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# NEWS HIGHLIGHTS

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

MAY 26, 2025

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## OWNER OPERATED COMPANIES



GO TO  
PORTLAND 15 OF 15  
ALTERNATIVE FUND



PORTLAND 15 OF 15  
ALTERNATIVE FUND  
COMPANY NEWS

**Reliance Industries Limited (Reliance Industries)** – Reliance Industries will start its solar photovoltaic modules factory this year, a company executive said on Thursday. According to Partha Maitra, President Strategy at Reliance Industries, the company is building three bigger factories in order to meet clean energy requirements. India has been scrambling to meet its clean energy targets after falling short in 2022. Over the past year, the country has ramped up investments in the sector but needs to double capacity additions over the next five years to meet its target of 500 gigawatt (GW) non-fossil power capacity by 2030, a Global Energy Monitor report showed. Reliance aims to scale up solar module capacity to 20 GW per year, Maitra said. Its battery and micro power electronics factory will start next year. The company is expected to produce roughly 14% of total solar photovoltaic modules (PV) modules outside China and be the no 2 producer in the world.

**Reliance Industries** – Reliance Industries chairman Mukesh Ambani on Friday said the company will more than double its investments in India's northeast to 75,000 crore over the next five years. Reliance Industries has invested 30,000 crore in the northeast region over the past 40 years. Ambani said Northeast is rapidly rising and in the near future, is expecting to replicate the miracle achieved by neighbouring countries like Singapore, Malaysia and Vietnam. Jio has already covered 90% of the population with over 5 million Fifth Generation (5G) subscribers. This number is expected to double this year according to Ambani. Reliance Retail will vastly increase its procurement of staples, fruits and vegetables

to boost the incomes of farmers, said Ambani. The company will also invest in factories for high-quality products in the region and promote the region's artisanal economy. The ministry of Roads and Transport has an ambitious plan to revolutionize India's highway infrastructure, aiming for global standards and green mobility, is transforming the nation's logistics landscape. Since 2014, the ministry has overseen a significant expansion of the national highway network, attracting investment and streamlining project clearances. This effort, alongside innovative financing models like infra-structure investment trust, is set to drastically improve India's road network. The Reliance Industries chairman said Reliance Foundation will bring its best cancer care facilities to the northeast. Earlier this year, Mukesh Ambani revealed plans for Reliance Industries to invest 50,000 crore in Assam over the next five years—one of the company's most significant investments in the region. He shared Reliance Industries' roadmap for the state, emphasizing advancements in artificial intelligence, green energy, food processing, consumer products, retail growth, and luxury hospitality. As part of this vision, the company will set up an AI-enabled data center in Assam to enhance digital infrastructure and drive innovation in education, healthcare, and farming through AI tools. Additionally, Reliance Industries intends to develop two state-of-the-art Compressed Biogas facilities on barren land and is evaluating nuclear energy ventures in line with the government's updated policies. The company will also establish a large-scale food processing hub and aims to double its Reliance Retail outlets to 800 within five years. Furthermore, Ambani unveiled plans to build a luxury seven-star Oberoi hotel in the state. These initiatives, he noted, are expected to generate tens of thousands of employment opportunities and help position Assam as a growing centre for industry and technology.

**Berkshire Hathaway Inc. (Berkshire Hathaway)** – The Kraft Heinz Company (Kraft Heinz) said it was looking at strategic transactions as demand for its snacks and ready-to-eat meals weakens in an uncertain economic environment. The company also said Timothy Kenesey and Alicia Knapp, executives at Berkshire Hathaway-owned companies, were

leaving its board of directors after Warren Buffett's conglomerate said it would no longer hold board seats. By exiting the Kraft Heinz board, Berkshire retains its 27.5% ownership but with no influence over its direction. This could allow Buffett, who has led Berkshire since 1965, or Greg Abel, who is expected to become chief executive on January 1, 2026, to either sell Berkshire Hathaway's stake or bid for brands that Kraft Heinz might want to sell. Kraft Heinz has been a challenging investment for Berkshire Hathaway, with Buffett admitting in 2019 that they overpaid in the 2015 merger of Kraft Foods with H.J. Heinz. This came four days after the packaged food giant took a USD\$15.4 billion write-down on its brands and assets, leading to a \$3 billion write-down for Berkshire Hathaway. Abel stepped down from Kraft Heinz's board last year.

**LVMH Moët Hennessy Louis Vuitton SE (LVMH)** – The European Union must soften its stance toward U.S. President Donald Trump's trade demands and negotiate a deal to avoid tariffs and protect European jobs, LVMH Chief Executive Officer (CEO) and Chairman Bernard Arnault said. Talks between Brussels and Washington should be handled "with the aim to succeed and therefore with reciprocal concessions," Arnault said. Speaking to French senators during a parliamentary hearing, Arnault said he was actively lobbying to avoid tariffs, citing his group's cognac and wine business as particularly impacted by the trade tensions. "You see what the British have done, they have negotiated very well. Using my modest means and contacts, I hope I will manage to convince Europe to adopt a similarly constructive attitude", Arnault said. Arnault did not comment further when asked by lawmakers about his direct talks with Trump and a recent visit to the White House.

French President Emmanuel Macron and China's President Xi Jinping agreed in a phone call to advance as quickly as possible towards ending a dispute over cognac tariffs. Macron, who spoke to Xi ahead of his trip to Southeast Asia, said he reaffirmed that Chinese investments were welcome in France but that companies must enjoy equitable conditions in the two countries. After trade tensions flared between Beijing and Brussels, China began an anti-dumping investigation into European Union brandy in January. It was extended in April, giving EU exporters more time to find a way to avoid Chinese penalties. In France, the Chinese anti-dumping probe is regarded as retaliation for Paris' support for EU tariffs on imports of Chinese electric vehicles.

**Oklo Inc. (Oklo)** – U.S. President Donald Trump signed executive orders seeking to jumpstart the industry. The orders direct the nation's independent nuclear regulatory commission to cut down on regulations and fast-track new licenses for reactors and power plants. U.S. power consumption is estimated to reach record highs in 2025 and 2026, after stagnating for nearly two decades, as power-hungry data centers dedicated to artificial intelligence and crypto miners plug into the grid. The orders also seek to reinvigorate uranium production and enrichment in the U.S. to help meet surging power demand. The industry is also expected to benefit from Trump's sweeping tax and spending bill, which rolled back many green-energy subsidies but preserved tax credits for nuclear energy.



## DIVIDEND PAYERS



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BALANCED FUND

**Toronto-Dominion Bank (TD Bank Group)** – On May 22, 2025, TD Bank Group announced its financial results for the second quarter (Q2) ended April 30, 2025. Reported earnings were CAD\$11.1 billion, up 334% compared with the second quarter last year, reflecting the Bank's sale of its remaining equity investment in The Charles Schwab Corporation (Schwab), and adjusted earnings were \$3.6 billion, down 4%.

"TD delivered strong results this quarter, with robust trading and fee income in our markets-driven businesses as well as deposit and loan growth in Canadian Personal and Commercial Banking," said Raymond Chun, Group President and CEO, TD Bank Group. "Our U.S. balance sheet restructuring is on track, and we are making consistent progress on anti-money laundering (AML) remediation. We are well positioned as we enter the second half of the year, and we continue to strengthen TD Bank Group by investing in the client experience, enhancing our digital capabilities, and simplifying how we operate to achieve greater speed and execution excellence."

Canadian Personal and Commercial Banking results driven by continued volume growth in loans and deposits. Canadian Personal and Commercial Banking net income was \$1,668 million, a decrease of 4% compared with the second quarter last year, reflecting higher provisions for credit losses (PCL) and non-interest expenses, partially offset by higher revenue. Revenue increased 3%, primarily reflecting loan and deposit growth.

The Canadian Personal Bank reported another quarter of solid acquisition growth, including a record in digital day-to-day sales. The Canadian Personal Bank also delivered a strong quarter of credit card growth and referral volumes to Wealth and Business Banking. This quarter, Business Banking reported strong commercial loan growth, record second-quarter retail originations in TD Auto Finance, and robust customer acquisition in Small Business Banking. In addition, TD Auto Finance scored highest in two segments of the J.D. Power 2025 Canada Dealer Financing Satisfaction Study, ranking #1 for Dealer Satisfaction among Non-Prime and Prime Credit Non-Captive Automotive Financing Lenders.

The U.S. Retail Bank delivered continued momentum and progress on balance sheet restructuring. U.S. Retail reported net income for the quarter was \$120 million (US\$89 million), down 76% (77% in U.S. dollars), compared with the second quarter last year. On an adjusted basis, net income was \$967 million (US\$680 million), down 19% (23% in U.S. dollars). Reported net income for the quarter from TD Bank's prior investment in Schwab was \$78 million (US\$54 million), a decrease of 57% (60% in U.S. dollars), compared with the second quarter last year reflecting TD Bank's sale of its remaining equity investment in Schwab this quarter.

The U.S. Retail Bank, which excludes TD Bank's prior investment in Schwab, reported net income was \$42 million (US\$35 million), down



87% (86% in U.S. dollars), compared with the second quarter last year, primarily reflecting the impact of balance sheet restructuring activities, higher governance and control investments, including costs for U.S. Bank Secrecy Act (BSA)/AML remediation, and higher PCL, partially offset by the impact of charges for the global resolution of the investigations into the Bank's U.S. BSA/AML program and Federal Deposit Insurance Corporation (FDIC) special assessment charge in the Q2 last year. On an adjusted basis, net income was \$889 million (US\$626 million), down 13% (16% in U.S. dollars) compared with the Q2 last year, reflecting higher governance and control investments, including costs for U.S. BSA/AML remediation, and higher PCL, partially offset by higher revenue.

This quarter, the U.S. Retail Bank demonstrated resilience and delivered continued momentum, with its sixth quarter of consumer deposit growth and double-digit growth in U.S. Wealth assets year over year. This quarter, TD Bank, America's Most Convenient Bank®, ranked #1 in Florida for retail banking customer satisfaction in the J.D. Power 2025 U.S. Retail Banking Satisfaction Study.

Wealth Management and Insurance delivered strong results across diversified businesses. Wealth Management and Insurance net income was \$707 million, an increase of 14% compared with the Q2 last year, with strong revenue growth in both businesses. This quarter's revenue growth of 12% reflected higher insurance premiums, higher fee-based revenue, and transaction revenue.

This quarter, Wealth Management and Insurance continued to invest in client-centric innovation and deliver growth. TD Asset Management launched the TD Greystone Infrastructure iCapital Canada Access Fund, expanding access to direct private infrastructure to retail investors. TD Asset Management also added more than \$5 billion in net institutional assets, demonstrating its strength as the #1 institutional asset manager in Canada among the Big 5 banks. The TD Private Wealth Management and TD Financial Planning businesses delivered strong net asset growth this quarter.

Additionally, TD Insurance continued to deliver double-digit premium growth and further increased its market share. Wholesale Banking delivered record revenue including fees earned from TD's sale of its remaining equity investment in Schwab. Wholesale Banking reported net income for the quarter was \$419 million, an increase of 16% compared with the Q2 last year, primarily reflecting higher revenue, partially offset by higher PCL (Provision for Credit Losses) and non-interest expenses. On an adjusted basis, net income was \$445 million, an increase of 1% compared with the Q2 last year. Revenue for the quarter was a record \$2,129 million, an increase of 10% compared with the Q2 last year, primarily reflecting higher trading-related revenue, and underwriting fees, including those associated with TD Bank's sale of its remaining equity investment in Schwab.

This quarter, Wholesale Banking executed the largest sole-managed convertible offering in the U.S. since 2020, demonstrating the strength of its capabilities and market influence. Wholesale Banking was voted Overall Commodities Dealer in the Energy Risk Commodity Rankings 2025, run by Risk.net, reflecting its global leadership, reliability, and client trust.

TD's Common Equity Tier 1 Capital ratio was 14.9%.

"We are operating in a fluid macroeconomic environment. As we navigate this period of uncertainty, TD is very well-capitalized, prepared for a broad range of economic scenarios, and remains focused on the needs and goals of our clients," added Chun. "I want to thank our colleagues for their continued efforts as we further strengthen TD Bank and build for the future."



**lovance Biotherapeutics, Inc. (lovance)** a commercial biotechnology company focused on innovating, developing, and delivering novel polyclonal tumor infiltrating lymphocyte (TIL) therapies for patients with cancer, announced five-year results from the Phase 2 C-144-01 clinical trial evaluating the individualized T cell therapy Amtagvi® (lifileucel). The C-144-01 trial investigated Amtagvi in patients with advanced melanoma previously treated with anti-PD-1 and targeted therapy, where applicable. The five-year results included meaningful overall survival (OS) results and durable responses following one-time treatment with Amtagvi. These results will be presented at the 2025 American Society of Clinical Oncology (ASCO) Annual Meeting. The long-term data are from 153 patients combined from cohorts 2 and 4 of the C-144-01 trial. With a median follow-up of 57.8 months, patients achieved a median OS of 13.9 months, with 19.7% of patients surviving at the five-year mark. The objective response rate was 31.4%, including complete responses in 5.9% of patients and partial response in 25.5%. Among patients who responded to treatments, the median duration of response was 36.5 months. Nearly a third of responders (31.3%) completed the five-year assessment with ongoing responses. Adverse events (AEs) were consistent with known safety profiles of nonmyeloablative lymphodepletion and interleukin-2 administration. The incidence of AEs decreased rapidly within the first two weeks after Amtagvi infusion, and there were no new or late-onset treatment-related AEs.



**BWX Technologies, Inc. (BWXT)** – has completed its acquisition of Kinectrics Inc. (Kinectrics) as of May 20, 2025. The deal significantly expands BWXT's Commercial Operations group, nearly doubling its workforce and broadening its service offerings in nuclear power, including CANDU reactors and medical isotopes. Kinectrics will operate as a subsidiary under BWXT, with its CEO David Harris continuing to lead the organization. This acquisition strengthens BWXT's position in both the Canadian and global nuclear markets.

**Johnson Matthey, plc (JM)** – has agreed to sell its Catalyst Technologies (CT) business to Honeywell International Inc. for £1.8 billion, with net proceeds of approximately £1.6 billion expected. The deal, anticipated to close by the first half of 2026, will enable JM to return £1.4 billion

to shareholders and streamline its focus on its Clean Air and Platinum Group Metal Services (PGMS) businesses. This strategic shift is expected to enhance JM's profitability, cash generation, and shareholder returns, positioning the company for long-term value creation with a more focused and efficient operational model.



## ECONOMIC CONDITIONS

**U.K. consumer prices** rose at a 15-month high of 3.5% year over year (y/y in) April, up from March's 2.6% rate and February's 2.8% read. The change in the monthly cap for the Office of Gas and Electricity was expected to add to overall price pressures but even this was above expectations. Core Consumer Price Index (CPI) rose 0.4 ppts to 3.8% y/y, while services CPI jumped 5.4% y/y, up from 4.7% in the prior month and the fastest pace since August 2024. The earlier Easter holiday saw travel & transport services surged 10.2% y/y (and airfares alone soared 27.5% from March's levels alone) and along with higher energy costs and higher employer costs this will in our view cause more debate within the Monetary Policy Committee as higher rates of inflation would make a rate cut more difficult to defend.

**The UK Purchasing Managers' Indexes** showed divergence between the services and manufacturing sectors in May, with the Services Purchasing Managers' Index (PMI) rising back into expansion territory at 50.2 (market (mkt): 50.0), while the Manufacturing PMI slipped further into contraction territory to 45.1 (mkt: 46.1), its weakest level since October-23. Firms were generally less concerned about US tariff policy in this survey, but uncertainty still weighed on activity. Employment was down on the month on the back of lower client demand and higher costs. While cost pressures remained high overall, output price pressures eased notably. All told, the recovery of the services sector (which is the bulk of the economy) into expansion territory bodes well for continued low growth, but global uncertainty remains a key underlying drag on the private sector.

**U.S. existing home sales** unexpectedly edged down 0.5% to US\$4.0 million annualized in April. That marks the second straight monthly decline, highlighting the lack of momentum amid the all-important spring selling season. Sales of single-family homes slipped 0.3%, while condos wilted to depressed levels. The median selling price climbed 1.8% y/y, but that was the slowest pace in almost two years. It would take 4.4 months to sell all homes on the market, the longest since May 2020. Potential buyers are still reluctant to make a purchase amid elevated mortgage rates and the poorest affordability in decades.

**U.S.A Tariffs:** Donald J. Trump @realDonaldTrump – "The European Union, which was formed for the primary purpose of taking advantage of the United States on TRADE, has been very difficult to deal with. Their powerful Trade Barriers, Vat Taxes, ridiculous Corporate Penalties, Non-Monetary Trade Barriers, Monetary Manipulations, unfair and unjustified lawsuits against Americans Companies, and more, have led to a Trade Deficit with the U.S. of more than \$250,000,000 a year, a number which is totally unacceptable. Our discussions with them are going nowhere! Therefore, I am recommending a straight 50% Tariff on the European

Union, starting on June 1, 2025. There is no Tariff if the product is built or manufactured in the United States. Thank you for your attention to this matter!"

**UK retail sales** were up 1.2% month over month (m/m) in April (mkt: 0.3%), surprising to the upside for the fourth month in a row. Though last month's strength in clothing and online retailing was unwound, all other measures saw a broad-based increase, with food stores nearing 4% m/m. This uptick was once again attributed to good weather by retailers. Paired with the rise in the Services PMI indicator, this sets a strong start for Q2, suggesting that domestic demand may continue being a positive contributor for the UK economy, uplifting future Gross Domestic Product (GDP) growth despite global uncertainty.



## 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 0.70%. 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 6.86%. Existing U.S. housing inventory is at 4.4 months supply of existing houses as of May 22, 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 20.57 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 stock market is a device for transferring money from the impatient to the patient." ~Warren Buffett

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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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