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NEWS HIGHLIGHTS

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

JANUARY 13, 2025

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) – Reliance Jio Infocomm Limited's (Reliance Jio) valuation is estimated to be between US$100 billion and $120 billion according to sell side analysts. Mukesh Ambani has reportedly started the process for an initial public offering (IPO) of Reliance's telecom subsidiary, Reliance Jio. Local press reports stated that the planned IPO is expected to raise between $4.08 billion and $4.66 billion, according to sources. It will include both an issuance of shares and an offer for sale (OFS) component, alongside a pre-IPO placement. Reliance Jio aims to launch the IPO in the second half of the year, potentially making it India's largest-ever public offering, according to the report. Discussions for a pre-IPO placement are already underway. The size of the pre-IPO placement will depend on the scale of the new issuance, and the split between the OFS and fresh issue is still being finalized, the report added. The OFS component is expected to be substantial, providing an opportunity for some existing investors to partially or fully exit the carrier. Currently, about 33% of Reliance Jio is owned by foreign investors, including Abu Dhabi Investment Authority (ADIA), Kohlberg Kravis Roberts & Co. Inc. (KKR), Mubadala Investment Company PJSC (Mubadala) and Silver Lake Technology Management, L.L.C. (Silver Lake), who collectively invested nearly $18 billion in the company in 2020. Reliance Jio's valuation is estimated to be between $100 billion and $120 billion. Recently, Jio Platforms Limited (Jio Platforms) partnered with Nvidia Corporation (Nvidia) to develop AI language models, signaling its intent to lead in the AI space. Additionally, Reliance Jio has received regulatory approval to launch satellite internet services, further expanding its digital portfolio. Reliance Jio remains India's largest telecom operator, with 460 million wireless subscribers as of October.

Reliance - India's largest corporation by revenue, has raised US$3 billion from a consortium of 11 banks, marking its largest borrowing deal in nearly two years, according to a report by The Economic Times. This five-year loan was finalised last month at 120 basis points (bps) above the three-month Secured Overnight Financing Rate (SOFR), with $450 million denominated in Japanese yen, the report said. Reliance is preparing for significant loan repayments scheduled for 2025. The report quoted a source as saying that the company has already used $700 million from the loan and plans to access more funds in the current quarter as required. The three-month SOFR rate stood at approximately 4.80% in mid-December. With an additional 120 bps, the dollar-denominated loan is priced at around 6%. The yen-denominated portion of the loan is priced at 75 bps above the three-month Tokyo Interbank Offer Rate (TIBOR), the Japanese benchmark rate. The report quoted a source as saying that this dual-currency loan agreement, encompassing both US dollars and Japanese yen, was executed last month. The $3 billion loan is primarily intended to refinance existing loans maturing in 2025. More banks are expected to join the syndication later this quarter, which would allow the lenders to manage risks better and expand their capacity to lend further to Reliance, one of India's most creditworthy companies, the report said. According to a document, Bank of America Corporation holds the largest share of the loan at $343 million. Other key participants include DBS Bank Limited and HSBC Holdings plc ($300 million each), Japan's Mitsubishi UFJ Financial Group, Inc. (MUFG) ($280 million), and India's State Bank of India ($275 million). Japanese lenders Standard Chartered PLC, Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation (SMBC) each have a $250 million exposure. First Abu Dhabi Bank PJSC, Citibank, N.A. and Credit

Agricole Corporate and Investment Bank have each contributed $241 million, the report said. This recent deal is similar to a dual-currency dollar-yen loan Reliance raised in late 2022, which attracted significant interest from global banks. That earlier loan eventually expanded to $5 billion, surpassing the initial $3 billion target after receiving approval from the Reserve Bank of India. Reliance is India's highest-rated corporate borrower. It holds a BBB+ credit rating with a stable outlook from S&P, which is higher than India's BBB- sovereign rating.

Ares Management Corporation (Ares) – has promoted Kevin Alexander to Co-Head of its Alternative Credit strategy, joining Keith Ashton and Joel Holsinger. Alexander, who joined Ares in 2019, has been pivotal in the strategy's growth and manages investments across asset-based credit sectors, with $43.1 billion in assets under management as of September 30, 2024. With over 27 years of industry experience, including leadership roles at Natixis Corporate & Investment Banking and the Federal Reserve Bank of New York, Alexander aims to drive innovation, expand capabilities, and support social impact initiatives.

Ares – has raised over US$3 billion in total capital, including $2.3 billion in equity commitments and $700 million in credit facilities, to fuel the expansion of Aspida Holdings Limited (Aspida). Aspida, a life insurance and annuity company supported by Ares Insurance Solutions (AIS), has grown its platform to over $19 billion in assets since its launch four years ago. Aspida's scalable, technology-driven platform focuses on high-quality customer service and open architecture sub-advisor selection to maximize client returns. Managed by the AIS team, Aspida's diversified portfolio is over 90% investment-grade and aligned with its liabilities. Ares leaders David Reilly and Ryan Myrick highlighted the rising demand for annuities amid demographic shifts and economic trends, positioning Aspida for continued growth. Aspida Chief Executive Officer (CEO) Lou Hensley emphasized the company's mission to deliver innovative, scalable retirement solutions with the support of Ares' global investment expertise.

Brookfield Asset Management – Clarios International Inc. (Clarios), a Milwaukee-based car battery maker owned by Brookfield Corporation (Brookfield), has withdrawn its U.S. initial public offering (IPO) plans. The company initially filed to go public in 2021, seeking a valuation of nearly $11 billion, but postponed the offering due to market volatility and macroeconomic pressures. Clarios' withdrawal comes despite a recent rise in U.S. IPO activity, driven by a bullish equities market and expectations of business-friendly policies under the incoming Trump administration. Brookfield acquired Clarios from Johnson Controls in 2019 for $13.2 billion, including debt. Clarios products are used in over 100 countries, with its batteries powering one-third of cars on the road globally. The company has not provided further details regarding the IPO cancellation.

Brookfield Corporation (Brookfield) – Germany is exploring a potential full sale of its 99.12% stake in energy utility Uniper SE (Uniper), valued at US$18.8 billion, as part of its plans to reduce government ownership following the 2022 nationalization during Europe's energy crisis. While a partial stake sale or re-IPO of around 25% remains the preferred approach, a complete divestment is also being considered, with Brookfield among the potential buyers approached. Uniper was nationalized after nearly collapsing due to halted gas supplies from Russia's Public Joint Stock Company Gazprom (Gazprom) following the Ukraine war. Germany's Finance Ministry confirmed it is examining all options but has not made a final decision on the structure or timing of the sale. The move comes ahead of Germany's upcoming snap election, with the government required under EU regulations to reduce its Uniper stake to a maximum of 25% plus one share by 2028.

DIVIDEND PAYERS

GO TO PORTLAND CANADIAN BALANCED FUND[1]

Bank of Nova Scotia (Scotiabank) - announced it has entered into an agreement with Banco Davivienda S.A. (Davivienda) to transfer Scotiabank's banking operations in Colombia, Costa Rica and Panama to Davivienda. As part of the transaction, Mercantil Colpatria S.A. will sell its interest in Scotiabank Colpatria S.A. in Colombia. The transaction supports Scotiabank's operational efficiency efforts in its noncore markets and strengthens Scotiabank's strategic focus on building a connected value proposition focused on client primacy across its growth markets in the North American corridor and Latin America. The transaction also provides Scotiabank with the opportunity to participate in a business with a proven management team that will be well-positioned to become a leading franchise through increased scale, synergies and an expanded client base. Scotiabank and Davivienda intend to enter into a mutual referral agreement that will provide the opportunity for Scotiabank to continue to support Corporate, Wealth and Global Banking and Markets clients with its services across Davivienda's footprint. "With this agreement, we advance our execution plan towards sustainable and higher returns across our International Banking markets," said Francisco Aristeguieta, Group Head, International Banking, Scotiabank. "Davivienda is a proven operator which, through the combined entity, will deliver more scale and become an important partner in supporting our Global Wealth Management and Global Banking and Markets businesses in Colombia and Central America." Davivienda is a financial institution with over 50 years of experience and is one of the most recognized banks in Latin America for its innovation and digital capabilities with operations in Colombia, Costa Rica, El Salvador, Honduras, Panama and Miami, serving more than 24.6 million clients.

Subject to the receipt of regulatory approvals in the relevant jurisdictions, the completion of the transaction is expected to occur in approximately 12 months from signing. Scotiabank will receive a combination of newly issued common and preferred shares reflecting an approximate 20% equity ownership stake in the newly combined entity. As part of the agreement, Scotiabank will have the right to designate individuals to serve on the Board of Directors of Davivienda's combined operations commensurate with its ownership stake. Scotiabank's operations that are part of this transaction will now be considered held for sale for accounting purposes, and an after-tax impairment loss of approximately CAD$1.4 billion will be recognized in the first quarter of 2025. This is expected to reduce Scotiabank's Common Equity Tier 1 ratio by approximately 10-15 bps. In addition, there may be changes to the loss up to closing from changes in the value of the shares received and carrying value of the assets being sold. Scotiabank estimates that additional losses of approximately CAD$0.3 billion will be recorded on closing primarily relating to cumulative foreign currency translation losses. At closing, Scotiabank's investment in Davivienda will be recorded as an investment in associate for accounting purposes. The Common Equity Tier 1 ratio is expected to benefit an approximate 10-15 bps, primarily from the reduction in risk-weighted assets.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Arvinas Inc. (Arvinas) – has provided an update on its clinical trials and upcoming milestones. In 2025, the company plans to report topline data from the Phase 3 VERITAC-2 trial of vepdegestrant in metastatic breast cancer and initiate two Phase 3 combination trials, one with Pfizer Inc.'s investigational CDK4 inhibitor, atirmociclib. Additionally, Arvinas will present first-in-human data for ARV-102, a PROTAC LRRK2 degrader, and initial data for ARV-393, a PROTAC BCL6 degrader. The company is also progressing toward filing an IND for a novel PROTAC KRAS G12D degrader. Arvinas announced a leadership change with Alex Santini appointed as interim Chief Commercial Officer (CCO).

Bicycle Therapeutics PLC (Bicycle) – provided an update on its Phase 1 combination trial of zelenectide pevedotin and pembrolizumab in first-line cisplatin-ineligible metastatic urothelial cancer (mUC), showing a 65% overall response rate and a differentiated safety profile. The company plans to start multiple Phase 1/2 trials in 2025, targeting cancers with NECTIN4 gene amplification, including breast and lung cancer. Additionally, Bicycle is advancing its emerging radiopharmaceutical pipeline, with human imaging data for MT1-MMP expected in mid-2025 and EphA2 data in the second half of 2025. The company's financial position supports its strategic goals, with cash runway extending into 2H 2027. Key milestones for 2025 include progressing the development of zelenectide pevedotin and advancing its radionuclide conjugates pipeline.

Danaher Corporation (Danaher) – has announced an investment partnership with Innovaccer Inc., a leading healthcare AI company. The partnership aims to enhance patient outcomes through innovative digital and diagnostic solutions, focusing on precision medicine and AI-enabled diagnostics. Innovaccer's software creates unified patient records to identify care gaps and risks, while Danaher's investment will help accelerate the adoption of precision diagnostics, advancing value-based care.

Lantheus Holdings, Inc. – has announced the acquisition of Life Molecular Imaging GmbH for an upfront payment of US$350 million, with potential additional payments of up to $400 million in milestones and earn-outs. This acquisition adds Neuraceq®, an FDA-approved radiopharmaceutical for diagnosing Alzheimer's Disease (AD), to Lantheus' portfolio, establishing a commercial AD franchise. It also strengthens Lantheus' research & development and commercial infrastructure, expanding its capabilities in radiopharmaceuticals. The transaction is expected to close in the second half of 2025, pending regulatory approvals.

Nuvalent, Inc. – outlined its strategy to seek FDA approval for its novel kinase inhibitors in 2026, targeting ROS1- and ALK-positive non-small cell lung cancer (NSCLC). Key anticipated milestones for 2025 include the reporting of pivotal data for zidesamtinib in TKI pre-treated ROS1-positive NSCLC patients in the first half of 2025 and submission of a New Drug Application (NDA) for zidesamtinib by mid-year 2025. The company has a projected cash runway into 2028 to support its clinical programs and infrastructure development.

Perspective Therapeutics Inc. (Perspective) – provided an update on its clinical progress and strategic priorities for the next 12-18 months. The company expects multiple clinical updates, including advancements from two ongoing programs and the initiation of therapeutic dosing for a new radiopharmaceutical asset. Perspective is also working on expanding its manufacturing capabilities and exploring additional capacity expansion opportunities. The company has four new assets under evaluation for Investigational New Drug (IND) development and anticipates sufficient cash reserves of US$227.8 million, projected to fund operations into late 2026.

Schrödinger Inc. (Schrödinger) – provided an update on its progress in 2024 and outlined its strategic priorities for 2025. The company aims to drive growth in its computational platform, advance its drug discovery pipeline, and report initial Phase 1 data from its three lead programs, SGR-1505, SGR-2921, and SGR-3515, in 2025. Schrödinger also expanded collaborations with Otsuka Pharmaceutical Co., Ltd. and Novartis AG, with the latter expected to provide a US$150 million upfront payment in the first quarter (Q1) of 2025. The company plans to continue advancing its proprietary and collaborative discovery portfolio, with a focus on software growth and toxicology risk prediction.

Telix Pharmaceuticals Limited (Telix) – has announced an agreement to acquire assets from ImaginAb, Inc. including a pipeline of next-generation therapeutic candidates, a proprietary biologics technology platform, and a protein engineering and research facility. The acquisition adds early-stage drug candidates targeting high-value cancer targets such as DLL3 and integrin αvβ6, along with several novel targets in discovery. These candidates complement Telix's existing therapeutics pipeline and offer potential for precision medicine using radiopharmaceuticals, particularly with alpha emitters. The transaction also includes a research facility in California, enhancing Telix's capabilities in antibody engineering and preclinical development for future therapeutic products.

Telix – reported commercial performance for the fourth quarter (Q4) of 2024, with unaudited revenue of approximately US$142 million, a 46% increase compared to Q4 2023. Full-year (FY) 2024 revenue reached approximately US$517 million, surpassing guidance of US$490 million to US$510 million, reflecting a 55% growth from FY2023. The company's revenue is primarily driven by sales of Illuccix®, its prostate cancer diagnostic radiopharmaceutical. Telix also made strides in its strategic goals, including boosting its balance sheet, listing on Nasdaq, and acquiring FAP (Fibroblast Activation Protein)-targeting assets.

NUCLEAR ENERGY

BWX Technologies Inc. (BWXT) – has announced an agreement to acquire Kinectrics, Inc. for approximately US$525 million. Kinectrics, a leader in lifecycle management services for the global nuclear power and transmission markets, will enhance BWXT's portfolio, particularly in small modular reactors, traditional nuclear reactors, and radiopharmaceuticals. The acquisition, expected to close in mid-2025, will nearly double BWXT's Commercial Operations workforce and broaden its service offerings in nuclear power and nuclear medicine. This move aligns with BWXT's strategy to meet growing demand in clean energy, energy security, and nuclear technologies.

Cameco Corporation (Cameco) – Patrick Fragman, President and CEO of Westinghouse Electric Company LLC (Westinghouse), has announced his decision to leave the company effective March 31, 2025, to spend more time with his family in Europe. Fragman, who has led Westinghouse since 2019, was acknowledged by Cameco CEO Tim Gitzel for his leadership and contributions to the nuclear energy industry. Effective immediately, Dan Sumner, former President of Operating Plant Services, has been appointed Deputy CEO. He will assume the role of interim President and CEO starting April 1, 2025, until a permanent successor is appointed. A recruitment process is underway, with Westinghouse's board, jointly controlled by Cameco and Brookfield, responsible for selecting the new CEO. Both companies hold three board seats each as part of their joint ownership of Westinghouse.

Constellation Energy Corporation (Constellation) – announced a definitive agreement to acquire Calpine Corporation (Calpine) in a cash and stock transaction valued at approximately US$16.4 billion, consisting of $4.5 billion in cash, 50 million shares of Constellation stock, and the assumption of $12.7 billion in Calpine's net debt. The net purchase price is estimated at $26.6 billion, representing a 7.9x 2026 EV/EBITDA multiple. The acquisition will create the largest clean energy provider in the U.S., combining Constellation's zero-emission nuclear generation with Calpine's low-emission natural gas and geothermal assets. This combined portfolio will total nearly 60 gigawatts (GW) of capacity from diverse sources, including nuclear, natural gas, geothermal, wind, solar, battery storage, and cogeneration. The expanded platform will reinforce Constellation's leadership in the clean energy sector while enhancing its ability to serve a broader customer base nationwide, including the rapidly growing energy demands of AI-powered data centers, with sustainable and reliable energy solutions. Financially, the transaction is expected to be immediately accretive, with over $2 billion in free cash flow annually and more than $2 per share in earnings accretion beyond 2026. The deal provides strategic capital and operational scale for reinvestment in existing assets, new technologies, and clean energy infrastructure, supporting Constellation's long-term growth trajectory. Calpine's low-emission natural gas assets will contribute to grid reliability as the energy sector transitions toward cleaner power sources. The combined company will also continue to invest in carbon sequestration technologies and zero-emission energy generation, including advanced nuclear projects and the expansion of existing clean energy facilities like the Crane Clean Energy Center in Pennsylvania.

Johnson Matthey plc (JM) – has responded to a letter from Standard Investments LLC, acknowledging ongoing dialogue since 2022 and reaffirming its commitment to key priorities. JM's response highlighted progress in its transformation strategy, including manufacturing consolidation, cost reductions, and organizational changes, as well as new business wins that will drive future growth. The Board remains focused on improving share price performance, delivering value for shareholders, and adapting the strategy to the evolving market environment.

ECONOMIC CONDITIONS

European Inflation - Inflation in the euro area jumped to 2.4% year-over-year (y/y) in December (market: 2.4%, November: 2.2%), while core inflation held at 2.7% y/y (market and November: 2.7%). The story is largely one of energy base effects feeding through to the headline number, following on steady declines in petrol prices in late-2023: energy price inflation jumped from -2.0% y/y in November to +0.1% y/y in December. Within the unchanged core measure, services inflation rose only a tick to 4.0% y/y, while core goods inflation fell a tick to 0.5% y/y. The European Central Bank's December projections imply a headline rate of inflation between 2.5%-2.8%, and a core rate between 2.6%-2.9%, meaning that December's data should not pose too much concern for them at all. Separately, the unemployment rate held at its record low of 6.3% in November.

Australian Inflation - The Australian November Consumer Price Index (CPI) report was a mixed bag with headline CPI coming in above consensus at 2.3% (y/y) (consensus: 2.2%, October: 2.1%) but trimmed mean inflation showing progress as it moderates to 3.2% y/y from 3.5% y/y prior. In the details, services inflation remains sticky again with a 4 handle at 4.2%, albeit easing from 4.8% last month while goods inflation accelerated to 0.8% (October: 0.1%). New dwelling prices slumped to 2.8% y/y (October: 4.2%) on builders' discount though rents stayed elevated at 6.6% (October: 6.7%). If new dwelling prices continue to drop, this could pressure the Q4 trimmed mean CPI (released on January 29) below the Reserve Bank of Australia forecast (0.7% quarter-over-quarter (q/q) as new dwelling prices have an ~8% weight in the basket. The economy still remains resilient and upside risks to inflation remain. The market is pricing in 18 bps of cuts for February, but the more prudent course of action is for the Reserve Bank of Australia is to hold interest rates in February.

Australian Retail Sales - November Australian Retail Sales rose 0.8% month-over-month (m/m), below the consensus +1% forecast and the print for October was revised lower from 0.6% to 0.5%. Retail sales have advanced for 8 straight months now and most notably discretionary retail sales have matched or exceeded the headline print in 9 of the 11 months of 2024. This is not exactly a sign that interest rate cuts are desperately needed. Overall the data print is neutral for the Reserve Bank of Australia, but given the print missed consensus and consumption accounts for more than half of gross domestic product, some may view this as another factor favouring the Reserve Bank of Australia to deliver an earlier interest rate cut, as soon as February.

Canadian Employment - Canadian employment rose 91 thousand (K) in December, above consensus expectations for a 25K increase. The participation rate, meanwhile, remained steady at 65.1%. This translated into a one tick decline in the unemployment rate (6.7%), two ticks below consensus expectations. The increase in employment was the result of both full-time positions surging 57.5K, and part-time positions rising 33.5K. Meanwhile, the number of jobs in the private sector rose 26.7K, while self-employment also posted a decent rise (+23.7K). Employment in the public sector jumped 40.4K for its part. Goods-producing industries posted an improvement in December, with employment rising 22.5K. Gains here were registered in manufacturing (+13K), utilities (+10K), construction (+6K) and agriculture (+1K), while a decline was registered in resources (-7K). The services sector managed a strong performance, with employment up 68.4K. Gains in educational services (+17K), transportation/warehousing (+17K), FIRE (+16K) and health care (+16K) more than offset declines in professional/scientific services (-11K), wholesale/retail trade (-8K) and public administration (-3K). Employment in the core age cohort (25-54) jumped 30K while employment among the 15-24 years old was slightly down. People 55 and over experienced the largest gain in jobs count (+62K). Regionally, there were job gains in Alberta (+35K), Ontario (+23K), British Columbia (+14K) and Quebec (+14K) among others. Hours worked were up 0.5% in December after declining 0.2% in November. Wages were up 3.8% on a year-over-year basis in November (down from 4.1% in November).

US Employment - Nonfarm payrolls rose 256 thousand (K) in December, well above the 165K Bloomberg consensus forecast and up from a revised 212K increase in November. This upside surprise came alongside a 15K downward revision to the prior month, bringing the two-month net payroll revision to -8K. Employment in the goods sector fell by 8K with the largest negative contribution coming from the manufacturing sector (-13K). Construction employment rose by 8K. Jobs in service-producing industries grew by 231K, with big contributions from education and health services (+80K), leisure and hospitality (+43K), and retail trade (+43K). All other industries registered relatively small changes (+/- 10K). Of the headline job growth, 223K jobs were created in the private sector while employment in the public sector grew by 33K. Average hourly earnings increased 3.9% y/yin December, slightly below consensus (4.0%) and down from 4.0% in November. That's the smallest since September, which also printed 3.9%, or July in unique terms (3.6%). Month-over-month, hourly earnings advanced 0.3%, in-line with consensus and below the 0.4% print in November. Average weekly hours remained unchanged at 34.3 in the month, in line with expectations. Aggregate hours worked expanded 1.4% in Q4.

FINANCIAL CONDITIONS

The U.S. 2 year/10 year treasury spread is now 0.40% and the U.K.'s 2 year/10 year treasury spread is 0.30%. 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 6.93%. Existing U.S. housing inventory is at 3.8 months supply of existing houses as of December 19, 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 19.34 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

Net Asset Value:

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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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