NEWS HIGHLIGHTS

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

JULY 13, 2026

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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

Brookfield Asset Management (Brookfield) - is reportedly in exclusive discussions to acquire a 10% stake in Hudson Square Properties, a 6.2 million square foot Manhattan office portfolio valued at approximately US$3.5 Billion, while also becoming its long-term operating partner. The potential investment reflects Brookfield's confidence in the continued recovery of high-quality office assets and the growing strength of Manhattan's West Side as a technology and artificial intelligence (AI) hub. Leasing demand has been supported by AI and technology tenants, including recent commitments from Anthropic and PayPal. Office availability in the neighbourhood has declined, while asking rents have increased nearly 20% over the past year. If completed, the transaction would further expand Brookfield's presence in premier New York commercial real estate alongside existing partners Trinity Church and Norges Bank Investment Management.

DIVIDEND PAYERS

GO TO PORTLAND CANADIAN BALANCED FUND[1]

United Parcel Service (UPS) – has opened a new operations center in Kaohsiung, Taiwan, to support growing customer demand for premium international logistics services in southern Taiwan. The new facility doubles the size and package processing capacity of UPS's operations in the southern Taiwan area. Commenting on the expansion, Sam Hung, Managing Director of UPS Taiwan, said: "Taiwan is a global hub for high-tech innovation. While industrial activity has traditionally been concentrated in the north, many companies are now expanding into the south, particularly in and around Kaohsiung. UPS is committed to supporting this growth by providing the global connectivity and logistics solutions our customers need to achieve long-term success."

Verizon Communications Inc. (Verizon) and KDDI Corporation (KDDI) announced a collaboration with **Bayerische Motoren Werke Group (BMW),** which will see Verizon provide fifth generation (5G) Standalone and Long Term Evolution (LTE) connectivity directly to BMW Group vehicles in the U.S., delivering exclusive telematics support for the BMW Connected Drive system in newly manufactured vehicles. The deal stems from Verizon's long-term partnership with KDDI, which supplies its proprietary Global Communications Platform to BMW Group. The in-car connectivity service is available for all newly manufactured BMW Group vehicles in the United States.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Perspective Therapeutics Inc. (Perspective) - announced the appointment of Paul Lyne, Ph.D., as Chief Science Officer, succeeding co-founder Michael K. Schultz, Ph.D., who will transition to Senior Scientific Advisor as part of a planned retirement succession. Dr. Lyne joins from Merck KGaA, where he served as Senior Vice President and Head of Oncology Research. He brings more than 25 years of experience in oncology drug discovery, early-stage clinical development, and portfolio strategy, having contributed to more than 30 oncology development programs. The appointment strengthens Perspective's leadership team as the company continues advancing its targeted alpha-particle radiopharmaceutical pipeline through clinical development.

NUCLEAR ENERGY

BWX Technologies, Inc. (BWXT)– completed its previously announced acquisition of Precision Components Group (PCG), closing in line with the second half of 2026 timeline outlined when the transaction was announced. The acquisition adds more than 500,000 square feet of U.S. heavy manufacturing capacity and a workforce of more than 450 employees. PCG will operate within BWXT's Commercial Operations segment while continuing to serve customers from its existing facilities in York, Pennsylvania, and Florence, New Jersey. The business will continue supporting existing programs, including component manufacturing and services for Electric Boat, Bechtel Plant Machinery, Inc., and other U.S. Navy customers. Management said the acquisition strengthens the domestic nuclear manufacturing base to support reactor life-extension projects and new nuclear construction as demand for commercial nuclear power continues to increase.

ITM Power plc (ITM Power) - announced that its Euro £46.5 million grant from the United Kingdom (UK) Department for Energy Security and Net Zero (DESNZ), the government department responsible for energy policy and achieving net-zero emissions, has been formally awarded. First announced in April, the grant, together with a Euro 40 million equity investment from Great British Energy, the UK government-owned energy investment company, will support ITM's plans to expand manufacturing capacity for Chronos, its next-generation electrolyser stack. An electrolyser uses electricity to split water into hydrogen and oxygen, while the stack is the core component where the electrochemical reaction takes place. The Chronos production line will be located at ITM Power's existing Sheffield facility and is expected to support annual production capacity of 1 gigawatt (GW). The project will include bespoke automated manufacturing equipment, catalyst-coated membrane production, electrode welding, specialist coating technologies, automated stack assembly lines, and cleanroom infrastructure. ITM said the new line will build on manufacturing processes developed through its existing Trident production line, which management expects will reduce execution risk.

PRIVATE CREDIT

Direct lending by U.S. private credit firms fell sharply in the second quarter even as fund-raising by such firms rebounded, underscoring the deviation between capital raised for the asset class and the deal flow to absorb it.

North America-focused closed-end direct-lending funds raised US$16.25 billion in the quarter, up from US$1.3 billion in the first quarter, according to Preqin data, the highest in two years. U.S. direct Lending volumes moved in the opposite direction, falling about 55% quarter-on-quarter to US$33.59 billion in the second quarter down from US$74.67 n in the first quarter. This is the lowest level of direct lending since the second quarter of 2023. The deal count declined to 154 from 217.

The split shows money is still flowing into private-credit funds, but lenders are becoming more selective about putting that capital to work. The shift follows increased scrutiny after defaults, concerns over software exposure and redemption pressure from retail investors in some semi-liquid vehicles.

ECONOMIC CONDITIONS

Canada's merchandise trade surplus increased to Canadian $4.2 billion in May, up from Canadian $3.4 billion the month prior, marking the third consecutive monthly surplus. Merchandise exports increased 0.9% month-on-month (m/m), while imports declined 0.2% m/m. Total exports rose 0.9% m/m to a record Canadian $77.1 billion, a fourth consecutive monthly increase, with exports rising 22.2% over that period. Exports rose in 7 of the 11 product sections, led by metal ores and non-metallic minerals (+16.1% m/m). On the import side, 9 of 11 product sections increased, but a sharp 18.2% drop in metal and non-metallic mineral products (a separate, processed-goods category including gold and iron and steel) was large enough to pull total imports down 0.2% m/m. Canada's trade surplus with the United States widened from Canadian $10.3 billion in April to Canadian $11.6 billion in May, its largest since January 2025, while the trade deficit with countries other than the United States widened from Canadian $6.9 billion to Canadian $7.4 billion.

Canadian non-farm payrolls increased 18.2k in June, above consensus expectations of 10k, while the unemployment rate declined 0.1 percentage points to 6.5%. The composition was mixed: public sector employees declined by 31,000 (-0.7%) while private sector employment edged up 32,000 (+0.2%). Gains were concentrated among youth aged 15 to 24 (+33,000), driven primarily by part-time work (+25,000), while employment fell among those aged 55 and older (-47,000). By industry, accommodation and food services added 15,000 (+1.2%), while manufacturing shed 17,000 (-0.9%) with employment in this sector now down a net 61,000 (-3.2%) from its January 2025 peak. On a year-over-year (y/y) basis, employment was up 99,000 (+0.5%), driven by a net increase in full-time employment (+131,000; +0.8%). Average hourly wages among employees were up 3.3% y/y in June (+Canadian $1.19 to Canadian $37.20), following growth of 3.0% in May.

The Bank of Canada (BOC) Business Outlook Survey was conducted from May 1 to 21, 2026. Overall business sentiment has deteriorated after improving over the past three quarters. Sales outlooks have softened slightly, reflecting a slowdown in business and consumer spending. Firms' export outlooks have improved. Fewer firms said trade uncertainty and hesitancy among U.S. customers are constraining exports. Most firms did not report binding capacity constraints or labour shortages. Though firms' investment intentions remain strong, soft demand and uncertainty continue to weigh on investment plans for some. The share of firms expecting their input and selling prices to increase rose markedly, with expected price increases often linked to high global oil prices.

United States Institute for Supply Management Services Purchasing Manager's Index fell to 54.0 in June 2026, from 54.5 in May, matching consensus expectations. The read, despite declining on the month, is still solidly in expansionary territory. The slowdown is driven by declines in business activity growth to 55.4 from 57.7 and new orders falling to 55.1 from 57.3. The employment index jumped into expansionary territory at 51.2 from 47.9, it's largest increase since 2024. The prices sub index eased to a still elevated 67.7 from 71.3. Survey respondents noted that business conditions remain robust, despite ongoing concerns about the conflict in the middle east.

U.S. existing home sales fell 2.4% m/m to 4.09 million annualized units in June below the market consensus forecast calling for a flat reading of 4.20 million units. Sales in the single-family segment fell 2.4% to 3.73 million, while sales in the condo and co-op segment fell 2.7% to 360,000. The median home price is up 1.8% y/y, unchanged from May's read.

FINANCIAL CONDITIONS

The U.S. 2 year/10 year treasury spread is now 0.35% and the U.K.'s 2 year/10 year treasury spread is 0.62%. 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 6.49%. Existing U.S. housing inventory is at 4.6 months supply of existing houses as of July 13, 2026 - 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 a 16.18 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

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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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PIC26-031-E(07/26)