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NEWS HIGHLIGHTS

EST. 2007

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

DECEMBER 16, 2024

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OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND[1]

PORTLAND 15 OF 15 ALTERNATIVE FUND[1] COMPANY NEWS

Reliance Industries Limited (Reliance) – is in talks with banks for a borrowing of as much as US$3 billion, according to people familiar with the matter, in what could potentially be the largest offshore loan from India in over a year. About half a dozen banks are in discussions with Reliance for the loan, which would be syndicated to wider market in the first quarter (Q1) of 2025, the people said, who asked not to be named as discussions are private. Terms for the facility, which will refinance debt due next year, have not been finalized yet and could be subject to changes, the people added. Reliance has approximately $2.9 billion worth of debt due in 2025, including interest payments. A spokesperson for the group didn't immediately respond to a request seeking comment. If the borrowing goes through, it will mark Reliance's return to the offshore market since 2023, when the group raised over $8 billion in loans, a record for an Indian borrower then. Those facilities, which were for the parent and subsidiary Reliance Jio Infocomm Limited. (Reliance Jio), drew about 55 lenders in total as banks looked to join deals of top-tier credits. The new loan comes amid continued weakening of the Indian rupee, which hit a record low against the dollar last month, due to ongoing outflows from local equities. Reliance is currently rated one notch above India's sovereign grade, a rare instance of when a company's creditworthiness is higher than the country's it is based in. Moody's Ratings reaffirmed Reliance's rating at Baa2 last week, as the company's credit metrics are "solidly positioned" and "are likely to remain so despite high ongoing capital spending", it said in a note.

Reliance - Reliance Strategic Business Venture Limited, a subsidiary of Reliance, has successfully bid for Karkinos Healthcare Private Limited (Karkinos), a Mumbai-based technology-led oncology platform. National Company Law Tribunal (NCLT) on 9th December 2024 approved Reliance Strategic Business Venture Limited's Rs (Indian Rupees) 352-crore resolution plan. Earlier, the Committee of Creditors (CoC) had approved the plan by 100 vote shares. As per the resolution plan, Reliance Strategic Business Venture Limited would pay 100% of the admitted claims of the creditors. The resolution plan offers to pay Rs 37.59 crore, same as the admitted amount, to secured financial creditors. Unsecured financial creditors would receive Rs 65.12 crore. Operational creditors have been provided with Rs 99.45 crore under the resolution plan. The plan also envisages infusing Rs 150 crore for meeting working capital and/or capital expenditure requirements and/or funding other operational improvements of Karkinos . The corporate debtor was fair valued at Rs 212 crore while its liquidation value was estimated to be Rs 167 crore. Karkinos , is a purpose driven technology-led oncology platform, focused on delivering quality healthcare. The company was dragged to insolvency court by operational creditor Labindia Instruments Private Limited (LabIndia) April this year for defaulting on a payment of Rs 5.22 crore. LabIndia is in the business of manufacturing, supply and installation of lab equipment and setting up of labs. Karkinos has claimed it uses technology and AI-based continuous feedback to provide oncology solutions to hospitals. The company has been instrumental in the design and development of a 'Hub & Spoke' Cancer Care hospital network in the Northeast of India that comprises of 12 hospitals. Reliance Strategic Business Ventures Limited, a subsidiary of Reliance, makes strategic investments and also offers loans to group companies. At the end of March 2024, the company's investments were valued at Rs 22,800 crore. The company had total assets of Rs 43,443 crore as on 31 March 2024.

Brookfield Asset Management Ltd. (Brookfield) – Tiger Infrastructure Partners (Tiger Infrastructure) announced that Brookfield has made a minority equity investment in Strategic Venue Partners, Inc. (SVP), a leading provider of in-building wireless (IBW) infrastructure. SVP also secured a significant expansion of its Revolving Credit Facility with new and existing commercial bank lenders. These strategic moves position SVP to meet rising demand for its wireless connectivity solutions. SVP Chief Executive Officer (CEO) Justin Marron highlighted the investment's validation of the company's unique "wireless connectivity-as-a-service" model, which delivers turnkey In-Building Wireless (IBW) solutions without upfront costs. Marron emphasized the critical role of SVP's infrastructure across sectors like healthcare, hospitality, and education, likening its services to a "fourth utility." Tiger Infrastructure CEO Emil W. Henry and Chief Operating Officer (COO) Marc H. Blair praised the partnership with Brookfield, citing synergies in digital infrastructure and SVP's scalable business model. Brookfield Managing Director Hamish Kidd highlighted SVP's recurring revenue model and strong customer base, signaling confidence in its growth potential.

DIVIDEND PAYERS

GO TO PORTLAND CANADIAN BALANCED FUND[1]

Empire Company Limited (Empire) - today announced its financial results for the second quarter (Q2) ended November 2, 2024. For the quarter, the Company recorded net earnings of CAD$173.4 million ($0.73 per share) compared to $181.1 million ($0.72 per share) last year. For the quarter, the Company recorded adjusted net earnings of $173.4 million ($0.73 per share) compared to $178.3 million ($0.71 per share) last year. "We delivered another solid quarter, driven by focused execution in all areas of our business and a gradually improving economic and consumer environment," said Michael Medline, President & CEO, Empire. Empire is continuing to enhance data capabilities and deepen the understanding of customers, allowing Empire to effectively capture emerging trends. Empire aims to grow total adjusted EPS over the long-term through net earnings growth and share repurchases. Empire intends to continue improving sales, gross margin (excluding fuel) and adjusted EBITDA margin by focusing on priorities such as:

Continued Focus on Stores:

Over recent years, Empire has accelerated investments in renovations, conversions, and new stores along with store processes, communications, training, technology and tools. Investing in the store network will remain a priority, demonstrated by a sustained emphasis on renovations and continued new store expansion. The Own Brands program enhancement will remain a priority through increased distribution, shelf placement and product innovation. Empire intends to invest capital in its store network and is on track with its plan to renovate approximately 20% to 25% of the network between fiscal 2024 and fiscal 2026. This capital investment includes important sustainability initiatives such as refrigeration system upgrades and other energy efficiency initiatives.

Enhanced Focus on Digital and Data:

The focus on digital and data will include continued e-commerce expansion, personalization and loyalty through Scene+, improved space productivity and the continued improvement of promotional optimization. Space productivity will further enhance the customer experience by improving store layouts, optimizing category and product adjacencies and tailoring product assortment for each store. The advanced analytics tools built for promotional optimization will continue to be refined through the partnership between the advanced analytics team and category merchants. Enhancing digital and data capabilities will allow the Empire to deliver the best personalized experiences to elevate its in-store and e-commerce experience for its customers.

Efficiency and Cost Control:

Empire has significantly improved its efficiency and cost effectiveness through sourcing efficiencies, optimizing supply chain productivity and improving systems and processes. Empire will continue to focus on driving efficiency and cost effectiveness through initiatives related to sourcing of goods not for resale, supply chain productivity and the organizational structure. Empire has implemented several cost savings initiatives in the Voilà business, including pausing the opening of its fourth Customer Fulfilment Centre and ending its mutual exclusivity with Ocado Group plc. and continues to pursue other cost saving initiatives.

Bank of Nova Scotia (Scotiabank) - announced today that it has received regulatory approval from the Board of Governors of the Federal Reserve System for its approximately 10% additional investment in KeyCorp. Scotiabank and KeyCorp expect to close the additional investment in 2024. Scotiabank previously announced on August 12, 2024, that it had entered into an agreement to acquire an approximate 14.9% pro-forma ownership stake in KeyCorp in two stages - an initial investment of 4.9% and the additional investment of approximately 10%. The initial investment was completed on August 30, 2024.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Arvinas Inc. – and Pfizer Inc. presented preliminary Phase 1b data from the TACTIVE-U sub-study at the 2024 San Antonio Breast Cancer Symposium, showing that vepdegestrant in combination with abemaciclib demonstrated encouraging clinical activity in patients with ER+/HER2- breast cancer previously treated with a CDK4/6 inhibitor. The combination had a clinical benefit rate of 62.5% and an overall response rate of 26.7%. Safety was consistent with abemaciclib's profile, and no significant drug-drug interactions were observed.

Bicycle Therapeutics plc. (Bicycle) – presented updated data on its investigational drug, zelenectide pevedotin, at the 2024 San Antonio Breast Cancer Symposium and shared key developments across various cancer treatments. The combination of zelenectide pevedotin with pembrolizumab in first-line metastatic urothelial cancer (mUC) patients showed a 60% overall response rate, comparable to existing therapies. Additionally, patients with NECTIN4 gene amplification in breast cancer and non-small cell lung cancer (NSCLC) demonstrated enhanced responses to the treatment. Bicycle plans to advance this therapy with Phase 1/2 trials in 2025, focusing on breast cancer, lung cancer, and other solid tumors.

Relay Therapeutics, Inc. – announced updated interim data for RLY-2608, a PI3Kα inhibitor, in combination with fulvestrant for second-line treatment of PI3Kα mutated, HR+/HER2- metastatic breast cancer. The data showed a median progression-free survival (PFS) of 11.4 months, with a confirmed overall response rate (ORR) of 39%, and 67% in patients with kinase mutations. The results support the initiation of a pivotal second-line study in 2025.

NUCLEAR ENERGY

Assystem S.A. (Assystem) – announced the implementation of a new share buyback program, signing a mandate with an investment services provider on 12 December 2024. The program, valid from 13 December 2024 to 17 September 2025, allows the provider to repurchase shares on behalf of Assystem, with a total maximum spend of €20 million.

Bloom Energy Corporation (Bloom) – has formed a project financing partnership with HPS Investment Partners, LLC (HPS) and Industrial Development Funding, LLC (IDF) to support large-scale energy projects. The partnership, with over US$125 million committed, will fund 19 megawatts (MW) of Bloom Servers, including advanced microgrid solutions, under power purchase agreements (PPAs). This arrangement allows commercial and industrial customers to receive clean, reliable power with zero upfront payment. The partnership provides Bloom with additional capital to fund these projects, while HPS and IDF gain opportunities to invest in the global energy transition, meeting the growing demand for rapid, non-combustion energy solutions.

Centrus Energy Corp. (Centrus) – announced that its subsidiary, American Centrifuge Operating, LLC (ACO), has received a United States (U.S.) Department of Energy (DOE) award to expand domestic Low-Enriched Uranium (LEU) production, supporting current and future nuclear reactors. This marks Centrus' third DOE award under efforts to restore America's nuclear fuel supply, alongside previous awards for HALEU production and deconversion of uranium hexafluoride. ACO will manufacture centrifuges and equipment exclusively in the U.S., relying on a domestic supply chain spanning 14 American-owned suppliers across 13 states. Centrus is investing US$60 million over 18 months to scale its Tennessee and Ohio facilities for rapid expansion, with funding under the LEU program ranging from $2 million to a collective $3.4 billion for six awardees over ten years, depending on task orders. These initiatives aim to re-establish U.S. uranium enrichment capacity and strengthen energy security.

Constellation Energy Corporation (Constellation) – announced the appointment of Peter Oppenheimer and Eileen Paterson to its board of directors, effective December 16, 2024, while Laurie Brlas, a long-time independent director, will retire on December 31, 2024. Oppenheimer brings financial expertise from his tenure as Chief Financial Officer (CFO) of Apple Inc. and his current role on Goldman Sachs Group, Inc.'s board. Paterson offers operational and leadership experience, including her role as former CEO of Aerojet Rocketdyne Holdings, Inc. and board positions at Marathon Petroleum Corporation and Woodward, Inc. Constellation expressed gratitude for Brlas's 16 years of service, particularly her contributions to financial oversight and governance.

ECONOMIC CONDITIONS

U.S. Inflation - In the U.S., the consumer price index rose a consensus-matching 0.3% in November. This came in the wake of a 0.2% print the prior month. Prices in the energy segment edged up 0.2%, as a 0.4% decline in the electricity segment was more than offset by gains for fuel oil (+0.6%), gasoline (+0.6%) and utility gas services (+1.0%). The cost of food, meanwhile, jumped 0.4%, boosted by a 0.5% gain in the "food at home" component. The core Consumer Price Index (CPI), which excludes food and energy, rose 0.3% for the fourth month in a row, a result in line with consensus expectations. The price of core goods rose 0.3%, marking the biggest increase in 18 months. The increase was supported by gains for new (+0.6%) and used (+2.0%) vehicles, as well as tobacco/smoking products (+1.0%) and apparel (+0.2%). The cost of medical care commodities, on the other hand, cooled 0.1%. Prices in the ex-energy services segment were also up 0.3%. The shelter component saw a 0.3% increase, and the latter was complemented by gains for medical care services (+0.4%), airline fares (+0.4%) and motor vehicle maintenance (+0.2%). Year on year, headline inflation came in at 2.7%, up from 2.6% the prior month and in line with the median economist forecast. The 12-month core measure remained unchanged at 3.3%, a result also in line with consensus expectations.

FINANCIAL CONDITIONS

Reserve Bank of Australia - The Reserve Bank of Australia held rates steady as expected last night, they rather unexpectedly removed the line "not ruling anything in or out" from their statement though which was viewed as more dovish. Governor Bullock said the change was intentional (of course, a change in central bank wording is always intentional) while noting that neither a rate hike nor a rate cut was discussed. The Reserve Bank of Australia did note that inflation remained too high but the damage to the currency was done with the Australian dollar trading lower. Employment remains healthy and inflation remains too high, it will be interesting to see how all this stimulus out of China plays out and the impact it has on the Australian economy. The

Reserve Bank of Australia will still be keeping rates steady while most central banks are cutting.

Bank of Canada - The Bank of Canada lowered the target for the overnight rate by 50 basis points (bps) for the second straight meeting, a decision in line with consensus and market expectations. This is the fifth rate reduction in as many meetings and brings the policy rate to 3.25%, or the upper end of the Bank of Canada's estimated neutral range (2.25% to 3.25%). The move also pushes the Bank of Canada's policy rate 150 bps below the U.S. Federal Reserve's upper bound target, the most since 1997. Meanwhile, balance sheet normalization will continue as expected. Driving the decision to cut 50 bps was inflation around 2%, excess supply in the economy and softer growth ahead relative to earlier expectations. Macklem added in the opening statement to the press conference that "monetary policy no longer needs to be clearly in restrictive territory". As for forward rate guidance, the press release notes "we will be evaluating the need for further reductions in the policy rate one decision at a time". Macklem said they expect "a more gradual approach to monetary policy if the economy evolves broadly as expected". Note they no longer explicitly say they expect to cut their policy rate further. The statement notes that third quarter (Q3) growth was "somewhat below" the Bank of Canada's projection and fourth quarter (Q4) growth "looks weaker than projected". Immigration will slow growth in 2025 while proposed fiscal measures will support demand. They will, however, look through temporary demand effects. The press release highlights that job growth continues to grow slower than labour supply. Wage growth "showed some signs of easing but remains elevated relative to productivity". As for inflation, they still expect CPI to hover around 2% for the next couple of years. They note that the GST holiday will "temporarily lower inflation" but that will be unwound once the holiday ends. Therefore, watching core inflation will be critical to see underlying trends. The Bank of Canada didn't have too much to say on tariff threats other than noting that these have "increased uncertainty and clouded the economic outlook."

European Central Bank – As expected, all 3 key interest rates were cut 25 bps and were decided unanimously. The deposit rate is now at 3.00%. As expected, the release dropped the phrase that it "will keep policy rates restrictive for as long as necessary". This was the focus of about 90% of the reporters' questions during the Q&A. As expected, the European Central Bank is still very much "data-dependent", will stick to its "meeting-by-meeting" approach; and is "not pre-committing" to anything. "The disinflation process is well on track." That's a pretty confident statement, considering that core CPI has been stuck at 2.7% for the last three months and services has been around 4% for a year. But President Lagarde qualified it later saying, "our work is not done" and "we are not declaring mission accomplished". And, removing the phrase about interest rates being "restrictive" was an acknowledgement of how far they've come. Plus, the last six set of projections showed inflation heading towards the target (now it looks like 2025).

France Credit Rating - Moody's Corporation (Moody's) unexpectedly cut France's credit rating late on Friday to Aa3 from Aa2 (now 3 levels below the maximum rating). France's credit rating has already been cut by both Fitch Ratings Inc. and Standard & Poor's Financial Services LLC. Moody's view is that the "country's finances will be substantially weakened over the coming years" with "political fragmentation more likely to impede meaningful fiscal consolidation".

The U.S. 2 year/10 year treasury spread is now 0.16% and the U.K.'s 2 year/10 year treasury spread is 0.09%. 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 6.6%. Existing U.S. housing inventory is at 4.2 months supply of existing houses as of Nov 21, 2024 - well off its peak during the Great Recession of 11.1 months and we consider a more normal range of 4-7 months.

The VIX (volatility index) is 14.22 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

And Finally: *"Formula for success: rise early, work hard, strike oil." ~Paul Getty*

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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, 'GAAP' Generally Accepted Accounting Principles, '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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