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PORTLAND FOCUSED PLUS FUND LP PORTLAND FOCUSED PLUS FUND

JUNE 2025



PORTLAND FOCUSED PLUS FUND LP

PERFORMANCE AS AT MAY 31, 2025

Annualized Returns (%)	Year to Date	1 Month	3 Months	1 Year	3 Years*	5 Years*	10 Years*	Inception*
Portland Focused Plus Fund LP Series A	24.2%	4.3%	6.0%	38.4%	7.5%	16.4%	14.1%	15.5%
Portland Focused Plus Fund LP Series F ¹	24.5%	4.3%	6.2%	39.4%	8.6%	17.6%	15.3%	16.6%
Portland Focused Plus Fund LP Series M	26.4%	4.5%	7.1%	41.8%	9.3%	19.5%	17.2%	18.7%
Portland Focused Plus Fund LP Series P	25.0%	4.4%	6.5%	40.4%	9.7%	18.8%	16.4%	17.7%

* Annualized



PERFORMANCE SINCE SEPTEMBER 30, 2022 *

Period Ending May 31, 2025	LP series F return
2022 (from Sep. 30, 2022)	+12.0%
2023	+22.8%
2024	+18.6%
2025 (to May 31, 2025)	+24.5%
Cumulative since Sep. 30, 2022	+103.1%

*As of September 30, 2022, the sole person involved in investment decisions for the Portland Focused Plus funds is James Cole. During the period from January 2020 to September 2022 there was another Portfolio Manager involved in investment decisions.



BEST MONTHLY RETURNS SINCE INCEPTION

Month	LP series F return
January 2019	+36.0%
November 2020	+33.9%
November 2023	+21.3%
January 2023	+19.6%
February 2015	+19.0%



INTEREST RATES

- Long-term interest rates are in what we believe is a normal range
- Since June 2024, short-term interest rates have declined by 2.25% in Canada and 1.00% in the U.S.
- Expect both Canada and U.S. short-term interest rates to fall by 2.5%+ from cycle peaks by mid-2026



PERFORMANCE EXAMPLE

- Assume a stock with the following characteristics:

In one year:	Return
P/E ratio rises from 10.0x to 11.0x as interest rates fall	10.0%
Earnings growth in the year	5.0%
Initial dividend yield	5.0%
Total return (unleveraged)	20.0%



POTENTIAL POSITIVES

- Believe that the existing portfolios will continue to meet the funds' investment objective
- Funds have the capacity to add greatly to equity weights if valuations warrant



CORE STRATEGIES

- Focus
- Leverage



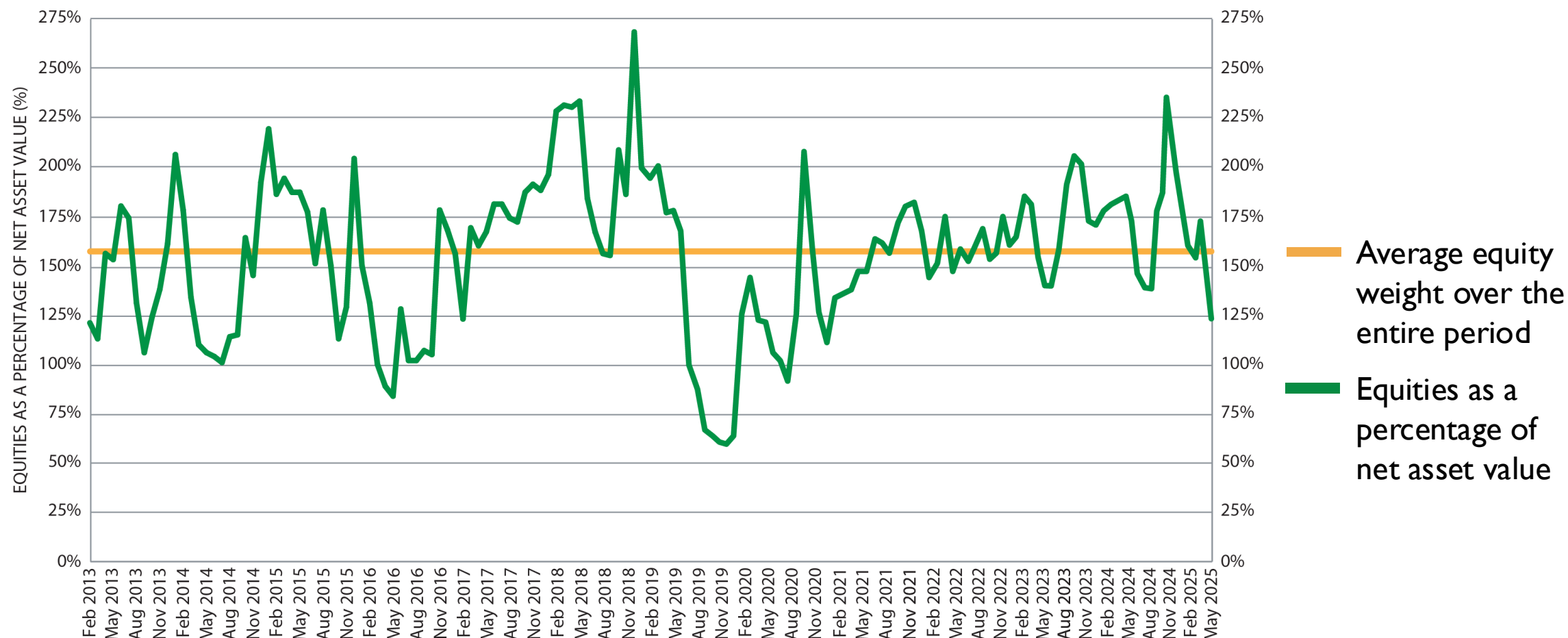
EQUITY WEIGHT

After strong recent equity markets and fund performance, have tactically reduced equity weights until:

1. More attractive equity valuations generally;
2. Further progress in reducing inflation; and
3. Further declines in short-term interest rates.



LP EQUITY WEIGHT





PORTFOLIO STRATEGY

- Focus on shareholder yield (dividends and share repurchases)
- Be patient in allocating capital
- Be prepared, if circumstances warrant, to increase equity weights significantly (to 200% to 250%+ of net assets)



TOP HOLDINGS (% OF LP NET ASSETS AT MAY 31, 2025)

Company	% of net assets
Magna International Inc.	26.2%
The Toronto-Dominion Bank	23.2%
South Bow Corporation	22.2%
The Cigna Group	17.8%
Elevance Health Inc.	17.4%
Other equities (1)*	16.4%
Total equity weight	123.2%

* The Bank of Nova Scotia.



MAGNA INTERNATIONAL INC.

- One of the world's largest auto parts companies

Stock price (May 31, 2025)	\$49.82
Refinitiv mean 2025E EPS (June 11, 2025)	US\$4.65
Price/earnings ratio (at US\$1.00 = C\$1.3725)	7.8x
Dividends per share (indicated rate)	US\$1.94
Dividend yield (at US\$1.00 = C\$1.3725)	5.3%
Credit rating (S&P Global Ratings)	A- (Negative)



THE TORONTO-DOMINION BANK

- One of the largest Canadian banks

Stock price (May 31, 2025)	\$94.77
Refinitiv mean FY 2025E EPS (June 11, 2025)	\$7.97
Price/earnings ratio	11.9x
Dividends per share (indicated rate)	\$4.20
Dividend yield	4.4%
Common equity tier 1 capital ratio (Q2 FY 2025)	14.9%
Credit rating (S&P Global Ratings)	A+ (Stable)



SOUTH BOW CORPORATION

- Spin-off from TC Energy Corp.; major asset is the Keystone liquids pipeline

Stock price (May 31, 2025)	\$35.57
Dividends per share (indicated rate)	US\$2.00
Dividend yield (at US\$1.00 = C\$1.3725)	7.7%
Credit rating (S&P Global Ratings)	BBB- (Stable)



THE CIGNA GROUP

- One of the largest U.S. health insurance companies

Stock price (May 31, 2025)	US\$316.64
Refinitiv mean 2025E EPS (June 11, 2025)	US\$29.68
Price/earnings ratio	10.7x
Dividends per share (indicated rate)	US\$6.04
Dividend yield	1.9%
Credit rating (S&P Global Ratings)	A- (Stable)



ELEVANCE HEALTH INC.

- One of the largest U.S. health insurance companies

Stock price (May 31, 2025)	US\$383.84
Refinitiv mean 2025E EPS (June 11, 2025)	US\$34.40
Price/earnings ratio	11.2x
Dividends per share (indicated rate)	US\$6.84
Dividend yield	1.8%
Credit rating (S&P Global Ratings)	A (Negative)



PORTFOLIO MANAGER MOTIVATION

- Fiduciary duty
 - Investors
 - Advisors
 - Employer
- Self-interest



OUTLOOK

- U.S. inflation rates likely to continue to fall (including from base effects, i.e., previous high inflation rates no longer included in 12-month data)
- Short-term interest rates have been cut 2.25% in Canada and 1.00% in the U.S. Expect total rate cuts of 2.50%+ from cycle peaks by mid-2026
- Reasonable stock valuations, falling interest rates and accelerating economic growth could be a good backdrop for equity returns
- Fund leverage expected to enhance longer-term fund returns



POTENTIAL RISKS

- Concentration
- Leverage
- Equity markets
- Foreign exchange rates
- Impact of tariffs on global economy



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