to list on the Nasdaq under the symbol TLX. Telix filed confidentially on January 25, 2024. Jefferies, Morgan Stanley, Truist Securities, and William Blair are the joint bookrunners on the deal. No pricing terms were disclosed.

NUCLEAR ENERGY

Bloom Energy Corp. (Bloom Energy) – has announced the pricing of an upsized offering of US$350.0 million in green convertible senior notes, increased from the initially planned $250.0 million. These 3.00% notes, due in 2029, are being offered to qualified institutional buyers. The sale is expected to settle on May 29, 2024, pending customary closing conditions. Additionally, Bloom Energy has provided the initial purchasers with an option to buy up to an extra $52.5 million of notes within 13 days from the issuance date.

Cameco Corp. – has successfully completed its previously announced private placement of debentures. The offering consists of CAD$500 million aggregate principal amount of 4.94% Senior Unsecured Debentures, Series I, set to mature on May 24, 2031 (the "Series I Debentures"). These debentures carry an interest rate of 4.94% per annum, with interest payments made semi-annually on May 24 and November 24 of each year, commencing from November 24, 2024.

Johnson Matthey PLC (Johnson Matthey) – reported its full-year results, highlighting continued strategic progress and its role in catalyzing the net zero transition. The company reported an 11% increase in underlying operating profit, excluding £85 million impact from lower precious metal (PGM) prices. Furthermore, Johnson Matthey announced strategic milestones for 2025/26, aiming for at least £4.5 billion in Clean Air cash by 2030/31. The company further reported observed growth and new projects in Catalyst Technologies, with reduced investment in Hydrogen Technologies due to slower market development.

ECONOMIC CONDITIONS

U.S. existing home sales fell 1.9% in April to an annualized 4.14 million units, defying expectations for a 0.8% rise but a notable improvement from March's 3.7% drop. The back-to-back decreases are primarily due to rising mortgage rates and low affordability, which are undermining home demand. The decline was entirely due to a 2.1% drop in single-family sales with condo/co-op sales unchanged. Despite the unexpected monthly decrease, sales are down just 1.9% year over year, the smallest drop in a few months. Nonetheless, total existing home sales have fallen annually for 33 consecutive months amid high mortgage rates. The inventory of existing homes for sale increased 16.3% from a year ago in April to 1.21 million. This is equal to a 3.5 months' supply at the current sales pace, up from 3.2 months in March and 3.0 months one year ago. Despite more homes available for sale, the median home price climbed 5.7% year over year to US$407,600. This is the tenth straight month of year-on-year price gains and the highest price ever recorded in April.

French flash Purchasing Managers' Index (PMI) for May came out mixed but generally weaker than expected. The manufacturing index surprised to the upside, rising to 46.7 (market: 45.9) while the services index surprised sharply to the downside, falling 1.9 points to 49.4 (market: 51.7), and the composite index falling 1.4 points to 49.1 (market: 51.0). The improvement in the manufacturing index was broad based, with output, new orders, and employment all adding to the increase. The decline in the services index was quite large, however, it does not change the direction of the upward trend that we have seen since the beginning of the year. Moreover, both input and output cost inflation eased slightly, while business expectations extended on April's decline.

German flash PMIs came in sharply stronger than expected in May. The manufacturing index jumped 2.9 points to a four-month high of 45.4 (market: 43.5) while the services index edged up 0.7 points to 53.9 (market: 53.5). On net, this left the composite index up 1.6 points to a 12-month high of 52.2, a notable 1.2 points above the consensus at 51.0. In terms of the manufacturing print, the drivers were broad based, with all subcomponents other than stocks of purchases adding to the increase. Primarily though, the move was driven by a 6.1-point jump in new orders and a 3.5 point increase in output. Adding to the positive report, both output and input price inflation declined, which is particularly key for the input price component given that it has been on a steady increasing trend since the middle of last year. Also, business expectations improved considerably—reaching the highest level since February 2022.

UK flash PMIs were mixed but generally weaker than expected. Echoing the French data while the manufacturing index surprised sharply to the upside, surging 2.2 points to 51.3 (market: 49.5), the services index surprised sharply to the downside, dropping 2.1 points to 52.9 (market: 54.7). On net, this left the composite index much weaker than expected at 52.8 (market: 54.0). The surge in the manufacturing index was broad based, with sharp increases in new orders, output, and employment helping put the index at a 22-month high, as firms reported " stronger client demand and emerging signs of a recovery in both export sales and inventory purchases". Encouragingly, on the inflation side both input and output cost inflation edged lower, particularly on the services side. In fact, prices charged dropped to its lowest level since February 2021. There was also a slight increase in business expectations, though entirely driven by a sharp jump in the manufacturing sector, which rose to its highest level since February 2022.

U.K. April headline Consumer Price Index (CPI) / inflation slowed to 2.3% from 3.2% but was above expectations of 2.1%. Core CPI slowed to 3.9% from 4.2%, but again was above expectations of 3.6%. The big fall was driven by a 12% drop in the energy price cap that had kept energy prices artificially high. Services inflation ticked down to 5.9% from 6%. It is now expected that almost all the higher pricing to be persistent, and subsequently revise up inflation expectations through the rest of this year. As a result, we now look for an August start to the Monetary Policy Committee's rate cut cycle, with a more gradual rate of cuts through 2025.

UK Retail Sales disappointed with the headline number falling by 2.3% month by month and last month's print revised lower from +0.8% to +0.4%.

Japanese inflation cooled for the second month in a row. CPI ex-fresh foods slowed to 2.2% year over year in April from 2.6% the month before. Disinflation in processed food prices had a big effect with this category slowing to 3.5% partly due to base effects. In our view the data is unlikely to stir any motivation to quicken the pace to normalize monetary policy, but the Bank of Japan does seem to be growing in confidence that the virtuous wage-price cycle will buoy inflation.

FINANCIAL CONDITIONS

UK: Due to the announced election, the Bank Of England has cancelled all speeches and public statements during the UK election campaign. The June 20th Monetary Policy Committee meeting will continue but members will not speak until after the election on July 4th.

The U.S. 2 year/10 year treasury spread is now -0.48% and the U.K.'s 2 year/10 year treasury spread is -0.24%. A narrowing gap between yields on the 2 year and 10 year Treasuries is of concern given its historical track record that when shorter term rates exceed longer dated ones, such inversion is usually an early warning of an economic slowdown.

The U.S. 30 year mortgage market rate has increased to 6.94%. Existing U.S. housing inventory is at 3.5 months supply of existing houses as of December 31, 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 12.48 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

And Finally: *"All you need in this life is ignorance and confidence, and then success is sure." ~Mark Twain*

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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

Portland Investment Counsel Inc., 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7 Tel.:1-888-710-4242 • www.portlandic.com • info@portlandic.com

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