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NEWS HIGHLIGHTS

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

MAY 12, 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) –Shell plc (Shell), Reliance, and Oil and Natural Gas Corporation Limited (ONGC) have successfully completed India's first offshore facilities decommissioning project with the safe removal of mid and south Tapti field facilities. The Panna-Mukta and Tapti Joint Venture (PMT JV), operator of the Tapti fields under a production sharing contract with the Government of India, comprises of ONGC with a 40% participating interest, and Reliance and BG Exploration & Production India Ltd (BGEPIL), which is a subsidiary of Shell with 30% each. The milestone project involved removal of five wellhead platforms, associated infield pipelines, load-in at the onshore dismantling yard and the safe plugging and abandonment of 38 wells, all executed in line with the approved decommissioning plan. Production from the Tapti fields ceased in March 2016, and this project demonstrates a high level of planning, coordination, and compliance with regulatory frameworks while upholding the highest safety and environmental standards. The PMT JV awarded major contracts to Indian companies Larsen and Toubro Ltd. (L&T) for offshore execution and Chowgule & Company Private Limited – Shipbuilding Division (CLSPL) for onshore dismantling. Offshore operations have now been completed safely, and dismantling is underway at CLSPL's facilities in Ratnagiri, further strengthening India's domestic capabilities in offshore and onshore energy infrastructure. The Tapti decommissioning project also played a pioneering role in shaping India's regulatory and operational framework for offshore decommissioning.

Reliance – is challenging the decades-long dominance of The Coca-Cola Company (Coke) and PepsiCo, Inc. (Pepsi) in the most-populous country using a playbook it has practiced to perfection in other sectors: price disruption. Investors got a peek at the inroads being made by Campa Cola under Reliance last month. The company said the drink achieved double-digit market share in key regions in the year ended March 31, barely two years after it was relaunched in India. It didn't disclose exact share numbers or revenue for the brand in the latest quarter. Reliance's retail unit, helmed by Isha Ambani, acquired Campa Cola, a defunct brand that was hugely popular in 1980s, for 220 million rupees (US$2.6 million) in 2022. It offers 200-milliliter (ml) (6.7-fluid ounce) (fl oz.) bottles for 10 rupees, or US$0.12 which is about half of what market leaders Coke and Pepsi charge consumers for similar-sized bottles. Reliance's sweet soda, which tastes similar to its bigger competitors, also is available in orange and lemon flavors. Reliance is known for upending any sector it enters, mostly by crashing prices and driving competition out. The most recent instance was its 2016 move into India's telecom sector with free calls and dirt-cheap data, a shockwave that whittled down competition from a dozen operators to just three today. Now, Campa Cola's growth is mostly coming at the expense of Coke and Pepsi, said Arvind Singhal, founder of Indian consumer consultancy Technopak Advisors Private Limited. It also has expanded India's overall soft drink market due to its relatively cheap price, he added. Coke and Pepsi re-entered the country in the 1990s after it took steps to liberalize the economy. For the two global players, India's 1.3 billion-plus population has emerged as a promising growth spot overseas as they battle home-market woes including high input costs, signs of a consumer pullback, the prospect of eroding demand for snacks and soda. Reliance in January projected that revenue for the brand will increase 150% to 10 billion rupees in the year ended March 31. The local unit of the Atlanta-based Coke maker had a revenue of 47 billion rupees for the year ending March 2024, according to the most recent data from India's Registrar of Companies. Representatives for the two American beverage firms and Reliance did not respond to emails seeking comment.

Ares Management Corporation (Ares)– reported strong first quarter (Q1) earnings. As of March 31, 2025, Ares reported Asset Under Management (AUM) of US$545.9 billion, a 27% year-over-year (y/y) increase, and Fee Paying Assets Under Management (FPAUM) of $335.1 billion, up 25% y/y. Available capital reached $142 billion (+24% y/y), while AUM not yet paying fees stood at $99.2 billion, a 28% y/y increase. Both the available capital and fee-eligible AUM pipeline reflect a strong reserve for future revenue growth. For Q1 2025, GAAP net income attributable to Ares was $47.2 million. After-tax realized income came in at $381.4 million, or $1.09 per share. Ares' 2025 Q1 management fees up 18% y/y to $818 million and Fee Related Earnings (FRE) rising 22% to $367 million. After-tax Realized Income grew 44% y/y to $382 million.

Brookfield Asset Management Inc. (Brookfield) – reported strong Q1 earnings, raising US$25 billion in Q1 and over $140 billion in inflows over the past year. This includes nearly $6 billion raised for the flagship real estate strategy, bringing total commitments to $16 billion—set to become the firm's largest real estate vehicle once final closings are complete. Fee-bearing capital reached $549 billion, up 20% y/y. With 26% increase in fee-related earnings to a record $698 million ($0.43/share). Distributable earnings were $654 million ($0.40/share) for the quarter and $2.5 billion ($1.51/share) over the last twelve months (LTM), representing y/y increases of 20% and 11%, respectively. Net income attributable to Brookfield rose 32% to $581 million, driven by growth in fee-related earnings.

Brookfield Corporation Inc. (Brookfield Corp.) – reported strong Q1 earnings. Total consolidated net income reached US$215 million for the quarter and $1.5 billion over the last twelve months. Distributable earnings before realizations totalled $1.3 billion ($0.82/share) for the quarter and $5.2 billion ($3.26/share) for the LTM. Fee-related earnings from the asset management business rose 26% y/y, supported by strong fundraising and the final closes of two flagship funds. Total distributable earnings to $1.5 billion ($0.98/share) for the quarter and $6.6 billion ($4.17/share) for the LTM.

DIVIDEND PAYERS

GO TO PORTLAND CANADIAN BALANCED FUND[1]

Cenovus Energy Inc. (Cenovus)- has announced its Q1 2025 financial and operating results. The company generated more than CA$1.3 billion in cash from operating activities, $2.2 billion of adjusted funds flow and $983 million of free funds flow. Operating results in the quarter were strong, with Upstream production increasing to 818,900 barrels of oil equivalent per day (BOE/d) while Downstream crude throughput was 665,400 barrels per day (bpd), representing an overall utilization rate of 92%. The Board of Directors has approved an 11% increase in the base dividend to $0.80 per share annually, beginning in the second quarter (Q2) of 2025. Consistent with Cenovus's financial framework, the base dividend is underpinned by our growth plan and resilience at a US$45 West Texas Intermediate (WTI) oil price. Upstream production of 818,900 BOE/d, maintaining near-record performance and exceeding the previous quarter. Continued momentum in Downstream performance, including record utilization of 104% in Canadian Refining, with 90% utilization and adjusted market capture of 62% in U.S. Refining. Returned $595 million to shareholders, including $62 million through share purchases, $333 million through common and preferred share dividends, and $200 million through the redemption of Cenovus's Series 5 preferred shares on March 31, 2025. The company subsequently purchased 10.9 million common shares for $178 million between April 1 and May 5, 2025. Progressed all Upstream growth projects as planned, including introduction of steam to the first two well pads at Narrows Lake with first oil expected early in the third quarter, as well as completing preparations for tow-out of the concrete gravity structure (CGS) and the topsides for the West White Rose project. "We delivered strong operational performance across our integrated portfolio, while significantly progressing our major growth projects toward completion," said Jon McKenzie, Cenovus President & Chief Executive Officer (CEO). "Combined with our commitment to financial discipline and cost control, we are well positioned to effectively navigate market volatility and continue to grow shareholder returns."

Operating Results

Cenovus's total revenues were CA$13.3 billion in Q1, up from $12.8 billion in the fourth quarter (Q4) of 2024, primarily due to rising commodity prices. Upstream revenues were $8.3 billion, an increase from $7.3 billion in the previous quarter, while Downstream revenues were $7.7 billion compared with $7.8 billion in the prior quarter. Total operating margin was $2.8 billion, compared with $2.3 billion in the previous quarter. Upstream operating margin was $3.0 billion, an increase from $2.7 billion in Q4 due to higher benchmark oil prices and favourable timing differences between production and sales. The company had a Downstream operating margin shortfall of $237 million compared with a shortfall of $396 million in the previous quarter, as adjusted market capture in U.S. Refining improved to 62%. Operating margin in the U.S. Refining segment included a $23 million inventory holding loss and $81 million of turnaround expenses. Total Upstream production was 818,900 BOE/d in Q1, up from 816,000 BOE/d in Q4. Christina Lake production was 237,800 bpd, compared with 251,400 bpd in the prior quarter, having benefited from higher production rates following its fall turnaround. Foster Creek production was 202,700 bpd compared with 195,200 bpd in Q4, reflecting a successful well optimization program and two new sustaining well pads being brought online. Sunrise production was 52,100 bpd compared with 53,100 bpd in Q4. Production from the Lloydminster thermal assets increased to 109,900 bpd from 108,900 bpd in the prior quarter, while Lloydminster conventional heavy oil output rose to 21,800 bpd from 18,000 bpd in Q4. Production in the Conventional segment was 123,900 BOE/d, up from 117,800 BOE/d in the previous quarter. In the Offshore segment, production was 68,800 BOE/d compared with 69,700 BOE/d in Q4. In Asia Pacific, production volumes were 57,200 BOE/d, lower than 62,200 BOE/d in the previous quarter, primarily due to timing of condensate lifting in Indonesia in Q1. In the Atlantic region, production was 11,600 bpd, an increase from 7,500 bpd in the prior quarter, due to increased output at the partner-operated Terra Nova field and the return to operations of the SeaRose floating production, storage and offloading (FPSO) vessel in the White Rose field. Total Downstream crude throughput in the first quarter was 665,400 bpd, in line with Q4 throughput of 666,700 bpd. Crude throughput in Canadian Refining was 111,900 bpd, representing a record utilization rate of 104%, compared with 104,400 bpd in the previous quarter. In U.S. Refining, crude throughput was 553,500 bpd, representing a utilization rate of 90%, compared with 562,300 bpd in Q4. U.S. Refining revenues were $6.4 billion, slightly lower than $6.6 billion in the previous quarter. Adjusted market capture in the U.S. was 62%, compared with 52% in Q4, benefiting from improved process unit reliability and the return of the Lima Refinery to full operations following a turnaround completed in Q4 of 2024, while continuing to be impacted by a narrow heavy oil price differential.

Financial Results

Cash from operating activities in Q1 was CA$1.3 billion, compared with $2.0 billion in Q4. Adjusted funds flow was $2.2 billion, compared with $1.6 billion in the prior quarter, and Excess Free Funds Flow (EFFF) was $373 million, compared with a shortfall of $416 million in Q4. Net earnings in Q1 were $859 million, compared with $146 million in the previous quarter. Q1 financial results improved in part due to higher benchmark prices, higher Upstream sales volumes and improved Downstream market capture relative to Q4. Long-term debt, including the current portion, was $7.5 billion as at March 31, 2025. Net debt increased from December 31, 2024 to $5.1 billion as of March 31, 2025, as free funds flow of $983 million was more than offset by returns to shareholders of $595 million, including the redemption of $200 million of Cenovus's Series 5 preferred shares on March 31, 2025, and a $861 million build of non-cash working capital. The company continues to steward toward net debt of $4.0 billion and returning 100% of EFFF to shareholders over time in accordance with its financial framework. In Q1 of 2025, the company received a rating upgrade from Moody's to Baa1 (moderate grade rating) with a stable outlook. Cenovus remains committed to maintaining its investment grade credit ratings at S&P Global Ratings, Moody's, Morningstar DBRS and Fitch Ratings.

Growth Projects

In the Oil Sands segment, steaming of the first two well pads in the Narrows Lake field began in late April. The project remains on track for first oil early in the third quarter (Q3) of 2025, as planned. At Sunrise, one well pad was brought online in April as the company continues to progress the facility's growth plan to access higher-quality resource and fully utilize the asset's steam capacity. The optimization project at Foster Creek is now approximately 75% complete and remains on schedule for startup in 2026. Preparations are being made to complete critical project tie-ins during the Foster Creek turnaround in the second quarter (Q2) of 2025. The West White Rose project continues to progress toward installation and commissioning of the offshore platform later this year. Preparations are underway to tow the Concrete Gravity Structure (CGS) to its field location in Q2, where it will be mated with the topsides in Q3. The West White Rose project is now approximately 90% complete and remains on-schedule for first oil in Q2 of 2026. "These oil sands growth projects access some of the best resources in our portfolio," McKenzie said. "At both Narrows Lake and Sunrise, we're moving into new higher-quality development areas, which will drive lower steam-to-oil ratios and increased production without adding any new steam capacity and at a low capital cost. Once the West White Rose project is operating, we'll be adding around 45,000 bpd of light sweet oil production tied to global pricing, generating significant free cash flow."

Dividend Declarations and Share Purchases

The Board of Directors has declared a quarterly base dividend of CA$0.20 per common share, payable on June 30, 2025, to shareholders of record as of June 13, 2025.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

BeOne Medicines Ltd (BeOne) - reported total revenues rising 49% to US$1.1 billion, driven by a 62% increase in global sales of BRUKINSA® (a prescription medication used to treat certain types of blood cancers) to $792 million. The company achieved GAAP profitability for the first time, with GAAP net income of $1.27 million, a significant improvement from a loss of $251 million in Q1 2024. U.S. sales of BRUKINSA grew 60%, and sales in Europe increased by 73%. Adjusted gross margins rose to 85.5%, reflecting the higher proportion of BRUKINSA sales. BeOne remains focused on advancing its late-stage hematology and solid tumor pipelines, with multiple key readouts expected in 2025. Additionally, the company secured shareholder approval for its rebranding to BeOne Medicines Ltd and its redomiciliation to Switzerland.

Iovance Biotherapeutics, Inc. (Iovance)- reported Q1 2025 revenue of US$49.3 million and lowered the company's 2025 guidance to $250-$300 million. The company is expanding its treatment network and expects regulatory approvals for Amtagvi, a treatment for a specific type of melanoma, in the UK, EU, and Canada in 2025. Net loss for Q1 was $116.2 million, with cash expected to support operations through mid-2026. Manufacturing capacity has resumed at full strength despite slowdowns due to maintenance in Q1, and Iovance remains on track to report updated clinical data for its lung cancer and melanoma trials later this year.

Janux Therapeutics, Inc. (Janux) - reported its Q1 2025 financial results, highlighting significant progress in its clinical pipeline. The company initiated its Phase 1b expansion study for JANX007 in a specific type of prostate cancer patients, following positive interim data from the Phase 1a dose escalation. As of March 31, 2025, Janux reported US$1.01 billion in cash and a net loss of $23.5 million.

Lantheus Holdings, Inc. (Lantheus)- reported an increase in revenue for Q1 2025, totalling US$372.8 million, a 0.8% rise from the previous year. However, net income and earnings per share both saw significant declines, with GAAP earnings per share dropping 45.5% to $1.02. The company generated strong free cash flow of $98.8 million. Key business developments included the acquisition of Evergreen Theragnostics, Inc. expected to close soon, and the planned acquisition of Life Molecular Imaging Ltd, which adds assets such as Neuraceq® for Alzheimer's diagnosis. Additionally, Lantheus announced the divestiture of its SPECT business.

Nuvalent, Inc. (Nuvalent) - provided an update on its progress for Q1 2025, highlighting key pipeline developments and business milestones. The company expects pivotal data for its ROS1 inhibitor, zidesamtinib, in TKI (Tyrosine Kinase Inhibitor) pre-treated patients with a specific type of lung cancer in the first half of 2025, supporting a potential NDA (New Drug Application) submission by mid-2025.

Schrödinger, Inc (Schrödinger) - reported financial results for Q1 2025, with total revenue of US$59.6 million, a 63% increase from the previous year. Software revenue rose 46% to $48.8 million, driven by early renewals and increased hosted contracts. Drug discovery revenue surged 237%, with significant contributions from its collaboration with Novartis International AG. Schrödinger's proprietary pipeline, including clinical studies continues to progress, with initial clinical data expected in June 2025.

Siemens Healthineers AG - reported Q2 FY2025 results, with a 6.8% growth in comparable revenue. Imaging saw impressive 8.7% growth and a high adjusted EBIT (Earnings before Income and Taxes) margin of 22.4%. Diagnostics had modest growth of 1.0%, while Varian (a Siemens Healthineers Company) and Advanced Therapies delivered solid performances, with Varian posting 12.5% growth and a strong EBIT margin of 13.2%. The company achieved a robust adjusted EBIT margin of 16.6% and nearly €200 million in free cash flow, surpassing the previous year's figures. CEO Bernd Montag highlighted that despite strong growth drivers; geopolitical volatility remains a challenge.

NUCLEAR ENERGY

BWX Technologies, Inc. (BWXT) - announced that Robb A. LeMasters has stepped down as Executive Vice President and Chief Financial Officer (CFO), with Mike T. Fitzgerald, the current chief accounting officer, appointed as interim CFO. Fitzgerald, who joined BWXT in 2022, has been recognized for his financial leadership and will oversee the transition. LeMasters, who served in various roles at BWXT since 2015, will continue to support the company as a special advisor during the transition.

Centrus Energy Corp. (Centrus)– reported Q1 2025 net income of US$27.2 million on $73.1 million in revenue, reversing a net loss of $6.1 million on $43.7 million in the prior-year period. Revenue was driven by a 117% increase in the LEU (Low-enriched Uranium) segment to $51.3 million, supported by higher SWU (Separative Work Unit) prices and volumes, while the Technical Solutions segment rose 8% to $21.8 million due to progress on the HALEU (High-Assay Low-Enriched Uranium) contract. Gross profit rose to $32.9 million, with strong contributions from LEU operations, positioning Centrus for further growth pending federal funding for domestic uranium enrichment.

Constellation Energy Corp. (Constellation)– reported Q1 earnings. In Q1 of 2025, the company reported GAAP net income of US$0.38 per share, down from $2.78 per share in the same period last year, primarily due to lower realized gains and fair value adjustments. Adjusted (non-GAAP) operating earnings rose to $2.14 per share, compared to $1.82 per share in Q1 2024, reflecting strong underlying performance in asset management. The company reaffirmed its full-year 2025 guidance for adjusted operating earnings in the range of $8.90 to $9.60 per share.

ITM Power PLC (ITM)- has signed a contract with Westnetz GmbH (Westnetz) to supply a NEPTUNE V unit, a 5MW containerised green hydrogen plant. Westnetz will integrate this unit for a public transport operator aiming to achieve an emission-free hydrogen bus fleet by 2030, in line with the EU's Clean Vehicles Directive. The NEPTUNE V unit uses ITM's TRIDENT stack technology, offering efficient hydrogen production with a small footprint. Furthermore, ITM Power has also signed a contract to supply a NEPTUNE II unit to a leading Spanish cement producer. The NEPTUNE II is a 2MW autonomous electrolyser system that will produce green hydrogen for mixing with natural gas in the cement kiln, helping reduce CO2 emissions. This marks ITM's first system deployment in the cement industry.

ECONOMIC CONDITIONS

Global Tariffs - US and China have agreed to drastically roll back tariffs on each other's goods for an initial 90 days, de-escalating a punishing trade war and buoying global markets. By May 14, the US will temporarily lower its overall tariffs on Chinese goods from 145% to 30%, while China will cut its levies on American imports from 125% to 10%.

UK and US Trade Deal - The UK and US announced what forms an early, and limited, trade agreement between the two countries on Thursday. The deal eliminates the 25% Section 232 tariffs on steel & aluminum imports from the UK, while reducing the tariff on the first 100,000 UK vehicles imported by the US to 10% (from 25%). In exchange, the UK will reduce tariffs on US ethanol imports, and allow more beef imports. On this last point, the UK won't lower food standards, so this deal should not put an SPS (Sanitary and Phytosanitary)/ agriculture deal with the EU at risk (we'll get more news on that on 19 May). Ultimately, the agreement remains light on details, and it's worth emphasis that this is not a full-fledged trade deal, but rather a few sectoral policy tweaks, at best. It should have little to no impact on either country's economy.

Canadian Employment - Canadian employment edged up by 7K (thousand) in April, a tad above consensus expectations for a 5K increase. The participation rate, meanwhile, rose by one tick to 65.3%. Together this produced a two-tick increase in the unemployment rate (6.9%), surpassing the consensus expectation for a one-tick increase. The net employment gain was driven by full-time positions, which expanded by 31.5K in the month. That was more than enough to offset the part-time employment decrease (-24.2K). Meanwhile, the number of jobs in the private sector regressed by 26.8K, while the public sector posted a gain of 22.9K. Self-employment also contributed to the monthly gain as it rose by 11.2K. Gains for the public sector can be retraced to the election held in the month. Job gains were concentrated in services-producing industries (+40.3K), driven by public administration (+37.1K) and FIRE (Finance, Insurance, and Real Estate) (+23.7K), which more than offset the decline in wholesale/retail trade (-26.8K). On the goods-producing front, employment fell by 33K, with losses mainly coming from manufacturing (-30.6K) and natural resources (-7.5K). Prime-aged (25-54 year-olds) employment growth dropped in April as employment pulled back by 36K (after -5.9K in March). Youth employment (15-24 year-olds) rose by 8.5K, while job growth among older Canadians (55 years and over) surged by 34.9K. Regionally, employment fell in Ontario (-34.6K, or -0.4%) while Nova Scotia posted an 8.5K loss. On the flip side, employment increased in Quebec (+18.3K) and Alberta (+15.0K) while B.C. employment rose by 6K. Hours worked rose 0.4% in April, matching the result in the previous month but still below the level reached in January. That said, total hours worked were up 0.9% on a y/y basis. Wages were up 3.4% on a year-over-year basis in April, following growth of 3.6% in March.

US Productivity - Productivity growth of American workers fell 0.8% annualized in Q1. That marks the first contraction since Q2 2022 after 2024 saw the biggest efficiency gains in 14 years (outside 2020's upswing). Compared to a year ago, productivity rose 1.4%, still near the upper end of the 2010-2019 range (excluding recession distortions). Unit labour costs climbed 5.7% annualized, the fastest pace in a year. If the trend continues, it may become an issue for the US Federal Reserve (the Fed) as it faces heightened risks of accelerating inflation amid the tariffs. But, compared to a year ago, costs climbed 1.3%—still subdued and well below Fed's 2% inflation target.

Meantime, a separate report showed initial jobless claims fell more than expected, down 13k to 228k in the May 3 week. Continuing claims also fell. This is the right kind of downside surprise and suggests labour market conditions remain healthy.

FINANCIAL CONDITIONS

US Federal Reserve - The Federal Open Market Committee kept its policy unchanged as expected for a third consecutive meeting at 4.25%-4.50%, with the statement espousing modest changes that mostly reflected the usual mark-to-market update that occurs between meetings. Guidance remained cautious, keeping with recent Fed communication, Powell reiterated that they are not in a hurry to make changes, with the current stance well-positioned to respond to any material changes in the outlook. Despite the lack of new guidance by the Federal Open Market Committee, we are revising our forecast for monetary policy. While the path of rate cuts is expected to end the cycle at 2.50%, it's now expected that rate shifting will begin in July.

Central Bank of Sweden - The Sveriges Riksbank left its policy rate on hold at 2.25%, as was widely expected. Inflation, though currently slightly above target at 2.3% y/y in March and April, is expected to fall back while uncertainty abroad exhibits downside risks to growth. Though future impact on inflation is difficult to assess, the expectation is that it will be lower in future projections, suggesting a slight easing of monetary policy going forward. However, it is important to note, that as it stands today, the Executive Board considers the monetary policy to be well-balanced and is assessing further information through hard data.

Central Bank of Norway - The Norges Bank left policy rate unchanged at 4.50%, in line with consensus. Inflation remains above target at 2.6% y/y in March, suggesting that monetary policy should remain restrictive at this meeting to avoid premature cutting and consequent increase in prices. However, the Committee also cites uncertainty in future economic developments and implies that policy rate will "most likely be reduced in the course of 2025". Given that interest rate outlook may be pulled in different directions as global trade policies develop, Norges Bank will rely on hard data that is received between now and its next forecasts at the monetary policy meeting in June.

Bank of England - The Bank of England cut its Bank Rate by 25 basis points (bps) to 4.25%, in line with broad consensus. The vote was more hawkish than expected with a 2-5-2 (unchanged-25bps-50bps cut) breakdown and the wording remained skewed to include "gradual and careful" approach to policy going forward. Citing ongoing inflationary pressures, especially in wages and measures of household inflation expectations, the MPC (Monetary Policy Committee) chose to continue being restrictive until risks to medium-term inflation dissipate further. However, the uncertainty surrounding global trade policies creates a need for meeting-by-meeting approach and it is reaffirmed that the monetary policy is not on a pre-set path.

The U.S. 2 year/10 year treasury spread is now 0.45% and the U.K.'s 2 year/10 year treasury spread is 0.65%. 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 6.76%. Existing U.S. housing inventory is at 4.0 months supply of existing houses as of April 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 19.20 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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