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NEWS HIGHLIGHTS

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

JANUARY 27, 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 Group is building what may become the world's biggest data center by capacity in India, the latest in a blitz of global investments to capitalize on booming demand for artificial intelligence services. Reliance is buying Nvidia Corporation's (Nvidia) powerful AI (artificial intelligence) semiconductors and setting up a data center in the town of Jamnagar that's expected to have a total capacity of three gigawatts, according to people familiar with the matter, who asked not to be identified because the details aren't public. That would make it far bigger than any data center now operating. The company is joining a growing cohort of tech companies including Microsoft Corporation (Microsoft), Alphabet Inc. (Alphabet) and Amazon.com, Inc. (Amazon) that are pouring billions of dollars into data centers to deliver AI capabilities to customers worldwide. A Reliance spokesman declined comment. Akhash Ambani has recently indicated that the conglomerate was building a datacenter to be completed within two years. The project, if it goes ahead as envisioned, stands out for its sheer size. The largest data centers operating now are less than 1 gigawatt, according to data provided by market intelligence firm DC Byte, which would make his several times larger than what's on the market. Data center capacity is often measured in the megawatts (millions of watts) of electricity that the site can feed into servers, cooling systems and other equipment. The larger the figure, the higher the volume of computing operations it can support. And AI models are notoriously compute-intensive. Reliance built its reputation with aggressive business tactics, including a ruthless rush into the wireless business that sent prices plummeting and put several rivals out of business. His playbook seems similar in AI and he has said he will offer rock-bottom rates for what's known as inferencing, or operating models like the ones that power ChatGPT. Inferencing costs can be onerous for companies like OpenAI and local startups because they have to pay for computing resources every time a user has a query. The Jamnagar facility would substantially boost India's data center capacity, now estimated at less than 1 gigawatt. Tripling that size would give the world's most populous country the potential to greatly accelerate its development of artificial intelligence. Jamnagar, a town of more than 650,000 people, is located in Prime Minister Narendra Modi's home state of Gujarat, and Ambani himself has familial roots in the state. It's the hub of Reliance's oil refining and petrochemicals complex, the world's largest. The town is becoming increasingly central to the conglomerate's plans that include a push into renewable energy. Reliance has said it's building a gigantic green energy complex spread over 5,000 acres with factories to make photo-voltaic panels, fuel cell systems, green hydrogen, energy storage and wind turbines. Reliance aims to power the new data center as much as possible with renewable energy, said the people. It will abut Reliance Group projects under way that will produce solar, wind and green hydrogen energy, according to one of the people. Global demand for data center capacity could more than triple by 2030 to reach an annual level of 219 gigawatts, according to consultancy McKinsey & Company (McKinsey & Co.). A potentially significant supply deficit is building up, with the US alone likely to face a shortfall of 15 gigawatts of capacity by 2030, the consultancy said, requiring an expansion of at least twice the data center capacity built since 2000.

Reliance - Reliance Jio appears to be stepping into the cryptocurrency space with a new token called JioCoin. Users of the JioSphere web browser on both Android and iOS devices have noticed the token within the app, though Reliance Industries has not yet issued an official announcement. JioCoin is reportedly built on Ethereum Layer 2 and is listed on Polygon Labs, a well-known blockchain platform that focuses on efficiency and scalability. Users have discovered references to JioCoin in the JioSphere app's FAQ section, where Reliance mentions that JioCoins are blockchain-based reward tokens. According to the description, customers can earn these tokens by engaging with various Jio apps, such as MyJio and JioCinema, using their Indian mobile numbers. The tokens are then deposited into a Polygon Labs wallet, suggesting a straightforward way for users to accumulate cryptocurrency. Polygon Labs Global Payments Head Aishwary Gupta confirmed the launch in a LinkedIn post, noting that JioSphere now features native wallet integration powered by Polygon Labs Proof-of-Stake (PoS), where JioCoins will reside. For now, there is limited information on the monetary value of JioCoin or how it might be traded. The Frequently Asked Questions (FAQ) says that JioCoins can be earned by surfing the internet on the JioSphere web browser. Speculation in the market suggests the tokens might be used for mobile recharges, utility bill payments, or other Jio-powered services in the near future. Observers also believe the value of the coin could be tied to user engagement, potentially incentivizing consistent use of Jio's digital services. The rollout comes on the heels of a broader partnership between Jio Platforms and Polygon Labs, aimed at bringing blockchain and Web 3.0 (Web3) capabilities to Reliance's digital offerings. Polygon Labs said that the collaboration could eventually reach Reliance's massive user base of 450 million customers, with an emphasis on creating innovative Web3 services through cutting-edge blockchain solutions.

Ares Management Corporation (Ares) – Blackstone Energy Transition Partners, a unit of Blackstone Inc. (Blackstone) focused on energy investments, has agreed to acquire the 774-megawatt Potomac Energy Center, a natural gas-fired power plant in Loudoun County, Virginia. The plant, currently owned by Ares since 2021, is estimated to be sold for approximately $1 billion. Built in 2017, the facility is strategically located near Northern Virginia's data centers, which house about 25% of U.S. data center capacity. Bilal Khan, Senior Managing Director at Blackstone Energy Transition Partners, emphasized the plant's location, efficiency, and relatively young age as major draws. The rising energy demands of artificial intelligence and data centers, which require consistent and reliable power, have made gas-fired power plants increasingly attractive to investors.

Brookfield Asset Management Inc. (Brookfield)– A Brookfield managed private real estate fund has acquired U.S.-based rent-to-own home platform Divvy Homes and its portfolio of single-family rental properties for approximately US$1 billion. The portfolio, managed by Maymont Homes—Brookfield's single-family home rental business—will be integrated into Maymont's operations. Divvy Homes has rented to over 15,000 residents and facilitated the purchase of homes by over 2,000 tenants since its founding. The deal includes about 3,800 single-family rentals. Maymont Homes, which manages over 10,000 homes, was formerly known as Conrex Property Management before Brookfield acquired a controlling stake in 2020. Brookfield has been active in the single-family rental market, previously raising US$300 million for home acquisitions. This acquisition reinforces Brookfield's expansion in the U.S. housing market, focusing on single-family rentals and rent-to-own opportunities.

DIVIDEND PAYERS

GO TO PORTLAND CANADIAN BALANCED FUND[1]

Elevance Health, Inc. -

Consolidated Enterprise Highlights

Operating revenue was US$45.0 billion in the fourth quarter of 2024, an increase of $2.5 billion, or 6 percent compared to the prior year quarter. Operating revenue was $175.2 billion in 2024, an increase of $5.0 billion, or 3 percent. The increase in revenue for the quarter and year was driven by higher premium yields in our Health Benefits segment, acquisitions completed in 2024, and growth in CarelonRx product revenue, partially offset by membership attrition in our Medicaid business. The benefit expense ratio was 92.4 percent in the fourth quarter, an increase of 320 basis points compared to the prior year period, and 88.5 percent for the full year, an increase of 150 basis points year over year. The increases were driven primarily by higher Medicaid medical cost trends. Days in Claims Payable was 42.9 days as of December 31, 2024, a slight increase of 0.1 days from September 30, 2024, and a decrease of 4.4 days compared to December 31, 2023. The operating expense ratio was 10.7 percent in the fourth quarter and 11.4 percent for the full year. On an adjusted basis, the corresponding operating expense ratios were 9.9 percent and 10.6 percent. The improvements in the adjusted operating expense ratio over prior year periods of 170 basis points (bps) and 70 bps, respectively, reflect disciplined cost management and enhanced efficiency.

Cash Flow & Balance Sheet

Operating cash flow was $5.8 billion in 2024, approximately 1.0 times Generally Accepted Accounting Principles (GAAP) net income. As of December 31, 2024, cash and investments at the parent company totaled approximately $2.4 billion. During the fourth quarter of 2024, Elevance Health, Inc. repurchased 4.5 million shares of its common stock for $1.8 billion, at a weighted average price of $401.29, and paid a quarterly dividend of $1.63 per share, representing a distribution of cash totaling $373 million. As of December 31, 2024, Elevance Health, Inc. had approximately $9.3 billion of Board approved share repurchase authorization remaining.

Reportable Segment Highlights

Health Benefits is comprised of Individual, Employer Group risk-based, Employer Group fee-based, BlueCard, Medicare, Medicaid, and Federal Employee Program businesses. Health Benefits segment operating revenue was $37.6 billion in the fourth quarter of 2024, an increase of $1.0 billion, or 3 percent compared to the fourth quarter of 2023. Operating revenue was $150.3 billion in 2024, an increase of $1.7 billion, or 1 percent. The increases for the quarter and year were driven primarily by higher premium yields, partially offset by membership attrition in the Medicaid business. Operating gain totaled $0.2 billion in the fourth quarter of 2024 and $6.2 billion for the full year. On an adjusted basis, operating gain was $0.3 billion in the fourth quarter of

2024 and $6.3 billion for the full year. Adjusted operating gain in both periods was impacted primarily by higher cost trend in Medicaid related to redeterminations. Medical membership totaled approximately 45.7 million as of December 31, 2024, a decrease of 1.1 million, or 2 percent year over year, driven by attrition in our Medicaid business, partially offset by growth in Employer Group fee-based and Affordable Care Act health plan membership. Carelon Health (Carelon) is comprised of CarelonRx and Carelon Services. Operating revenue for Carelon was $14.7 billion in Q4 of 2024, an increase of $2.3 billion, or 19 percent compared to the prior year period. Operating revenue was $53.9 billion in 2024, an increase of $5.9 billion, or 12 percent. The increases for the quarter and the year were driven by the launch and growth of risk-based capabilities in Carelon Services and acquisitions completed in 2024. Operating gain for Carelon totaled $0.6 billion in the fourth quarter, effectively flat year over year; however, on an adjusted basis, operating gain was $0.8 billion, an increase of $0.2 billion, or 32 percent. The increase for the Q4 of 2024 was driven by higher pharmacy product revenue. On a full year basis, operating gain was $2.9 billion in 2024, an increase of $0.2 billion, or 9 percent. Similarly, on an adjusted basis, operating gain was $3.1 billion, an increase of $0.4 billion, or 17 percent.

Quarterly Dividend

On January 22, 2025, the Audit Committee of the Company's Board of Directors declared a first quarter 2025 dividend to shareholders of $1.71 per share. The first quarter dividend is payable on March 25, 2025, to shareholders of record at the close of business on March 10, 2025.

Verizon Communications Inc. - reported strong operational and financial results for the fourth-quarter and full-year 2024, further extending its industry leadership with new products and services that continued to resonate with customers. With solid momentum on its strategy to grow connections and strengthen customer relationships, the company delivered on its 2024 financial guidance, demonstrating strong performance and success across its three priorities of growing wireless service revenue, expanding adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) and generating strong free cash flow. "With innovations powered by the best network in the country, we are bringing the best experiences to our customers, in life and work. Customizable offerings like myPlan, myHome, Verizon Communications Inc.(Verizon) Business Complete and Total Wireless feature the control, simplicity and value our customers expect," said Verizon Chairman and Chief Executive Officer (CEO) Hans Vestberg. "It's only going to get better this year and beyond, as we have continued to strengthen Verizon with the pending Frontier acquisition, new satellite partnerships, and ongoing AI enablement, which we expect will enhance and broaden our network for everybody we serve."

Verizon delivers on 2024 financial guidance and extends industry leadership through operational excellence and customer focus. Full-year 2024 earnings per share (EPS) of US$4.14 compared to $2.75 for full-year 2023; adjusted EPS, excluding special items, of $4.59 compared to full-year 2023 adjusted EPS of $4.71. Total operating revenue of $134.8 billion for full-year 2024, up 0.6 percent compared to full-year 2023. Full-year 2024 cash flow from operations totaled $36.9 billion compared to $37.5 billion in 2023. This result reflects higher cash taxes, as well as higher interest expense. Full-year cash flow from operations includes a one-time contribution of approximately $2.0 billion from Verizon's tower transaction with Vertical Bridge and reflects fourth quarter severance payments related to our voluntary separation program of approximately $600 million. Full-year 2024 capital expenditures were $17.1 billion. Full-year 2024 free cash flow1 of $19.8 billion compared to $18.7 billion in full-year 2023.

Strong fourth-quarter performance results in revenue increases. Earnings per share of $1.18 in fourth-quarter 2024 compared to EPS of $(0.64) in fourth-quarter 2023; adjusted EPS, excluding special items, of $1.10 compared to $1.08 in fourth-quarter 2023. Fourth-quarter 2024 financial results reflected a pre-tax gain from special items of $477 million. This includes a mark-to-market adjustment for our pension and other post-employment benefit (OPEB) liabilities of $668 million, partially offset by amortization of intangible assets related to Tracfone and other acquisitions of $191 million. Total operating revenue of $35.7 billion in fourth-quarter 2024, up 1.6 percent compared to fourth-quarter 2023. Consolidated net income for fourth-quarter 2024 was $5.1 billion compared to a net loss of $2.6 billion in fourth-quarter 2023. Consolidated adjusted EBITDA was $11.9 billion in fourth-quarter 2024 compared to $11.7 billion in fourth-quarter 2023. This result was driven by wireless service revenue growth, partially offset by the impact of higher upgrade volumes and continued declines in Business wireline revenue. Verizon's total unsecured debt as of the end of fourth-quarter 2024 was $117.9 billion, an $8.5 billion decrease compared to third-quarter 2024 and $10.6 billion lower year over year. The company's net unsecured debt at the end of fourth-quarter 2024 was $113.7 billion. At the end of fourth-quarter 2024, Verizon's ratio of unsecured debt to net income (LTM) was 6.6 times and net unsecured debt to consolidated adjusted EBITDA ratio was 2.3 times.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Clarity Pharmaceuticals Ltd. (Clarity)– has received U.S. Food and Drug Administration (FDA) Fast Track Designation for its radiopharmaceutical, 64Cu-SAR-bisPSMA, (Prostate-Specific Membrane Antigen) for Positron Emission Tomography (PET) imaging of prostate cancer in patients with biochemical recurrence following therapy. This designation could allow for accelerated development and review of the product, potentially enabling faster approval and more frequent communication with the FDA.

Perspective Therapeutics, Inc. – announced updated interim results from its ongoing Phase 1/2a clinical trial of [212Pb]VMT-α-NET at the 2025 American Society of Clinical Oncology (ASCO Gastrointestinal Cancers Symposium. The data show that [212Pb]VMT-α-NET continues to have a favorable safety profile with no dose-limiting toxicities observed. In Cohort 2, three out of seven patients showed objective responses. The trial is progressing with continued dose escalation to determine the optimal treatment dose.

NUCLEAR ENERGY

Assystem S.A. – has acquired Mactech Energy Group Limited ("Mactech" formerly Matech Inspection Ltd), a UK-based company specializing in nuclear construction with 2024 revenues of approximately £16 million. This strategic acquisition aims to bolster the UK's nuclear workforce in anticipation of constructing up to 24 gigawatts (GW) of new nuclear capacity in the coming decades, contributing to the country's goal of achieving low-carbon power by 2030. Mactech brings over 37 years of expertise in site-based construction activities across major UK nuclear projects, including Hinkley Point C, the Magnox fleet, and Small Modular Reactor (SMR) initiatives. With its extensive network of skilled professionals, Mactech will enhance Assystem's ability to deliver on construction, decommissioning, and defence nuclear projects. Founded in 1986 by Kevin McFarlane and now led by Andrew McFarlane, Mactech will continue to operate as an independent entity under Assystem Holding UK, retaining its brand, offices, and market position.

Johnson Matthey plc – has established an Investment Committee to enhance its investment strategies and capital allocation. Formed on January 24, 2025, the Committee will help the Company stay agile in uncertain markets, focusing on driving cash generation and improved returns for shareholders. Its responsibilities include reviewing and endorsing the investment and capital allocation strategy, major capital projects, and Mergers and Acquisitions (M&A) activities, with consideration to market indicators, risk, and returns. The Committee will be chaired by Barbara Jeremiah and includes Liam Condon, Sinead Lynch, Stephen Oxley, and Doug Webb.

ITM Power plc (ITM) – has been contracted by a European energy company to co-develop a standard design for a 10MW (megawatt) green hydrogen production plant, which will feature two of ITM's NEPTUNE V 5MW containerized electrolyser systems. The customer plans to deploy this design across multiple UK projects, supporting the country's goal of 6GW green hydrogen capacity by 2030.

Oklo Inc. – and Lightbridge Corporation has entered into a non-binding Memorandum of Understanding (MOU) which aims to explore potential collaborations in the nuclear energy sector.

ECONOMIC CONDITIONS

Canadian Inflation - The Consumer Price Index (CPI) decreased by 0.37% in December following a no-move in the month prior, which was in line with the consensus estimate (in non-seasonally adjusted terms). The monthly deflation was assisted by the temporary GST holiday (capturing 18 days in the month), which will continue into January's data as well (capturing the full month). In seasonally adjusted terms, headline prices progressed 0.25% following a 0.12% uptick in November. This translated to an annual inflation rate of 1.8%, down from the prior 1.9% print, which was also the median estimate this time around. Prices in December decreased in 3 of the 8 categories surveyed, including alcohol / tobacco (-1.81%), food (-1.72%), and household operations (-0.23%). The larger price increases were seen in transportation (+1.39%), recreation / education / reading (+0.63%), and health/personal care (+0.40%). All 10 provinces had prices declining in December - the annual inflation data was below the national average in Ontario (+1.7%) and Quebec (+1.6%), while printing above the mark in Alberta (+2.5%) and BC (+2.6%). Core inflation measures were as follows: 2.5% for CPI trim and 2.4% for CPI median, cooling one and two ticks, respectively, and matching expectations. January inflation data will be released on February 18, 2025.

U.S. Existing Home Sales - U.S. existing home sales climbed 2.2% to 4.24 million annualized in December. Sales of single-family homes rose for a third straight month, the longest winning streak since 2021. Meanwhile, condo sales look to have found a pulse, jumping by the most since February 2023. Housing market activity, which had been battered for much of the past few years, showcased a burst of strength in the final three months of 2024, with fourth quarter up a sturdy 5.8%. Still, amid a lack of inventory, the annual median selling price climbed 6% year over year (y/y), while the number of homes available for sale remained muted. At the current pace, it would take 3.3 months to sell all homes on the market. That's down from 4.3 in September, suggesting conditions remain tight. Meanwhile, a separate report by the University of Michigan showed consumer sentiment faded in January, while long-term inflation expectations remained elevated.

FINANCIAL CONDITIONS

The big story this morning was about DeepSeek Artificial Intelligence Basic Technology Research Co., Ltd (Deepseek's) (a Chinese AI company) cost-effective model casting doubts about the AI spending and high valuations of companies that benefited from the AI boom. Stock markets around the world plunged, with S&P 500 futures falling 2.5%, the Nasdaq falling 4.5%, and Europe's Stoxx 600 down 0.7%, while Foreign Exchange (FX) saw gains in Japanese Yen (JPY) and Swiss Franc (CHF). Rates and equity correlations strengthened, with the 10-year United States Treasury securities yields rallying by 10 basis points (bps) on the day. Markets are also cautious as we wait for more details on tariffs on Canada, Mexico and China ahead of the February 1 deadline. Overnight news on Colombia just highlights that Trump will be using tariffs as a negotiating tool against the US' trading partners.

The U.S. 2 year/10 year treasury spread is now 0.33% and the U.K.'s 2 year/10 year treasury spread is 0.31%. 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 6.96%. Existing U.S. housing inventory is at 3.3 months supply of existing houses as of

January 24, 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 17.84 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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Individual Discretionary Managed Account Models - SMA

Net Asset Value:

The Net Asset Values (NAV) of our investment funds are published on our Portland website at www.portlandic.com/prices

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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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