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# NEWS HIGHLIGHTS

EST. 2007

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

SEPTEMBER 22, 2025

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## OWNER OPERATED COMPANIES



GO TO  
PORTLAND 15 OF 15  
ALTERNATIVE FUND



PORTLAND 15 OF 15  
ALTERNATIVE FUND  
COMPANY NEWS

**LVMH Moët Hennessy Louis Vuitton SE (LVMH)** has appointed Guillaume de Seynes as the new Chief Executive Officer of Veuve Clicquot Ponsardin (Veuve Clicquot), succeeding Jean-Marc Gallot, who is stepping down after more than a decade at the helm of the prestigious champagne house. De Seynes, a seasoned LVMH executive with over 20 years at the company, previously held senior roles within MHCS Moët Hennessy Champagne Services (Moët Hennessy) and brings deep expertise in luxury wine and spirits. Gallot, who notably elevated Veuve Clicquot's global profile and brand equity during his tenure, will transition to a new role outside the group, having recently been appointed president of the Stade de Reims football club.

**Reliance Industries Limited (Reliance)** – On September 15, Reliance Group companies raised about INR 210 billion (\$2.4 billion) through asset-backed securities, people familiar with the matter said, making it one of the largest such deals in India this year. About three-fourths of the issuance was bought by the country's leading asset managers, including Aditya Birla Sun Life AMC Limited (Aditya Birla AMC), Housing Development Finance Corporation (HDFC) Asset Management Company Limited (HDFC AMC), Industrial Credit and Investment Corporation of India (ICICI) Prudential Asset Management Company Limited (ICICI Prudential AMC), Nippon Life India Asset Management Limited (Nippon AMC) and State Bank of India (SBI) Funds Management Limited (SBI AMC), the people said, asking not to be identified as the information is not yet public. The securities, known locally as pass-through certificates, were issued by three trusts, Radhakrishna Securitization Trust, Shivshakti Securitization Trust and Siddhivinayak Securitization Trust,

with maturities of about three, four and five years respectively, and carried an average coupon of 7.75%, the people said. The Reliance offering drew a robust response, as it gave investors a chance to own top-rated asset-backed securities in a market still dominated by non-bank financial firms. The deal also adds heft to India's securitization market, which remains relatively small but is on track to reach a record high of more than INR 2.5 trillion in issuance this fiscal year ending March, according to Investment Information and Credit Rating Agency of India Limited (ICRA), an affiliate of Moody's Ratings.

**Reliance** – Indian refiners have no plans to step away from Russian crude as domestic fuel demand picks up after the monsoon season, even as New Delhi resumes trade negotiations with Washington and both sides press for a deal. Instead, buying is expected to remain active for November and December delivery, though volumes may be below peaks seen in recent years, according to people with direct knowledge of procurement plans. They asked not to be identified as the matter is not public. New Delhi officials are regularly in contact with large state and private refiners, but there has been no order to pull back, or to do otherwise, the people said. That could change in coming months as trade talks progress and India seeks to find areas of possible compromise, but there is currently no such plan. Much will also depend on Reliance, which takes a significant portion of current Russian imports through a term deal with PJSC Rosneft Oil Company (Rosneft) that came into effect earlier this year. Should the conglomerate owned by India's richest man pull back, overall figures could look more modest even if others continue to take cargoes. India tends to shun crude from US-sanctioned regimes, including Iran and Venezuela. For now, even private refiner Nayara Energy Limited (Nayara), a processor part-owned by Rosneft, is slowly returning to normal operating levels two months after it was sanctioned by Europe, with approvals for coastal vessels to be used for domestic supply and local lender United Commercial Bank Limited (UCO Bank) set to assist with payments. Nayara, which earlier used to buy from Saudi Arabia and Iraq apart from Russia, is now heavily reliant on Urals crude to run its 400,000 barrel-a-day unit on India's west coast.



## DIVIDEND PAYERS



GO TO  
PORTLAND CANADIAN  
BALANCED FUND<sup>1</sup>

**Magna International Inc. (Magna)** – As Chinese car manufacturers enter the European market, the need for localized production is growing. Today, Magna has announced that Guangzhou Xiaopeng Motors Technology Co., Ltd. (XPENG) has selected the company to assemble two new models for the European market. Serial production of these new smart electric vehicles will begin in 3rd Quarter of 2025, marking the start of a long-term collaboration for future models. For nearly 20 years, Magna has supported Chinese automakers with complete vehicle engineering, and since 2018, with domestic manufacturing and assembly services. This newly awarded program marks the first complete vehicle assembly with a Chinese Original Equipment Manufacturer (OEM) out of Magna's operations in Graz, Austria, aligning with XPENG's commitment to European localization. "We are thrilled to collaborate with XPENG, marking a significant milestone as our first Chinese OEM partner here in Europe," said Roland Prettnner, President Magna Complete Vehicles. "This partnership underscores our commitment to innovation and flexibility in meeting the evolving needs of the automotive industry. By leveraging our extensive experience and state-of-the-art facilities, we are well-positioned to support XPENG's ambitious goals for the European market." Magna is a key strategic partner for OEMs that are looking to expand their presence within the region. With its range of capabilities, including being a world leader in brand independent contract manufacturing, Magna offers comprehensive automotive expertise, flexibility, and experience working with a wide range of OEMs. Due to this positioning, Magna is able to provide tailored and swift support to automotive manufacturers. "Our partnership with Magna fits perfectly in our vision and strategy to strengthen our European capabilities," said Brian Gu, Vice Chairman and President of XPENG. "It is a first step in our growth in Europe as we have a long-term commitment to Europe." With over 125 years of vehicle manufacturing expertise, Magna has established a global network of partners and suppliers. The company has developed more than 40 complete vehicles and derivatives and produced more than 4 million vehicles.



## LIFE SCIENCES



GO TO  
PORTLAND LIFE  
SCIENCES  
ALTERNATIVE FUND<sup>1</sup>

**Arvinas, Inc. (Arvinas)** – announced that, together with Pfizer Inc. (Pfizer), it will seek a third-party partner to out-license and commercialize vepdegestrant, its investigational PROTAC estrogen receptor degrader, currently under FDA review with a PDUFA date of June 5, 2026. The move aims to maximize the drug's commercial potential while allowing continued focus on its development in ESR1-mutant, ER+/HER2- breast cancer. Alongside the collaboration update, Arvinas unveiled cost optimization measures expected to generate over US \$100 million in annual savings compared to FY 2024.



## NUCLEAR ENERGY

**BWX Technologies, Inc. (BWXT)** – has been awarded a US \$1.5 billion contract by the Department of Energy's National Nuclear Security Administration (NNSA) to advance a fully domestic uranium enrichment capability for defense needs. As part of the effort, BWXT began construction in June 2025 on a Centrifuge Manufacturing Development Facility in Oak Ridge, Tennessee, which will produce centrifuges for the Domestic Uranium Enrichment Centrifuge Experiment (DUECE) pilot plant in Erwin, Tennessee. The pilot plant will initially demonstrate low-enriched uranium production for defense missions before transitioning to produce highly enriched uranium for naval propulsion.

**ITM Power PLC (ITM Power)** – announced a capacity reservation agreement with RWE AG (RWE) for 150MW (Mega-watt) of its NEPTUNE V containerised green hydrogen units, equivalent to 30 units, with call-offs expected by 2027. The deal builds on RWE's operation of ITM Power's 4MW pilot plant and the ongoing delivery of 200MW for the GetH2 Nukleus project in Germany, highlighting repeat business with a key industrial partner. NEPTUNE V, launched last year, offers a compact, rapidly deployable, and scalable solution for commercial-scale hydrogen projects, and has gained strong market traction since its introduction.



## ECONOMIC CONDITIONS

**U.S. Housing starts** fell much more than expected in August, by 8.5% to 1.307 million annualized, and are down 6% from a year ago. Both singles and multiple-family units fell in the month. And, by the looks of building permits and the latest NAHB Housing Market Index, little recovery is expected in September. Building permits fell for a fifth straight month, by 3.7% to 1.312 million annualized, and are 11% below year-ago levels. Meantime, the NAHB index held at the depressed level of 32 in September, versus a long-run norm of around 50. Still-elevated mortgage rates, a weak labour market, and sagging home values have depressed demand, while deported construction workers and an earlier spike in lumber costs have hampered supply. While mortgage rates are starting to ease, further relief is needed in our view to meaningfully improve affordability in many regions and inspire builders.

**U.S. retail sales rose 0.6% in August**, more than the median economist forecast calling for a +0.2% print. The positive surprise was accompanied by a slight upward revision to the prior month's result, from +0.5% to +0.6%. Sales of motor vehicles and parts contributed positively to the headline figure in August, as they rose 0.5% on a monthly basis. Without autos, goods outlays rose 0.7%, as gains for non-store retailers (+2.0%), clothing (+1.0%), sporting goods (+0.8%) and eating/drinking establishments (+0.7%) were only partially offset by declines for miscellaneous items (-1.1%) and furniture (-0.3%). In all, sales were up in 9 of the 13 categories surveyed. Core sales (i.e. sales excluding food services, auto dealers, building materials, and gasoline stations) grew 0.7%. At the end of August, President Trump's administration removed the so-called de minimis exemption, which allowed goods valued at less than US \$800 to enter the United States without being taxed. This policy change most likely encouraged consumers to bring forward certain online purchases in order to avoid their orders being subjected to duties and taxes. If it is indeed what happened, a significant reversal of the trend can be

expected in this category in the coming months. Excluding the non-store category, retail sales were up a more subdued 0.3%. This increase reflected a significant rise in prices during the month. But there were positive points to take away from the August retail sales report, notably the fact that the increase in sales was fairly widespread. The rise in outlays in restaurants and bars was also notable, as it suggests an increase in spending in the services segment, which accounts for a larger share of total consumer spending than the goods segment.

**Britain and the United States have agreed a technology pact** to boost ties in AI, quantum computing and civil nuclear energy, with top U.S. firms led by Microsoft Corporation (Microsoft) pledging US \$42 billion in UK investments.

**UK retail sales** surprised to the upside in August, rising 0.5% m/m. This follows on an equally strong 0.5% reading in July, that had been temporarily boosted by the England women's football team making the Euros championship finals. Good weather was the main factor driving sales in August, with clothing, specialist food stores, and non-store retailing outperforming. In our view this bodes well for Q3 GDP growth, after the UK outperformed other major economies in the first half of the year.

**UK Consumer Price Index (CPI)** matched expectations at +0.3% m/m and +3.8% year on year (y/y). Core numbers were similar at +3.6% y/y but services were a touch softer than at 4.7% y/y versus the 4.8% expectations and down from 5.0% last month.

**UK labour market** for the month of July, experienced all wage growth measures falling right on consensus, with headline at 4.7%. As such, this demonstrates a tepid but consistent slow down in wages, though these levels are still inconsistent with the Monetary Policy Committee's inflation target. On employment change, 232k jobs were added on a 3m/3m basis (mkt: 220k) and unemployment rate remained steady at 4.7% (mkt: 4.7%).

**Eurozone CPI** came in at +2.0% versus the +2.1% consensus. Core met expectations at +2.3% y/y.



## FINANCIAL CONDITIONS

The U.S. 2 year/10 year treasury spread is now 0.55% and the U.K.'s 2 year/10 year treasury spread is 0.74%. 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 6.26%. Existing U.S. housing inventory is at 4.6 months supply of existing houses as of August 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 volatility index (VIX) is 15.90 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

**U.S. Federal Reserve:** For the first time since December 2024, the Federal Open Markets Committee lowered its target policy range by 25 basis points 4.00-4.25%, in a widely expected move. Balance sheet policy was left unchanged. There was one dissent: Recently confirmed Governor Stephen Miran preferred a 50 basis point cut. After delivering 100 bps of easing in late 2024, the policy rate is now 125 bps below the hiking cycle peak. The biggest change to the statement's economic assessment came on the labour market characterization. They now say "job gains have slowed, and unemployment rate has edged up but remains low". Previously, they said conditions were "solid". They also added that "downside risks to employment have risen". Meantime, they reiterate that economic activity as moderated in the first half. On inflation, they say inflation "has moved up" (a new addition) and remains "somewhat elevated". The statement reiterates that uncertainty about the economic outlook "remains". Real GDP projections saw an upgrade relative to June. The committee now sees 2025 growth at 1.6% (up from 1.4%) and 2026 / 2027 growth at 1.8% / 1.9%, respectively (up 0.2% / 0.1%). Longer-run growth remained unchanged from the last set of projections. The median dot for 2025 drifted lower, implying another 50bps of rate relief by year-end. If that projection materialized, the Fed Funds upper-bound would reside at 3.75% heading into 2026 - down 25bps from the 4.00% guided in June. However, just one cut is pencilled in the dot plot for 2026, suggesting that frontloading rate relief may be deemed more appropriate at this juncture, as the longer run policy projections remained unchanged.

**The Bank of Japan** kept the overnight call rate at 0.50% in a 7 to 2 vote with Takata and Tamura delivering hawkish dissents. The BoJ noted the price trend being in line with inflation forecasts in the second half of the outlook period. This could be interpreted as being hawkish, but the Statement reiterated high global economic uncertainty regarding the outlook and the need to watch trade policies and overseas conditions.

**Bank of England** voted to keep Bank Rate at 4.00%, with two dovish dissents, and little change in the statement. Crucially, the need for "gradual and careful approach" to monetary policy remains appropriate and the future pace of reductions will depend on data - all the same from the August decision. The lean continues to be to the inflation side, noting that upside risks to inflationary pressures remain top-of-mind to the Committee but have not shifted much since the last meeting. This should bring more attention to the CPI releases over the next couple of months to see if inflation eases after the expected September peak.

**Norges Bank** delivered a 25 basis points (bps) cut, bringing the policy rate to 4.00%, but with a more hawkish tilt compared to their June outlook. The Committee stated that a "restrictive monetary policy is still needed" and to that end shifts their projections to no longer needing a cut until Second Quarter (Q2) of 2026, at the earliest. Furthermore, the path of the policy rate is 35bps higher in the second half of next year, compared to the June projections. The press release also gives a nod to higher inflation, suggesting that if it continues to be elevated for longer than projected, it could trickle down to an even higher policy rate path than currently outlined.



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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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