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NEWS HIGHLIGHTS

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

MARCH 17, 2025

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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

Berkshire Hathaway Inc. (Berkshire) – announced that longtime director Ronald Olson, 83, will leave the board due to a new policy requiring directors, except Warren Buffett, to step down after turning 80. In its May 3 proxy statement, Berkshire's board also urged shareholders to reject seven proposals, including those related to diversity, anti-discrimination efforts, and AI oversight, arguing that its subsidiaries manage policies independently. Buffett, 94, is exempt from the age limit due to his 30.3% voting control and can remain a director even after retiring if independent board members approve.

Berkshire – Compass, Inc. (Compass) is reportedly in advanced talks to acquire Warren Buffett's real estate brokerage business, HomeServices of America, Inc. (HomeServices of America) While the acquisition price remains undisclosed, a deal could be finalized soon if negotiations proceed smoothly. The potential sale comes as HomeServices of America faces rising legal settlement costs related to brokerage commissions. Compass, one of the largest U.S. real estate brokerages, operates in 35 states and Washington, D.C., with over 33,000 agents. The news follows Rocket Companies, Inc.'s recent US$1.75 billion acquisition of Redfin Corporation, signaling ongoing consolidation in the real estate sector.

Brookfield Asset Management (Brookfield) – will acquire a 90% stake in Barclays PLC's (Barclays) UK merchant acquiring business in a two-stage deal. Initially, Brookfield will take a 10% stake, with the remaining 80% acquired after three years, leaving Barclays with a 10% minority holding. The deal is part of Barclays' business restructuring, with valuations for the payments division estimated between US$1 billion and $2.5 billion. To support the unit's growth, Barclays will inject £400 million and provide £250 million in regulatory capital to facilitate approval.

Brookfield – has closed its inaugural Brookfield Infrastructure Structured Solutions Fund (BISS) at its US$1 billion fundraising target. The fund focuses on middle-market infrastructure investments, partnering with sponsors, developers, and corporates across sectors where Brookfield has deep expertise. BISS will invest in both structured and common equity, with initial investments including Strategic Venue Partners LLC (wireless infrastructure) and Origis Energy USA, Inc. (renewable energy). Brookfield contributed $150 million in capital, reinforcing its alignment with investors. The fund is part of Brookfield's expansion into middle-market infrastructure, aiming to address investment demand driven by decarbonization, digitalization, and deglobalization. Brookfield expects to grow this strategy significantly in the coming years.

LVMH Moët Hennessy Louis Vuitton SE (LVMH)– is proposing to raise the age limit for its Chief Executive Officer (CEO) and chairman to 85, allowing billionaire Bernard Arnault to extend his leadership of the French luxury giant. Arnault, 76, who founded and expanded LVMH into the world's largest luxury goods company, currently holds both roles but has not yet named a successor. His five children, aged 27 to 49, all work for the group, with four serving on its board. Shareholders will vote on the proposed amendment at the company's general meeting on April 17. LVMH previously raised the CEO's age limit to 80 in 2022. In 2022, Arnault strengthened family control over LVMH by restructuring his Financière Agache SA (Agache) holding company into a limited partnership. The Arnault family owns 49% of LVMH's shares and holds 64.8% of the voting rights. In 2024, LVMH reported a net profit of €12.55 billion (US$14 billion) on revenue of €84.7 billion.

LVMH – has appointed Frédéric Arnault, son of chairman and CEO Bernard Arnault, as the new chief executive of its luxury Italian cashmere brand Loro Piana. He will officially take over in June, following a transition period starting in March. The appointment is part of a broader leadership reshuffle at the world's largest luxury group, as Bernard Arnault's five children continue to take on key roles within the company. Frédéric, 30, has led LVMH's watches division for the past year and previously served as CEO of TAG Heuer, where he played a crucial role in securing a 10-year Formula 1 sponsorship deal. His move to Loro Piana is seen as a step toward gaining experience in fashion and leather goods, LVMH's largest business segment. Outgoing Loro Piana CEO Damien Bertrand will become deputy CEO of Louis Vuitton and join LVMH's executive committee next year. Loro Piana, known for its understated luxury, has gained prominence as a symbol of the "quiet luxury" trend, catering to high-net-worth clients with ultra-premium products such as €1,700 (US$1,853) loafers and €10,000+ cashmere coats. Frédéric will report to Toni Belloni, who now leads LVMH's Italian operations.

Reliance Industries Ltd. (Reliance)– Jio Platforms Ltd. (Jio Platforms) announced a surprise pact with Space Exploration Technologies Corp. (SpaceX) to offer Starlink Inc.'s (Starlink) satellite Internet services in India, a day after rival Bharti Airtel Ltd. (Bharti) unveiled a similar arrangement. The twin deals essentially turn Elon Musk's Internet service from challenger to ally of India's powerful wireless carriers, underscoring his growing global influence as US President Donald Trump's close adviser. It also marks a volte-face by Ambani's Jio Platforms and Bharti which were earlier opposed to the idea of Starlink getting airwaves cheaply. The tie-ups are subject to SpaceX receiving regulatory approval to sell Starlink in India. Yet it shows a recognition by the two Indian billionaires that the arrival of Musk's companies in the world's most-populous country is inevitable, and that they don't want to take him on in a straight fight. Tesla, Inc. is also gearing for its India entry by shipping thousands of cars to the country and setting up showrooms. The new deal agreement will see Reliance Jio Infocomm Limited (Reliance Jio) offer Starlink equipment through its retail outlets as well as through its online storefronts, a Reliance Jio statement said Wednesday. The two companies will also explore how they can boost each other's offerings. The Indian government's decision in October last year to allocate satellite spectrum at a pre-decided price stoked fears that Starlink may compete with terrestrial networks and chip away some of Reliance Jio and Bharti's subscriber base. The Indian firms have secured Starlink's marketing and distribution rights to tap a segment of users that live in remote areas with patchy wireless connectivity, according to people familiar with the internal discussions who asked not to be identified as the information is private. The alignment by Reliance Jio and Bharti ensures that they remain key players in shaping satellite broadband's adoption in India rather than being sidelined by a disruptive outsider. India's satellite communication market is expected to more than double to US$6.8 billion by 2030 from $3.1 billion this year, according to research firm Mordor Intelligence. The local telecom regulator is also yet to announce the price satellite-Internet firms need to pay for securing airwaves a key element that will influence the cost of a Starlink connection for consumers in India.

DIVIDEND PAYERS

GO TO PORTLAND CANADIAN BALANCED FUND[1]

Empire Company Limited - announced its financial results for the third quarter (Q3) ended February 1, 2025. For the quarter, the company recorded net earnings of CAD$146.1 million ($0.62 per share) compared to $134.2 million ($0.54 per share) last year. For the quarter, the company recorded adjusted net earnings of $146.1 million ($0.62 per share) compared to $153.1 million ($0.62 per share) last year. "We are pleased to see our strong execution continue in Q3, highlighted by improving same-stores sales and our ongoing discipline in managing margins," said Michael Medline, President & CEO, Empire.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Amgen Inc. – announced positive results from the Phase 3 MINT trial of UPLIZNA® (inebilizumab-cdon) in adults with a type of generalized myasthenia gravis (gMG) -- a rare, chronic autoimmune disease. The trial showed that UPLIZNA significantly improved symptoms over 52 weeks. UPLIZNA demonstrated sustained efficacy with a twice-yearly dosing regimen after an initial loading dose, offering a potential new standard of care for gMG patients.

Arvinas Inc. – and Pfizer Inc. announced positive topline results from the Phase 3 VERITAC-2 clinical trial, which evaluated vepdegestrant for a specific type of breast cancer. The trial achieved its primary endpoint in patients with estrogen receptor 1 mutations (ESR1m), showing a significant improvement in progression-free survival.

Perspective Therapeutics Inc. – announced the first patient has been dosed with [212Pb]VMT01 in combination with nivolumab (Opdivo®) as part of a Phase 1/2a clinical trial for a type of metastatic melanoma. The trial aims to evaluate the safety and efficacy of this targeted alpha-particle therapy (TAT) alongside the PD-1 blocking antibody nivolumab. Initial results from earlier cohorts, where [212Pb]VMT01 was used as monotherapy, showed a satisfactory safety profile and early signs of anti-tumor activity.

NUCLEAR ENERGY

Cameco Corporation (Cameco) - Westinghouse Electric Company LLC and Data4 Group (Data4), a leading European data center developer, have signed a memorandum of understanding (MoU) to explore using AP300™ small modular reactors (SMRs) to power future data centers in Europe. With data center power demand projected to rise by 165% by 2030 due to AI-driven growth, operators are seeking reliable, carbon-free energy solutions. Data4 has selected the AP300 SMR as its preferred technology to evaluate deployment at a future site, aiming to enhance energy autonomy and reduce reliance on traditional grids. The AP300 SMR, based on the proven AP1000® reactor design, offers cost-effective, baseload nuclear power with a compact, safe, and flexible design. Unlike other SMRs still in development, the AP300 leverages existing technology and supply chains, with deployment expected in the early 2030s. This partnership represents a step toward more resilient and sustainable data center infrastructure, as operators seek alternative power solutions to meet increasing energy demands.

ECONOMIC CONDITIONS

Canada - Prime Minister Mark Carney has been able to set the carbon tax to zero as of April 1 (the legislation allows cabinet to determine the level of it, so he was able to functionally eliminate it without parliament). That will knock about 0.5% off of the level of the Consumer Price Index (CPI) in April. This almost perfectly offsets the temporary CPI shock anticipated from Canadian retaliatory tariffs, the bulk of which kick in on April 2nd.

US consumer inflation slowed to 0.2% in February from a sizeable 0.5% pace in January and breaking a string of three consecutive months of acceleration. This was a bit lower than our forecast and the consensus projection looking for a 0.3% increase. It was also the best monthly reading on headline inflation since October. From a year ago, CPI inflation moderated to 2.8% from 3.0% in January, also beating expectations for a moderation to 2.9%. A 0.3% increase in the shelter component accounted for about half of the increase in the all-items index last month, according to the Bureau of Labor Statistics (BLS). We saw price declines in gasoline (-1.0%), airline fares (-4.0%), and new vehicle prices (-0.1%) last month. This kept price increases in the overall energy component contained at 0.2%, despite big increases in electricity (+1.0%) and natural gas (+2.5%) last month. Food inflation was also tame, rising 0.2% with food at home unchanged, but food away from home still rising at an overheated 0.4%. However, egg prices rose another 10.4% in February. Services inflation, including medical care and recreation, remained firm, rising 0.3%. Used vehicle prices jumped 0.9%, apparel rose 0.6%), and household furnishings were up 0.4%. Core CPI inflation, excluding food and energy, also came in better than expected, increasing a moderate 0.2% last month versus 0.4% in January. From a year ago, core inflation moderated to 3.1% from 3.3%. Even so, it remains well above the Federal Reserve's (the Fed) 2.0% medium-term target. The three-month annualized core services inflation excluding housing continues to run hot at 4.8%, though that is down from 5.3% in January. This slowing should calm market fears that consumer inflation is meaningfully heating up again and getting away from the Fed's goal even before new tariffs on goods imports hit. It may not be enough for the Fed to cut rates in March, but leaves open the possibility for more rate cuts later this year in our opinion. The federal funds (Fed funds) futures are now pricing in nearly three quarter-point rate cuts this year, with the first one coming as soon as June.

US retail sales increased a less than expected 0.2% In February, below consensus forecasts looking for a 0.6% increase even as January retail sales were revised down to a 1.2% decline. On a somewhat better note, the retail sales control group (ex. autos, gasoline, building materials, and food services), used to help estimate real consumer spending in the GDP report, came in at a better than expected 1.0% after a downwardly revised 1.0% decline in February. Averaging the last two months still paints a very downbeat picture of the consumers' willingness to spend with all this economic policy uncertainty pilling up. The headline sales miss was partially driven by another motor vehicles sales decline of 0.4% that followed a huge 3.7% decline in January. Most analysts had expected motor vehicle sales to add significantly to overall sales gains as unit vehicle sales jumped to 16.0 from 15.6 in January. Department store sales plunged 1.7%. Eating and drinking sales fell 1.5%, and gasoline station sales dropped 1.0%. Sales declines also occurred in clothing (-0.6%), sporting goods (-0.4%) and electronics (-0.3%). Sales rebounded most strongly for non-store retailers (+2.4%), health and personal care stores (+1.7%), grocery stores (+0.4%), and building materials (+0.2%). In our view consumers are clearly becoming more discerning in their spending. With two months of 2025 retail sales data now in our pocket, it is obvious that first quarter real consumer spending is set for a sharp slowdown and probably won't return to second half 2024 growth rates any time soon. The Federal Reserve will have to balance the risks of a slowing economy and consumer against the possibility that sizable tariffs could stoke another round of inflation in the months ahead. In our view the Fed can probably still stay on the sidelines for now as they await more information.

UK GDP growth for the month of January fell 0.1% month over month (m/m) (market(mkt): 0.1%), on the back of a sharp 1.1% contraction in the manufacturing sector (mkt: 0.0%). The decline in the manufacturing sector was broad-based, with 9 of 13 subsectors falling in the month. The services sector eked out a small 0.1% gain in January (mkt: 0.1%), with retail trade leading the gains, while food and accommodation spending fell. In our view while this data shouldn't have too much bearing on the Monetary Policy Committee's decision this week, it does return things to where we were for much of 2024H2 with very little momentum in GDP growth (increasingly like December's +0.4% m/m was an outlier)

Australia: The US administration announced earlier that Australia's exports of steel and aluminum would NOT be granted an exemption from the 25% US tariff. This is a shift from Trump's first term when Australia was granted an exemption. The impact for Australia in our view is not significant. Australia's exports of steel and aluminum to the US represent less than 0.05% of Australia's GDP. Second Australia is a minor supplier to the US, for example Australia's share of total US aluminum imports sits at around 2% compared with Canada at 40%. Our view is Australia could redirect its exports of steel and aluminum with relative ease, softening the blow from US tariffs on these goods. For now, it is not expected that Australia will respond with tariffs on US goods. However, the bigger issue for Australia in our view is how US tariffs impact trade with its largest trading partners, China, Japan and South Korea because ultimately, they will determine the demand for Australia's exports and GDP.

FINANCIAL CONDITIONS

The Bank of Canada (BoC) lowered its target for the overnight rate by 25 basis points (bps) to 2.75%, in line with a nearly unanimous consensus and market pricing. This is the 7th consecutive cut, bringing cumulative rate relief to 225bps since June 2024. At 2.75%, the policy rate is equal to the mid-point of the BoC's estimated neutral range (2.25% to 3.25%). The BoC's overnight target is now 175 basis points below the Fed's upper bound policy target (the largest rate gap since 1997). As was the case in January, the Bank will set the deposit rate 5bps below the target rate (2.70%). The Bank rate will remain 25bps above the overnight target (3.00%).

In an accompanying release, the BoC provided insight into "how Canadian businesses and households are reacting to the trade conflict. The report highlighted consumer spending caution (plans to defer large purchases and increase precautionary savings), job security worries (especially in industries directly relying on exports to the U.S.), and a subdued business outlook. The BoC highlighted that businesses are reducing hiring/investment plans on the basis of heightened trade uncertainty, while both consumers and businesses are expecting prices to increase over the next year. While the opening remarks mention that the economic activity impact from tariffs is (largely) yet to be seen, uncertainty is already weighing big time on business and consumer intentions.

While the communique doesn't commit to any particular rate path, there's clearly a focus on downside risks as "pervasive uncertainty" could derail the strong GDP and labour market recovery that had been playing out. However, this cautious assessment was perhaps more than offset by a more hawkish tone on the inflationary impacts of the trade war. The Bank cites rising inflation expectations and business plans to pass on tariff costs. That implies the Bank will have to "proceed carefully" on the rate path as "monetary policy cannot offset the impacts of a trade war". In our view while there may be another cut in April, incoming economic data has the scope to change that (if inflation surprises higher and GDP/growth holds up).

The U.S. 2 year/10 year treasury spread is now 0.26% and the U.K.'s 2 year/10 year treasury spread is 0.48%. 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 is now 6.65%. Existing U.S. housing inventory is at 3.5 months supply of existing houses as of February 21, 2025 - 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 20.94 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

And Finally: *"The pessimist sees difficulty in every opportunity. The optimist sees opportunity in every difficulty." ~Winston Churchill*

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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, 'SG&A' Selling, General, and Administrative expense ratio.

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

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