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NEWS HIGHLIGHTS

EST. 2007

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

MAY 20, 2025

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OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND[1]

PORTLAND 15 OF 15 ALTERNATIVE FUND[1] COMPANY NEWS

Reliance Industries Limited (Reliance) – Reliance has obtained a $2.98 billion-equivalent dual-currency loan. The loan is split into two parts: a $2.4-billion tranche in US dollars and a second tranche in Japanese yen valued at 67.7 billion yen (approximately US$462 million), according to people familiar with the matter, the largest such deal for an Indian borrower in more than a year. About 55 lenders joined the facility, the people said, who asked not to be identified discussing private matters, in what is the largest bank group for a syndicated loan in Asia so far this year. The interest shows lenders' appetite for quality assets in a market starved for deals. Asia Pacific ex-Japan loan volumes hit a 20-year low so far in 2025, closing about $29 billion of deals denominated in dollars, euros and yen, also known as G3 (Group of Three major currencies in global markets, United States, Euro and Japanese Yen) currencies. India, however, has emerged as a bright spot for growth with foreign currency loans to Indian companies surging, largely thanks to Reliance's large borrowing. Factoring in this deal, volume is set to touch $10.4 billion year-to-date, the fastest pace in at least a decade. Proceeds will be used to refinance existing debt, the people added. Reliance didn't immediately respond to a request for comment. Prior to this deal, Reliance hadn't tapped the offshore market since 2023, when the group raised over $8 billion in loans, including a $5 billion syndicated deal. Those facilities, which were for the parent and subsidiary Reliance Jio Infocomm Limited (Reliance Jio), also drew about 55 lenders in total as banks looked to join deals of top-tier credits, according to Bloomberg. Reliance Industries is currently rated one notch above India's sovereign grade, a rare instance of when a company's creditworthiness is higher than the country it's based in. The borrower is rated Baa2 by Moody's Ratings and BBB by Fitch Ratings.

Reliance –plans to sell its entire 4.9 per cent stake in Asian Paints Limited (Asian Paints), according to a report by The Economic Times citing sources. For this purpose, Reliance has engaged Bank of America to manage the transaction. This marks a potential exit from a 17-year-old investment. Reliance acquired its stake in 2008 for about Rs. 5 billion. The paints sector has been under pressure due to margin challenges and rising competition. Notably, Reliance had earlier considered a stake sale in 2020. Recently, Asian Paints reported a 45 per cent decline in net profit year-on-year (y/y) for the fourth quarter (Q4) of Fiscal Year 2025 (FY25), posting Rs. 6.92 billion. The consolidated revenue was Rs. 83.59 billion. The results included an exceptional item of Rs. 1.8296 billion related to losses on the divestment of Indonesian subsidiaries and impairments on acquisitions in software and paint sectors. Managing Director and Chief Executive Officer (CEO) Amit Syngle noted that weak demand conditions continued to impact the paint industry in the last quarter.

Reliance - Five months after the Brihanmumbai Municipal Corporation (BMC) issued an Expression of Interest (EOI) wherein it invited private companies and voluntary organizations to develop and maintain 70 hectares of the open land near the Mumbai Coastal Road Project now Reliance has emerged as the top contenders in a proposal. A proposal to finalize Reliance's involvement has been sent to the municipal commissioner's office. After the final approval, the agency will submit detailed designs along with a timeline, reported Indian Express. A 7.5 kilometer long area is under construction out of which Tata Sons is developing the 5-hectare area. Out of the 111 hectares of land reclaimed from the sea, BMC wants to develop 70 hectares of open landscape as green pockets with gardens, cycling tracks and amphitheaters. The remaining 53 hectares, near Breach Candy to Worli, BMC was trying to find private companies to develop and maintain the open space for which an EOI was submitted. It invited private companies and voluntary organizations to design, develop and maintain this land. Five big companies like Jindal Steel and Power Limited, Raymond Limited, RPG Foundation Group, Vedanta Limited and Reliance had shown interest in the proposal. The EOI is also looking for companies with previous experience of developing similar projects within the past five years. BMC had proposed nearly Rs. 400 crores as the cost of the project works but it will be developed through Corporate Social Responsibility (CSR) funding of the finalized party.

Oklo Inc. (Oklo) – provided its financial results and business updates for the first quarter (Q1) of 2025. The company reported a Q1 2025 net loss of US$9.8 million, a marked improvement from the $24.0 million loss in Q1 2024, driven by the absence of prior-year fair value adjustments. Operating loss widened to $17.9 million as the company ramped up Research and Development (R&D) and administrative investments ahead of commercialization. Despite elevated expenses, Oklo maintained a strong liquidity position with $260.7 million in cash and marketable securities. The company reaffirmed its full-year 2025 cash burn guidance of $65–$80 million, reflecting disciplined capital management as it advances toward its first commercial deployment. No revenue was recorded, consistent with Oklo's current pre-revenue phase.

DIVIDEND PAYERS

GO TO PORTLAND CANADIAN BALANCED FUND[1]

South Bow Corporation (South Bow). –reported its Q1 2025 financial and operational results on May 15, 2025, and provides an update on its 2025 outlook. Unless otherwise noted, all financial figures in this news release are in U.S. dollars.

Safety and operational performance

• Recorded Q1 2025 throughput of approximately 613,000 barrels per day (bbl/d) on the Keystone Pipeline, with a System Operating Factor (SOF) of 98%, and approximately 726,000 bbl/d on the U.S. Gulf Coast segment of the Keystone Pipeline System.

• Demonstrated strong project execution, completing construction of the Blackrod Connection Project's 25-km crude oil and natural gas pipeline segments while achieving excellent safety performance. South Bow remains on schedule to complete the facility work and be ready for in-service in early 2026, with associated cash flows expected to increase through 2027.

• Subsequent to period end, responded to an oil release at Milepost 171 (MP-171) of the Keystone Pipeline near Fort Ransom, N.D., on April 8, 2025. With approval from the Pipeline and Hazardous Materials Safety Administration (PHMSA), South Bow safely restarted the pipeline late on April 15, 2025, with certain operating pressure restrictions.

Financial performance

• Demonstrated financial resilience despite significant market volatility, owing to the Company's highly contracted assets.

• Generated revenue of $498 million and net income of $88 million ($0.42/share).

• Recorded normalized earnings before interest, income taxes, depreciation, and amortization (normalized EBITDA) of $266 million. Lower demand for uncommitted capacity on South Bow's pipeline systems resulted in an 8% decrease in normalized EBITDA from Q4 of 2024.

• Delivered distributable cash flow of $151 million.

• Maintained total long-term debt and net debt outstanding of $5.7 billion and $4.9 billion, respectively, during Q1 of 2025. The Company's net debt-to-normalized EBITDA ratio was 4.6 times as of March 31, 2025.

Returns to shareholders

• Declared dividends totaling $104 million or $0.50/share to shareholders during Q1 of 2025.

• South Bow's board of directors approved a quarterly dividend of $0.50/share, payable on July 15, 2025, to shareholders of record at the close of business on June 30, 2025. The dividends will be designated as eligible dividends for Canadian income tax purposes.

Spinoff activities

• Implemented South Bow's new enterprise resource planning system, marking a significant milestone in fully establishing South Bow as an independent company. Exiting the Transition Services Agreement (TSA) with TC Energy Corporation (TC Energy) continues progressing with plans to implement South Bow's new supervisory control and data acquisition (SCADA) system in the second half of 2025.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Clarity Pharmaceuticals Ltd. (Clarity)– has launched its second registrational Phase III trial, AMPLIFY, for 64Cu-SAR-bisPSMA, a diagnostic imaging agent for prostate cancer. The trial, which begins at XCancer in Omaha, NE, aims to evaluate the ability of Copper-64 labeled sarcophagine-bis prostate-specific membrane antigen Positron Emission Tomography / Computed Tomography (64Cu-SAR-bisPSMA PET/CT) to detect biochemical recurrence (BCR) of prostate cancer in patients with rising Prostate-specific antigen (PSA) levels after initial treatment. The study will enroll around 220 participants across multiple sites in the U.S. and Australia. The results of this pivotal trial are intended to support United States Food and Drug Administration (FDA) approval for 64Cu-SAR-bisPSMA as a diagnostic tool in BCR of prostate cancer.

Janux Therapeutics Inc.– has appointed Janeen Doyle as Chief Corporate and Business Development Officer, bringing over 24 years of experience in corporate strategy, business development, and clinical operations across biotech, pharma, and venture sectors. Doyle joins from Flagship Pioneering, where she led strategic collaborations, and previously held senior roles at Bristol- Myers Squibb Company and Celgene Corporation.

Olema Pharmaceuticals, Inc.– reported progress in its clinical programs for Q1 2025, with the pivotal Phase 3 OPERA-02 trial of palazestrant plus ribociclib on track to begin this year, backed by Phase 1b/2 data in certain types of breast cancer. The ongoing Phase 3 OPERA-01 monotherapy trial is advancing, with top-line results expected in 2026 and a presentation planned at the American Society of Clinical Oncology (ASCO) Annual Meeting. The company ended the quarter with U.S.$392.7 million in cash and equivalents.

Schrödinger Inc. (Schrödinger) – has appointed Richie Jain as its new Chief Financial Officer (CFO), succeeding Dr. Geoffrey Porges, who is stepping down to pursue other opportunities. Jain, formerly Senior Vice-President (SVP) of Strategic Finance and Head of Corporate and Business Development at Schrödinger, brings deep financial and industry expertise from previous roles at Morgan Stanley and Boston Scientific Corporation. Dr. Porges will remain as an advisor through June 6, 2025, to ensure a smooth transition. The company also announced a restructuring plan that will reduce its workforce by about 60 employees, or 7% of its full-time staff. This move is part of a broader cost-cutting strategy aimed at improving cash flow.

NUCLEAR ENERGY

NuScale Power Corporation (NuScale) – reported progress for Q1 2025, driven by its Phase 2 Front-End Engineering and Design (FEED) study for the RoPower Doicești power plant. The company is on track to receive U.S. Nuclear Regulatory Commission (NRC) approval for its uprated 77 Megawatt electric (Mwe) design by July 2025 and is advancing manufacturing and supply chain readiness for its first NuScale Power Module™ in 2030. NuScale continues to engage in advanced discussions with global customers across sectors, including data centers, utilities, and energy companies.

ECONOMIC CONDITIONS

Canadian Consumer Price Index (CPI) shows inflation running a touch hotter than expected. Headline CPI came in at -0.1% month over month (m/m) and +1.7% year over year (y/y) which was a tick higher than expected than the poll of Bloomberg economists forecasted. Both core readings of trim and mean were higher than expected by +0.3% at +3.2% and +3.1% y/y respectively. The headline print was affected by energy prices which saw a drop from the elimination of the carbon tax but the core numbers still point to decent demand in the economy. Signs of renewed weakening in the economy on one hand, as shown by the latest employment data, but stronger core inflation on the other make for a tough decision for the Bank of Canada at its early June meeting in our view (June 4).

U.S. industrial production in April was flat after shrinking 0.3% in March, though it remains 1.5% above year-ago levels. Manufacturing fully reversed the prior month's 0.4% advance, with a retreat in autos pacing a second monthly pullback in consumer goods. Mining retreated 0.3%. Countering these moves was a partial rebound in utilities output.

U.S. Retail sales rose just 0.1%, close to expectations, following an upwardly revised 1.7% spike in March that was partly motivated by tariff front-running. Excluding a pullback in auto sales and gasoline station receipts, sales rose 0.2%. Also excluding building materials, sales fell 0.2% after rising 0.5% in March. This 'control' input for personal consumption expenditures suggests that real consumer spending downshifted further in Q2, as sentiment dove as the trade war ramped up. A subsequent rolling back of some tariffs and rebound in equities may in our view support spending in future months, assuming further progress on the trade front.

U.S. Producer prices surprisingly fell 0.5% in April after stalling in March, lowering the yearly rate to 2.4% from 3.4%. Core producer prices declined 0.4%, reversing the prior month's gain and lowering the yearly rate to 3.1% from 4.0%. As with the CPI release, tariffs have yet to make much of a mark on pricing, though it's likely just a matter of time.

UK Gross Domestic Product (GDP) surprised to the upside in March, coming in at 0.2% m/m (market: 0.0%), driven by an uptick in Index of Services, which also came in well above consensus at 0.4% m/m (market: 0.1%). The primary factors in the latter were retail sales and information and communication services, suggesting that domestic demand, rather than international trade dynamics, was the biggest story in March. Partially balancing out the strong Index of Services, was the decline in manufacturing by 0.8% m/m (market: -0.7%). Basic metals and metal products had a negative effect in that sector, potentially pointing to steel and aluminum tariffs. All in all, this brings Q1 to a strong finish at 0.7% quarter over quarter (q/q) (market: 0.6%). Though likely to give comfort to the Monetary Policy Committee about the resilience of UK economy, it should be noted that this data reflects pre-'Liberation Day' policies.

Q1 Wages in Australia came in a touch above consensus at 0.9% q/q (consensus: 0.8%), faster than the 0.7% q/q growth last quarter and brings annual wages growth at 3.4% y/y. Across sectors, public sector wage gains outpaced the private sector at 1.0% q/q versus 0.9% q/q respectively. The main driver of the stronger wage growth in Q1 was due to jobs covered by enterprise agreement which were driven by the new state-based enterprise agreements in the public sector. Including bonuses, wages growth was also healthy in Q1 at 1.0% q/q. In summary, wage gains continue to remain solid while the labour market is still in good shape with unemployment rate at the lows. While expectations are of a 25 basis points (bps) cut from the Reserve Bank of Australia (RBA), back-to-back cuts are likely out of the RBA's consideration in the near-term as US-China trade tensions cool and hard data in Australia is not weakening yet.

U.S. CPI rose 0.2% in April, one tick less than the median economist forecast calling for a 0.3% increase. This came in the wake of a -0.1%

print the prior month. Prices in the energy segment rose 0.7%, as gains for utility gas services (+3.7%) and electricity (+0.8%) were only partially offset by declines for fuel oil (-1.3%) and gasoline (-1.3%). The cost of food eased 0.1%, led by a 0.4% drop in the "food at home" segment. The core CPI, which excludes food and energy, rose 0.2%. This was also one tenth below consensus expectations. The price of core goods edged up 0.1% in the month, on gains for medical care commodities (+0.4%) and tobacco/smoking products (+0.3%). Alternatively, price declines were observed in the used cars (-0.5%) and apparel (-0.2%) categories. The index tracking the price of new vehicles was unchanged. Prices in the ex-energy services segment were up 0.3% despite another steep drop in the airline fares segment (-2.8%). This reflected gains in the following categories: shelter (+0.3%), medical care services (+0.5%), motor vehicle maintenance (+0.7%) and motor vehicle insurance (+0.6%). Year on year, headline inflation came in at a 50-month low of 2.3%, down from 2.4% the prior month and one tick below consensus expectations. The 12-month core measure, meanwhile, stayed unchanged at a 4-year low of 2.8%, a result in line with the median economist forecast. While April's CPI data was encouraging, a sustainable return to the central bank's target is still not guaranteed in our view. That's because several of President Trump administration's new policies are likely to revive pressure on prices. One example is the reduction of immigration, which is likely to reduce the supply of low-wage workers. But it is trade policy that is of most concern, given its potential to reverse progress made on the goods inflation front. Despite last week's de-escalation, the average tariffs imposed on American imports are still expected to rise dramatically this year, which is likely to increase the production costs of several factories.

UK March headline wage growth surprised to the upside at 5.5% 3-month over year (m/y) (market: 5.2%). However, all ex-bonus measures came in below expectations with ex-bonus wage growth and private sector regular pay both at 5.6% 3m/y (market: 5.7%). Unemployment was in line with consensus, ticking up slightly to 4.5%. Though these measures are still well above levels consistent with inflation at target, the cooling in this month's data and the downward trajectory is likely to provide the Monetary Policy Committee with some comfort in its cutting cycle, although the April data will be of higher importance to the Monetary Policy Committee as it will showcase the impact of National Insurance and minimum wage policy changes.

FINANCIAL CONDITIONS

Reserve Bank of Australia (RBA) lowered its cash rate by 25bps to 3.85% (consensus: 3.85%). Going into the meeting however, markets were likely expecting a hawkish cut and were left disappointed as RBA didn't deliver. Instead, the Bank flagged more downside risks relative to February and Gov. Bullock remarked that the Board discussed the possibility of a 50bps cut even though the Bank characterized the labour market as tight after the stunning April employment report (+89 thousand (k) jobs). The Bank added different scenario analyses given the trade uncertainty. In the RBA's baseline scenario, there were minor revisions lower in trimmed mean inflation and wages growth as expected and a slight downgrade in GDP, assuming that the cash rate is lowered to 3.4% by year-end (~2 more cuts). In a "trade war" scenario, Governor Bullock acknowledged that Australia will enter a recession and the fall in demand will be a big disinflationary factor. In summary, Governor. Bullock press conference remarks lean dovish, repeating that inflation risks are now more balanced and the Bank will pay more attention to soft data (survey and liaison data) in an uncertain world.

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 0.67%. 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 6.81%. 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 18.07 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

And Finally: *"The best argument against democracy is a five-minute conversation with the average voter." ~Winston Churchill*

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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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RISK TOLERANCE

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PIC25-031-E(05/25)