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# NEWS HIGHLIGHTS

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

AUGUST 11, 2025

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## OWNER OPERATED COMPANIES



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ALTERNATIVE FUND  
COMPANY NEWS

**Ares Management Corporation (Ares)** – reported second quarter (Q2) 2025 results, with Generally Accepted Accounting Principles (GAAP) net income attributable to Class A common stockholders of US\$155.1 million and diluted earnings per share of \$0.74. Fee Related Earnings (FRE) reached \$417.6 million, or \$0.80 per share. Assets under management (AUM) rose to \$480.8 billion, up 13% year-over-year, driven by \$21.8 billion in gross capital raised during the quarter and \$82.2 billion over the last twelve months. Management highlighted that Ares deployed \$27.5 billion of capital in Q2 and had \$108.3 billion in available capital at quarter-end. The firm declared a quarterly dividend of \$0.93 per share, payable on September 30, 2025.

**Berkshire Hathaway Inc. (Berkshire)** – reported Q2 2025 operating earnings of US\$11.58 billion, up 9.2% from \$10.61 billion in Q2 2024, driven by gains in insurance underwriting and investment income. Insurance underwriting profit rose to \$4.25 billion from \$3.21 billion a year earlier, while investment income increased to \$4.47 billion from \$3.43 billion, reflecting higher yields on short-term investments. Railroad, utilities, and energy earnings were flat at \$2.40 billion versus \$2.38 billion in Q2 2024, with modest volume and rate pressures at Burlington Northern Santa Fe Railway (BNSF) offset by regulated utility growth. The company's cash and equivalents reached a record \$205.6 billion at quarter-end, up from \$189.0 billion at March 31, 2025. Book

value per Class A equivalent share increased to approximately \$421,000 from \$399,000 a year earlier.

**Brookfield Asset Management Inc. (Brookfield)** – reported Q2 2025 results, with fee-related earnings rising 16% year-over-year (y/y) to US\$676 million (\$0.42/share) and distributable earnings up 12% to \$613 million (\$0.38/share), driven by \$97 billion of fundraising over the past twelve months. Fee-bearing capital grew 10% year-over-year to \$563 billion, supported by \$22 billion raised in the quarter, led by \$16 billion in credit strategies and significant inflows into infrastructure, real estate, and renewable power funds. The firm announced \$55 billion of asset sales year-to-date and deployed \$28 billion in Q2, including major acquisitions in infrastructure, credit, and renewables. Notable strategic initiatives include a 3,000 MW Hydro Framework Agreement with Google LLC (Google) and a \$10 billion investment commitment to build digital infrastructure in Sweden. The board declared a quarterly dividend of \$0.4375 per share, payable September 29, 2025.

**Brookfield Corporation (BN)** – reported Q2 2025 distributable earnings (DE) before realizations of US\$1.3 billion (\$0.80/share), up 13% year-over-year, supported by strong performance across core businesses and over \$55 billion of year-to-date asset monetization's. Asset management DE rose 16% to \$650 million, wealth solutions DE climbed to \$391 million with insurance assets reaching \$135 billion, and operating businesses generated \$350 million, aided by resilient fundamentals and a landmark 3,000 Megawatt (MW) U.S. hydro deal with Google. The company ended the quarter with record deployable capital of \$177 billion, including \$71 billion in cash, financial assets, and credit lines, and executed \$94 billion of financings year-to-date. The Board approved a three-for-two stock split of Class A shares, payable October 9, 2025, and declared a quarterly dividend of \$0.09/share. BN repurchased over \$300 million of Class A shares in the quarter at an average price of \$49.03.

**Reliance Industries Limited (RIL)** – has warned that tariff uncertainties and geopolitical events could affect global crude oil flows and oil market balances. Continuing geopolitical and tariff-related uncertainties may affect trade flows and demand-supply balance, the company said in its annual 2024-2025 report. Global crude oil prices continue to remain volatile on the back of dynamic interplay of various factors such as geopolitical volatility in the Middle East, redirection of shipping routes, Organization of the Petroleum Exporting Countries (OPEC)+ and non-OPEC production decisions, regional capacity additions and downstream supply-demand realignments, evolving sanctions and trade tariff regimes and rate of recovery of Chinese economy. Reliance also noted that tariffs and sanctions key are among the factors to watch this year, alongside stagnating demand in China due to Electric Vehicle (EV) penetration, aviation growth in Asia, and geopolitical uncertainties. Last week, U.S. President Donald Trump signed an executive order enacting an additional 25% tariff on Indian goods, explicitly targeting India's ongoing imports of Russian crude oil. This order increases the total tariff rate on Indian exports to the United States to 50%, the highest level for any country under current U.S. policy.

The 50% tariff will take effect 21 days after August 6. The executive order also establishes a process for the potential imposition of similar tariffs on other countries that directly or indirectly import oil from the Russian Federation, the White House said. India has said that the U.S. tariff of 50% due to Indian imports of Russian oil is “unfair, unjustified and unreasonable.” “We have already made clear our position on these issues, including the fact that our imports are based on market factors and done with the overall objective of ensuring the energy security of 1.4 billion people of India,” the Indian government said on Wednesday.

**Reliance Industries (RIL)** – is proposing to sell just 5% of its Jio telecommunications unit in a potential listing that may raise more than US\$6 billion, people familiar with the matter said. The company has begun informal talks with the Securities and Exchange Board of India (SEBI) to seek approval to bring Reliance Jio Infocomm Limited (Jio) to market with a public float lower than the customary 25%, the people said, asking not to be identified because the discussions are private. Reliance is conveying to regulators that the market doesn't have the depth to absorb a bigger listing, the people said. An Initial Public Offering (IPO) of the unit could take place as soon as next year, the people said. It would likely be India's biggest-ever, even a float of 5% at the current valuation would raise more than Chinese battery giant Contemporary Amperex Technology Co., Limited's \$5.3 billion offering in Hong Kong, the largest listing globally this year. Deliberations are ongoing and details of the offering such as size and timeline may change, the people added. Representatives for RIL and SEBI didn't respond to requests seeking comment. RIL has long toyed with the idea of listing its telecom and retail units. Jio, which entered the telecom market in 2016, is one of India's biggest wireless carriers. It has a subscriber base of around 500 million users in the data-hungry country, where consumers are increasingly coming online for shopping, entertainment and financial transactions. An (IPO) would give an exit option to marquee global investors including Meta Platforms Inc. and Alphabet Inc.'s Google, which invested more than \$20 billion in Reliance's digital venture in 2020. The holding company of Reliance's digital and telecom assets, Jio was then valued at \$58 billion.



## DIVIDEND PAYERS



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**Cenovus Energy Inc.** – Cenovus Energy Inc. (“Cenovus”) announced its Q2 2025 financial and operating results. The company generated approximately CA \$2.4 billion in cash from operating activities, \$1.5 billion of adjusted funds flow and \$355 million of free funds flow. Total upstream production was 765,900 barrels of oil equivalent per day (BOE/d), reflecting planned turnarounds at the Foster Creek and Sunrise oil sands assets, maintenance at offshore facilities and short-term production impacts from wildfire activity at Christina Lake. Downstream crude throughput was 665,800 barrels per day (bbls/d), representing an overall utilization rate of 92% and including the successful completion of a turnaround at the Toledo Refinery 11 days ahead of schedule.

Cenovus achieved first oil at Narrows Lake in July, with production expected to ramp up to peak incremental rates of 20,000 bbls/d - 30,000 bbls/d by the end of the year. Cenovus delivered major milestones on the West White Rose project, with the concrete gravity structure (CGS) installed on the seabed in June and the topsides placed atop the CGS in mid-July. Hookup and commissioning work has commenced, with drilling expected to begin by year end. Cenovus advanced the Foster Creek optimization project, with four new boilers brought online in July, which will add approximately 80,000 bbls/d of steam capacity to the facility. Cenovus completed major turnarounds at Toledo Refinery, Sunrise Oil Sands Project and Foster Creek Oil Sands Project in the quarter, with exceptional execution, resulting in production at all assets resuming ahead of schedule. Cenovus returned \$819 million to shareholders, including \$301 million through common share purchases, \$368 million through common and preferred share dividends and \$150 million through the redemption of Cenovus's Series 7 preferred shares on June 30, 2025.

“Operating performance this quarter was exceptional, with turnaround execution exceeding our targets, major project milestones achieved on time and on budget, and our staff safely and efficiently restoring Christina Lake production following disruption from a wildfire,” said Jon McKenzie, Cenovus President & Chief Executive Officer. “Through the hard work and determination of our people, we have arrived at an inflection point, nearing completion of numerous growth projects and successfully concluding significant maintenance events. As investment in these initiatives is completed, we expect to generate increasing free funds flow.”

**Magna International Inc. (Magna)** – Magna posted sales of US\$10.6 billion for the second quarter of 2025, a decrease of 3% from the second quarter of 2024. The lower sales largely reflects:

- 6% and 2% lower light vehicle production in North America and Europe, respectively;
- lower complete vehicle assembly volumes, substantially due to the end of production of the Jaguar I-Pace and E-Pace; and
- the end of production of certain programs.



These factors were partially offset by:

- the launch of new programs; and
- the net strengthening of foreign currencies against the U.S. dollar.

Adjusted Earnings before Income and Taxes (EBIT) increased to \$583 million in the second quarter of 2025 compared to \$577 million in the Q2 of 2024. This mainly reflects:

- continued productivity and efficiency improvements, including the benefit of our operational excellence initiatives and restructuring activities in prior periods; and
- higher equity income.

These were partially offset by:

- higher tariff costs;
- commercial items in the Q2's of 2025 and 2024, which have a net unfavourable impact on a year-over-year basis; and
- reduced earnings on lower sales.

During Q2 of 2025, Other expense, net and Amortization of acquired intangibles totaled \$35 million (2024 - \$96 million) and on an after-tax basis \$28 million (2024 - \$76 million).

Income from operations before income taxes increased to \$496 million for Q2 of 2025 compared to \$427 million in the second quarter of 2024. Excluding Other expense, net and Amortization of acquired intangibles from both periods, income from operations before income taxes increased \$8 million in the second quarter of 2025 compared to the second quarter of 2024, largely reflecting the increase in Adjusted EBIT.

Net income attributable to Magna was \$379 million for the Q2 of 2025 compared to \$313 million in Q2 of 2024. Excluding Other expense, net, after tax and Amortization of acquired intangibles from both periods, net income attributable to Magna increased \$18 million in Q2 of 2025 compared to Q2 of 2024.

Diluted earnings per share (EPS) were \$1.35 in the (Q2) of 2025, compared to \$1.09 in the comparable period. Adjusted diluted earnings per share were \$1.44, compared to \$1.35 for the Q2 of 2024.

In the Q2 of 2025, we generated cash from operations before changes in operating assets and liabilities of \$762 million and used \$135 million in operating assets and liabilities. Investment activities for the Q2 of 2025 included \$246 million in fixed asset additions, \$94 million in investments, other assets and intangible assets, and \$3 million in private equity investments.

**South Bow Corporation (South Bow)** – (South Bow) reported its Q2 2025 financial and operational results.

South Bow recorded average throughput of approximately 544,000 barrels per day (bbl/d) on the Keystone Pipeline in the Q2 of 2025, and approximately 760,000 bbl/d on the U.S. Gulf Coast segment of the Keystone Pipeline System. South Bow is currently delivering its contractual Keystone Pipeline throughput commitments of 585,000 bbl/d. Throughput on the Keystone Pipeline and the U.S. Gulf segment of the Keystone Pipeline System averaged approximately 578,000 bbl/d and approximately 744,000 bbl/d, respectively, in the first half of 2025.

South Bow progressed the Blackrod Connection Project, completing construction of the 150,000-barrel crude oil storage tank at the project's terminal facility. South Bow remains on schedule to finish the facilities by late 2025 and be ready for in-service in early 2026. Associated cash flows are expected to increase throughout the second half of 2026 and into 2027. South Bow completed cleanup and reclamation of the Milepost 171 incident site near Fort Ransom, N.D. in early June, and advanced remedial actions, with four in-line inspection runs and eight integrity digs completed to date.

South Bow delivered stable financial results, driven by South Bow's strong commercial underpinnings. South Bow generated revenue of US\$524 million and net income of \$96 million (\$0.46/share). South Bow recorded normalized earnings before interest, income taxes, depreciation, and amortization of \$250 million, representing a 6% decrease from the first quarter (Q1) of 2025 due to expected lower marketing contributions. South Bow delivered distributable cash flow of \$167 million and maintained total long-term debt and net debt outstanding of \$5.8 billion and \$4.9 billion, respectively, during the Q2 of 2025. South Bow's net debt-to-normalized EBITDA ratio was 4.6 times as of June 30, 2025. South Bow declared dividends totalling \$104 million or \$0.50/share to shareholders during the Q2 of 2025. South Bow's board of directors approved a quarterly dividend of \$0.50/share, payable on Oct. 15, 2025, to shareholders of record at the close of business on Sept. 29, 2025.

**The Cigna Group (Cigna)** – Cigna reported strong Q2 2025 results, reflecting continued growth and solid performance across its diverse portfolio of businesses. "Listening, adapting, and innovating to meet the evolving needs of our patients, customers, and clients enables us to deliver meaningful value," said David M. Cordani, chairman and Chief Executive Officer (CEO) of Cigna. "Our performance in the Q2 reflects our disciplined execution and the strength of our business mix." Shareholders' net income for the Q2 2025 was US\$1.5 billion, or \$5.71 per share, and compares with \$1.5 billion, or \$5.45 per share, for the Q2 of 2024. The Cigna Group's adjusted income from operations for the Q2 of 2025 was \$1.9 billion, or \$7.20 per share, compared with \$1.9 billion, or \$6.72 per share, for Q2 of 2024. Total revenues for the second quarter of 2025 increased 11% relative to the Q2 of 2024, primarily driven by Evernorth Health Services Inc. (Evernorth) and includes growth of existing client relationships and strong specialty pharmacy growth. Adjusted income from operations for the Q2 of 2025 increased 1% relative to the Q2 of 2024, reflecting strong growth in Evernorth Health Services (Evernorth) and improvement in Corporate, partially offset by expected higher stop loss medical costs in Cigna. The Selling, General, and Administrative Expenses (SG&A) expense ratio and adjusted SG&A expense ratio were 5.1% and 4.9%, respectively, for Q2 2025, compared to 6.1% and 6.0%, respectively, in Q2 2024, reflecting business mix shift and strong revenue growth.

**United Parcel Service, Inc.** – (UPS) announced (Q2) 2025 consolidated revenues of US\$21.2 billion. UPS consolidated operating profit was \$1.8 billion; \$1.9 billion on a non-GAAP adjusted basis. UPS diluted earnings per share were \$1.51 for the quarter; non-GAAP adjusted diluted (EPS) were \$1.55. For the Q2 of 2025, GAAP results include a net charge of \$29 million, or \$0.04 per diluted share, comprised of

after-tax transformation strategy costs of \$57 million, partially offset by a \$15 million gain from the divestiture of a business within Supply Chain Solutions and a \$13 million benefit from the partial reversal of an income tax valuation allowance. “I want to thank all UPSers for their dedication and hard work in what continues to be a dynamic and evolving trade environment,” said Carol Tomé, UPS chief executive officer. “Our Q2 results reflect both the complexity of the landscape and the strength of our execution. We are making meaningful progress on our strategic initiatives, and we’re confident these actions are positioning the company for stronger long-term financial performance and enhanced competitive advantage.”

In the U.S. Domestic Segment, revenue declined 0.8%, primarily driven by the expected decline in volume, partially offset by increases in air cargo and revenue per piece. Also, the operating margin was 6.5% and non-GAAP adjusted operating margin was 7.0%.

In the International Segment, revenue increased 2.6%, driven by a 3.9% increase in average daily volume. Also, the operating margin was 15.0% and non-GAAP adjusted operating margin was 15.2%.

In the Supply Chain Solutions Segment, revenue declined 18.3%, primarily due to the impact from the Q3 2024 of the divestitures of Coyote Logistics, LLC. Also, the operating margin was 8.8% and non-GAAP adjusted operating margin was 8.0%.



**Amgen Inc.** – reported total revenue of US\$9.2 billion in Q2, up 9% y/y, with product sales increasing 9% on 13% volume growth partially offset by lower net selling prices. Fifteen products posted double-digit sales growth. The company generated \$1.9 billion in free cash flow, down from \$2.2 billion a year earlier, reflecting higher capital expenditures.

**Arvinas Inc.** – reported Q2 2025 financial results and provided a corporate update. The company submitted a New Drug Application (NDA) for vepdegestrant for a type of breast cancer. Cash, cash equivalents, and marketable securities totaled US\$861.2 million as of June 30, 2025, expected to fund operations into the second half of 2028. CEO John Houston announced plans to retire following the appointment of a new CEO.

**BeOne Medicines Ltd. (BeOne)**– reported Q2 2025 total revenues of US\$1.3 billion, a 42% increase compared to the same period in 2024. Global sales of BRUKINSA increased 49% to \$950 million. BeOne anticipates more than 20 milestones over the next 18 months across its hematology and solid tumor pipeline, including pivotal data readouts and new trial initiations.

**Bicycle Therapeutics plc.** – reported Q2 2025 financial results and pipeline updates. The company is actively recruiting patients for the Phase 1/2 Duravelo-4 trial in a specific type of lung cancer and

continuing multiple trials for zelenectide pevvedotin, the company’s leading investigational drug, in urothelial, breast, and lung cancers. New Board and advisory members were added, and a cost reduction of about 30% was implemented. Cash and cash equivalents were US\$721.5 million as of June 30, 2025, with runway extended into 2028. Additional clinical imaging data and trial results were presented, with key updates expected in the second half of 2025.

**Iovance Biotherapeutics, Inc. (Iovance)** – reported Q2 2025 total product revenue of US\$60.0 million, a 93% increase year-over-year, driven by \$54.1 million from Amtagvi sales treating 102 commercial patients. The Amtagvi treatment network now includes over 80 U.S. Authorized Treatment Centers, with ongoing expansion and increased community referrals. Iovance anticipates imminent Health Canada approval and plans commercial launches in Canada, with regulatory reviews ongoing in the UK, Australia, and Switzerland.

**Lantheus Holdings, Inc. (Lantheus)**– reported Q2 2025 revenue of US\$378.0 million. The company announced FDA acceptance of an NDA for a new formulation of its piflufolastat F-18 PSMA (Prostate-Specific Membrane Antigen) PET (Positron Emission Tomography) imaging agent, with a Prescription Drug User Fee Act (PDUFA) date set for March 6, 2026. In July, Lantheus completed the acquisition of Life Molecular Imaging, adding Neuraceq®, a beta-amyloid targeted radiodiagnostic for Alzheimer’s disease, to its portfolio.

**Nuvalent, Inc. (Nuvalent)**– reported Q2 2025 updates including the initiation of a rolling NDA submission for zidesamtinib in a type of lung cancer, targeting completion in third quarter (Q3) 2025. The company also began the Phase 3 ALKAZAR trial of neladalkib for another specific type of lung cancer, with topline pivotal data from the ALKOVE-1 trial expected by year-end 2025. Nuvalent promoted Jason Waters to Senior Vice President, Commercial, reflecting ongoing commercial infrastructure development. The company maintains a cash runway into 2028 and continues progress across its clinical and discovery pipeline.

**Relay Therapeutics, Inc.** – reported Q2 2025 financial results and updates, highlighting the initiation of the Phase 3 ReDiscover-2 trial studying RLY-2608 plus fulvestrant versus capivasertib plus fulvestrant in Hormone Receptor Positive (HR+)/HER2 (Human Epidermal Growth Factor Receptor 2 Negative) - breast cancer patients. The safety profile remained favorable. The company also continued trials in vascular malformations and combination triplet cohorts. Cash and equivalents totaled approximately US\$657 million at quarter-end.

**RadNet, Inc. (RadNet)**– reported Q2 2025 financial results, with total revenue increasing 8.4% y/y to US\$498.2 million. The Digital Health segment revenue grew 30.9% to \$20.7 million. Advanced imaging procedures increased, with aggregate volumes up 9.0% and same-center volumes up 6.6%, driven by MRI (Magnetic Resonance Imaging), CT (Computed Tomography), and PET/CT (Positron Emission Tomography combined with CT) growth. RadNet expanded capacity through new facility openings and technology upgrades such as the Food and Drug Administration (FDA)-cleared TechLive™ remote scanning system. The company raised its full-year 2025 revenue and adjusted EBITDA guidance based on sustained growth and financial performance.

**Schrödinger, Inc.** – reported Q2 2025 financial results with total revenue of US\$54.8 million, a 16% increase y/y, including \$40.5 million from software revenue. Drug discovery revenue grew to \$14.2 million from \$11.9 million in the prior year quarter. Software gross margin decreased to 68% from 80%, mainly due to costs from the predictive toxicology initiative. Operating expenses declined to \$79.1 million from \$84.1 million, driven by reduced Research and Development (R&D) spending.

**Siemens Healthineers AG** – delivered Q3 2025 earnings, with a book-to-bill ratio of 1.09 and comparable revenue growth of 7.6%, led by Imaging. Reflecting strong year-to-date performance, the company narrowed and raised the midpoints of its Fiscal Year (FY)2025 outlook, now expecting 5.5–6% revenue growth and €2.30–€2.45 EPS. CEO Bernd Montag highlighted continued growth, profitability gains, and resilience amid geopolitical volatility.



## NUCLEAR ENERGY

**Bloom Energy Corporation** – reported revenue of US\$401.2 million in Q2, up 19.5% year over year, with product and service revenue rising 25.9% to \$351.1 million. Gross margin increased to 26.7%. The company achieved its sixth consecutive quarter of non-GAAP services profitability, reiterated full-year revenue and margin guidance, and announced plans to double manufacturing capacity from 1 Gigawatt (GW) to 2 GW by the end of 2026. Bloom also disclosed a collaboration with Oracle Corporation to supply power solutions for AI data centers.

**Cameco Corporation (Cameco)** – reported net earnings of US\$321 million in Q2 and adjusted EBITDA of \$673 million, with higher contributions from uranium, fuel services, and Westinghouse. Uranium results reflected increased sales volumes and realized prices, while fuel services benefited from higher sales, higher pricing, and lower costs. Westinghouse posted positive earnings, supported by additional revenue from its participation in the Dukovany reactor construction project in the Czech Republic, leading to an upward revision of its 2025 adjusted EBITDA outlook.

**Centrus Energy Corp. (Centrus)** – reported Q2 2025 revenue of US\$154.5 million and net income of \$28.9 million. The company completed Phase 2 of the High Assay Low-Enriched Uranium (HALEU) contract, delivering 900 kg of HALEU to the Department of Energy (DOE), and the DOE exercised part of Phase 3 (Option 1a) valued at about \$110 million through June 2026. Backlog stood at \$3.6 billion as of June 30, 2025, extending to 2040. Centrus also announced it appointed Todd Tinelli as its new Senior Vice President (VP), Chief Financial Officer (CFO), and Treasurer effective August 11, succeeding Kevin Harrill, who is stepping down after four years as CFO and earlier service as Chief Accounting Officer (CAO). To ensure a smooth handover, Harrill will remain with the company through August 29. Tinelli brings over two decades of energy sector experience and will oversee Centrus's financial operations, enterprise wide optimization, and capital allocation as the company positions itself for further growth.

**CEZ, a.s (CEZ)** – reported H1 2025 EBITDA of CZK 73.9 bn, up 7% y/y, driven primarily by the 2024 acquisition of GasNet, s.r.o (GasNet), while adjusted net profit fell 21% to CZK 16.7 billion (bn) due to higher depreciation from GasNet integration and accelerated coal asset write-

downs. Operating revenue rose CZK 5.8 bn y/y to CZK 167.5 bn, with gains from higher nuclear output and sales offset by lower electricity prices and weaker commodity trading. CEZ raised its FY 2025 guidance, now expecting EBITDA of CZK 132–137 bn and adjusted net profit of CZK 26–30 bn. Nuclear generation reached 15.5 terawatt-hours (TWh) in H1, up 0.9 TWh YoY, with full-year output projected near 32 TWh, supported by strong Dukovany output and minimal Temelin outages. The company remains financially strong, reducing net debt by CZK 21.3 bn to CZK 181.5 bn despite heavy capex, and is advancing major investments including two new Dukovany units, a 20% stake in Rolls-Royce SMR (Small Modular Reactor), and over CZK 400 bn in planned 2025–2030 capital expenditures.

**Constellation Energy Corporation (CEG)** – reported Q2 2025 GAAP net income of US\$2.51 per share, up from \$1.96 per share in Q2 2024, and adjusted (non-GAAP) operating earnings of \$2.44 per share versus \$2.56 last year, reaffirming its full-year guidance of \$8.90–\$9.60 per share. Revenue increased to \$6.95 billion from \$6.44 billion, supported by higher capacity revenues and strong operational performance, with the nuclear fleet achieving a 95.6% capacity factor and natural gas assets a 99.3% dispatch match rate. Cash flow from operations rose to \$736 million from \$380 million a year earlier, with quarter-end cash, restricted cash, and equivalents totaling \$2.45 billion. The company noted continued progress on its pending Calpine acquisition, still expected to close in Q4 2025, and PJM's approval for over 1,150 MW of clean capacity additions, including the restart of Crane Unit 1. Management highlighted strong operational execution, sustained demand for clean power, and positioning to meet the growing electricity needs of Artificial Intelligence (AI) and other emerging technologies.

**NuScale Power Corporation (NuScale)** – reported Q2 2025 results, highlighting early receipt of U.S. Nuclear Regulatory Commission (NRC) Standard Design Approval for its uprated 77 megawatts electric (Mwe) SMR design. NuScale ended the quarter with US\$489.9 million in cash, cash equivalents, and investments.

**Silex Systems Limited (Silex) / Global Laser Enrichment (GLE)** – announced that U.S. Nuclear Regulatory Commission has accepted its license application for the Paducah Laser Enrichment Facility in Kentucky for formal review. This acceptance indicates the application is complete and eligible for detailed regulatory evaluation. GLE holds exclusive rights to the SILEX laser uranium enrichment technology, which may be used to produce natural uranium, low-enriched uranium (LEU), and HALEU, subject to further technical, regulatory, and market developments.



## ECONOMIC CONDITIONS

**The US Institute for Supply Management (ISM) Services** index unexpectedly pulled back to 50.1 from 50.8 in June, barely above the 50.0 level that marks the difference between expansion and contraction. This is a different view of service sector strength than what we got from the July S&P Global US Service Purchasing Manager's Index (PMI) which was revised up to a robust 55.7 from a previously reported 55.2. We saw big drops in indexes for inventories (-3.9) new export orders (-3.2), new orders (-1.0), business activity (-1.6), and employment



(-0.8). Ominously, imports, employment, and new export orders fell deeper into contraction territory last month.

**Canadian employment** fell 40.8 thousand (K) in July, well below the consensus expectation calling for a 10K increase. The participation rate, meanwhile, also fell by 2 ticks to 65.2%, which together resulted in an unchanged unemployment rate (6.9%), below the consensus estimate of 7.0%. However, the employment rate did decline two ticks to its lowest level since July 2021.

- Net employment losses were driven by the full-time employment change of -51.0K in July, while part-time employment provided a partial offset, increasing by 10.3K in the month.
- Meanwhile, the number of jobs in the private sector declined by 39.0K (-0.3%). The number of public sector employees and self-employed workers were both little changed

Regionally, job declines were reported in nine of ten provinces in July. Employment in Ontario and Quebec were little changed, as provincial job declines were driven by Alberta (-17.0K) and British Columbia (-17.0K), which saw their unemployment rates jump 1.0% and 0.3%, respectively. Saskatchewan was the lone province to record an employment increase in July (+3.5K / 0.6%). At 5.0%, the unemployment rate in Saskatchewan was the lowest among all provinces in July.

June reported an extremely impressive and unexpected gain of 83K. Ultimately, it was right to be skeptical of this strength as job growth turned sharply negative in July with 41K jobs lost on the month. The deceleration was even sharper than expected and this was the biggest downside surprise since March 2022. While the weakness was not sufficient to lead to a higher unemployment rate, that was due to a two-tick drop in the participation rate. Looking through participation, the employment rate, or the employed share of the working age population, fell two ticks to the lowest level since July 2021.



## FINANCIAL CONDITIONS

The U.S. 2 year/10 year treasury spread is now 0.52% and the U.K.'s 2 year/10 year treasury spread is 0.71%. 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 6.63%. Existing U.S. housing inventory is at 4.7 months supply of existing houses as of July 23, 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 15.92 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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