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NEWS HIGHLIGHTS

EST. 2007

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

JUNE 9, 2025

OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND[1]

PORTLAND 15 OF 15 ALTERNATIVE FUND[1] COMPANY NEWS

LVMH Moët Hennessy Louis Vuitton SE (LVMH) – China and France have reaffirmed their commitment to resolving ongoing trade tensions through diplomatic dialogue, particularly in relation to Beijing's anti-dumping duties on European brandy imports. These levies, up to 39%, have disproportionately affected French cognac producers and followed the European Union's (EU) decision to impose tariffs on Chinese electric vehicles. Recent negotiations, held in Paris on the sidelines of an Organisation for Economic Co-operation and Development (OECD) conference and in Beijing through technical sessions, have reportedly revived hopes of a potential settlement. However, no firm agreement has been reached yet, and key issues remain unresolved. France has taken a firm stance on defending its domestic industries, especially the economically significant cognac sector, with Trade Minister Laurent Saint-Martin making clear that there would be no compromise on industry protection. China, which had postponed its final decision on the brandy tariffs from January to April and now to July 5, appears increasingly motivated to repair trade ties with the EU amid escalating tensions with the United States (US). French cognac is a major export to China, with the country representing approximately US$1.7 billion in annual imports, making it France's most valuable brandy market. Industry leaders, including LVMH (Jas Hennessy & Cie.), Pernod Ricard S.A. (Martell & Co), and Rémy Cointreau S.A., are closely watching the outcome, given the significant impact on their China sales.

Reliance Industries Limited (RIL) –is leading the Indian effort to acquire the famous lubricant brand, Castrol from British Petroleum (BP). With numerous firms already showing their interest in snapping up the globally recognised brand, RIL hopes to settle the score, in what is building up to be a potential multibillion-US dollar deal. As part of its solution drive to rise above debt, BP announced in February that it hoped to raise around US$20 billion by 2027 by off-loading some of its assets. As has been established, Castrol is now part of that plan. According to Bloomberg and other reports, the imminent deal could generate between $8 billion to $10 billion (around Indian Rupees (₹) 66,400 crore to ₹83,000 crore). American-based asset management firm Apollo Global Management, Inc. and private equity firm Lone Star Global Acquisitions, Ltd. are also in the running to scoop the impressive acquisition. In light of the rising competitive drive, some brands are also expected to join forces for the deal. Initial bids for the same are slated to commence in the coming weeks. Emerging reports have since also established that BP has already put out details about the sale with potential buyers. The roster includes big names like Canadian alternative asset management company, Brookfield Corporation, and American investment firm Stonepeak Partners LP. Industry speculations have even suggested that the world's largest energy company Saudi Arabian Oil Company may also partake in the bidding. If RIL manages to secure the deal in the face of strong competition from around the globe, Castrol will only add to the Indian company's grand catalogue. Though best known for producing lubricants for cars and industrial use, Castrol has honed its global motto of "Onward, Upward, Forward" by developing liquid cooling technology for Artificial Intelligence (AI) data centres in recent years.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Arvinas, Inc. – has submitted a New Drug Application (NDA) to the US Food and Drug Administration(FDA) for vepdegestrant, a treatment for a type of breast cancer. This submission is supported by data from the pivotal Phase 3 VERITAC-2 clinical trial, which demonstrated vepdegestrant's potential as an effective treatment compared to the standard of care. Vepdegestrant was granted FDA fast track designation and has shown promising results in patients previously treated with endocrine-based therapies.

Clarity Pharmaceuticals Ltd. (Clarity) – announced that the Phase II Diagnostic Imaging Study of Copper-64 SARTATE (DISCO) trial demonstrated that 64Cu-SARTATE is significantly more effective than the current standard, 68Ga-DOTATATE, in detecting neuroendocrine tumours (NETs). 64Cu-SARTATE identified nearly double the number of lesions compared to the current standard. The trial also confirmed the safety of 64Cu-SARTATE, with only mild, short-term side effects observed. Based on these results, Clarity plans to move forward with a Phase III trial with the guidance of the US FDA.

RadNet, Inc. (RadNet) – has acquired See-Mode Technologies PTE LTD (See-Mode), a global leader in artificial intelligence (AI)-powered ultrasound diagnostics, to enhance its DeepHealth digital health platform. See-Mode's FDA-approved AI solutions for thyroid and breast ultrasound improve diagnostic accuracy and streamline workflows, with early deployments showing up to a 30% reduction in scan time. The integration aims to boost RadNet's imaging center capacity, drive revenue, and expand AI use across its two million annual ultrasound studies.

Telix Pharmaceuticals Limited (Telix)'s – prostate cancer imaging agent, Illuccix® (gallium-68 gozetotide), has been approved for use in Portugal. This approval allows its use for detecting Prostate-Specific Membrane Antigen (PSMA)-positive lesions in adults with prostate cancer in various clinical settings, including primary staging, suspected recurrence, and identification for PSMA-targeted therapies. Illuccix® offers a clinically validated, gallium-based PSMA- Positron Emission Tomography (PET) imaging option, addressing the country's current tracer shortages and long wait times.

NUCLEAR ENERGY

České Energetické Závody (ČEZ) & Korea Electric Power Corporation Engineering & Construction Company (KEPCO E&C) – The Czech government and majority state-owned utility ČEZ announced they have finalized a US $18.7 billion contract with Korea Hydro & Nuclear Power (KHNP) to construct two new nuclear reactors at the Dukovany site. This comes after the Czech Supreme Administrative Court annulled a lower court injunction that had previously halted the signing, following a legal challenge by rival bidder Électricité de France (EDF). The deal is expected to be the largest infrastructure project in Czech history, in terms of project value, and KHNP's first nuclear export to Europe. The two 1,050 Megawatts (MW) Advanced Power Reactor (APR) 1000 units will complement Dukovany's existing Soviet-era reactors, with the first scheduled to come online by 2036. The Czech state will fund nearly the entire Czech koruna (CZK) 407 billion (~US $18.7 billion) cost through a dedicated project company in which it holds an 80% stake, with ČEZ retaining 20%. The contract includes fixed-price and delivery guarantees, and the expected electricity price from the new units is projected to remain below €90/Megawatt hour (MWh), crucial in one of the EU's highest-priced power markets. The signing secures the first phase of a broader four-reactor plan, including two future units at Temelín. ČEZ and KEPCO E&C (related party to KHNP) are investments currently held in the Portland Replacement of Fossil Fuels Alternative Fund; please visit the Fund's website for further information.

Constellation Energy Corporation (Constellation) – has signed a 20-year corporate nuclear energy agreement with Meta Platforms, Inc. (Meta) under which the tech giant will support the long-term operation of the Clinton Clean Energy Center, providing 1,121 MW of emissions-free nuclear energy. Beginning in June 2027, the agreement will replace expiring public subsidies and provide a market-based revenue stream to support the plant's continued operation and relicensing. The Clinton Center had been operating under Illinois' Zero Emission Credit (ZEC) program since 2017, which expires in mid-2027. The agreement with Meta supports the extension of this type of incentives, helping de-risk a core 1.1 Gigawatt (GW) asset that represents approximately 5% of Constellation's nuclear generation capacity.

Also, during the week, Constellation has received approval from the Public Utility Commission of Texas (PUCT) for its proposed acquisition of Calpine, marking a major milestone in the regulatory process. The deal aims to combine Constellation's zero-emissions nuclear fleet with Calpine's low-emission natural gas and geothermal assets to create a nationwide platform for reliable, clean energy. With Texas approval secured, the transaction still awaits clearance from Federal Energy Regulatory Commission (FERC), the U.S. Department of Justice (DOJ), and the New York Public Service Commission (PSC) before its expected close in the fourth quarter (Q4) 2025.

Doosan Enerbility Co., Ltd – and its Vietnamese partner Power Engineering Consulting Joint Stock Company 2 (PECC2) signed an EPC (engineering, procurement, and construction) contract with Vietnam's state-owned energy group Petrovietnam (PVN) to build the O Mon IV Thermal Power Plant in Can Tho. The contract is valued at approximately South Korean won (KRW) 964 billion (US ~$490 million) and is part of Vietnam's long-delayed Block B gas-to-power project, which aims to bring cleaner, gas-fired electricity to the southern region. The project will deliver a 1,155 MW combined-cycle gas turbine (CCGT) power plant, with the end of construction targeted for December 2028.

ITM Power PLC (ITM) – has appointed Jürgen Nowicki as the Non-Executive Chair of the Board, effective January 15, 2026, succeeding Sir Roger Bone, who will retire on the same date. Jürgen brings extensive experience in the global hydrogen and industrial gases sectors, having recently served as Chief Executive Officer (CEO) of Linde Engineering.

His leadership will be key to ITM's strategy to scale and commercialize its green hydrogen technology.

NuScale Power Corporation (NuScale) – has partnered with George Mason University to open NuScale Energy Exploration Center™ (E2 Center). Located at the new Fuse building in Arlington, VA, the center features a full-scale, 12-module small modular reactor (SMR) simulator, offering students hands-on training in nuclear science and engineering. Funded by the Virginia Clean Energy Innovation Bank, the initiative aims to build a skilled nuclear workforce and promote clean energy education. This marks NuScale's 11th E2 Center globally, enhancing Virginia's role in clean energy innovation and education.

Plug Power, Inc. – has expanded its partnership with Allied Green Ammonia (AGA), securing a 2 GW electrolyzer deal for a sustainable fuels project in Uzbekistan. The project, part of a US $5.5 billion green chemical production facility, will produce sustainable aviation fuel, green urea, and green diesel, backed by the Government of Uzbekistan. This agreement, to be signed at the Tashkent International Investment Forum, brings the total partnership to 5 GW, including a 3 GW electrolyzer commitment for AGA's green ammonia facility in Australia.

ECONOMIC CONDITIONS

Canadian employment edged up by 9 thousand (K) in May, above consensus expectations calling for a 10K pullback. The participation rate, meanwhile, remained unchanged at 65.3%. Together this produced a one-tick increase in the unemployment rate (7.0%), in line with consensus expectations. The net employment gain was driven by full-time positions, which expanded by 58K in the month. That was more than enough to offset the part-time employment decrease (-49K). Meanwhile, the number of jobs in the private sector jumped by 61K, while the public sector posted a loss of gain of 21K and self-employment was down by 30K. Job gains were concentrated in services-producing industries (+21K), driven by trade (+43K), information/recreation (+19K), healthcare (+10K) which more than offset the decline in public administration (-32K), accommodation and food services (-16K), transportation warehousing (-16K) and business services (-15K). On the goods-producing front, employment fell by 13K, with losses mainly coming from manufacturing (-12K) and construction (-7K). Regionally, employment jumped in BC (+13K) and employment was essentially unchanged in Alberta (-2K) and Ontario (+3K). Meanwhile, Quebec experienced a 17K drop in employment in May. Wages were up 3.5% on a year-over-year (y/y) basis in May, unchanged compared to April level.

US services Institute for Supply Management (ISM) contracted for the first time since last June. The 49.9 headline in May was down from 51.6 in the prior month and the lowest in nearly a year (was 49.2 in June 2024). Of the 4 equally-weighted components (at 25% each), here's what happened: new orders took a 5.9 point (pt) dive to a 29-month (mth) low of 46.4 (and the first sub-50 reading since the end of 2022); business activity fell for the second month in a row, down 3.7 points (pts) to a 5-year low of 50.0 (back to the pandemic era); employment rose for the second month in a row, up 1.7 pts to land at a 3-mth high of 50.7; and supplier deliveries were more delayed .... +1.2 pts to a 3-mth high of 52.5

U.S., nonfarm payrolls rose 139K in May, more than the 126K print expected by consensus. The positive surprise was more than offset by a -95K cumulative revision to the prior months' results. Employment in the goods sector fell 5K as a 4K gain in the construction segment was more than compensated by an 8K decline in manufacturing. Headcounts in the mining/logging category stayed more or less unchanged (-1K). Jobs in services-producing industries, meanwhile, advanced 145K, reflecting increases in health/social assistance (+78K), leisure/hospitality (+48K) and finance/insurance (+13K). Alternatively, payrolls shrank in the professional/business services (-18K) and retail trade (-7K) segments. Headcounts in the closely followed temporary help services category sank by 20K. In total, 140K jobs were created in the private sector, while 1K were cut in the public sector, the latter concentrated at the federal level (-22K). Average hourly earnings rose 3.9% in May, unchanged from the prior month and two ticks above consensus expectations (+3.7%). Month on month (m/m), earnings were up 0.4%. Released at the same time, the household survey painted a much less upbeat picture of the situation prevailing in the labour market, with a reported 696K decrease in employment. As this decline was offset by a 2-tick decline in the participation rate (to 62.4%), it left the unemployment rate unchanged at 4.2%. Full-time employment sank 623K, while the ranks of part-timers expanded 33K.

Euro area headline inflation slowed to 1.9% y/y in May, surprising to the downside against consensus of 2.0% y/y (prior: 2.2%). As expected, energy was deflationary, coming in at -3.6% y/y and driving down the headline measure. Core inflation also surprised to the downside, slowing to 2.3% y/y (cons: 2.4%; prior: 2.7%). This was primarily driven by a slowdown in services, which contracted 0.1% m/m in May, cooling off the annual value markedly to 3.2% y/y (prior: 4.0%), as April's Easter effects unwind.

Chinese Consumer Price Index (CPI) and Producer Price Index (PPI) data were both deflationary with the PPI print softer than expected at -3.3% (the 32nd month of deflationary readings – which likely helps lower inflation across other parts of the world). China's trade balance also hit a record high last night as exports grew less than expected with shipments to the US falling over 30% while imports declined on soft domestic demand. Negotiators from the US and China are meeting again today in London to try to work on a trade agreement (likely focused on rare earths).

Japan: Trade discussions between the US and Japan seem to be stalled with Japan's chief negotiator Akazawa noting that "we have not found any common ground" after his meeting with the US side last week (including US Treasury Secretary Bessent and US Commerce Secretary Lutnick).

FINANCIAL CONDITIONS

Bank of Canada (BoC) as expected kept its target for the overnight rate unchanged at 2.75%, largely in line with the consensus forecast and market pricing. This is the second consecutive 'hold', which follows 225 basis points (bps) of rate relief from June 2024 to March 2025. At 2.75%, the policy rate remains at the mid-point of the BoC's estimated neutral range (2.25% to 3.25%). The BoC's overnight target is 175 bps below the Fed's upper-bound policy target (the largest rate gap since 1997). Driving the decision to hold was still-elevated uncertainties pertaining to the impact of the trade conflict on the Canadian economy. Like April, Governing Council held policy steady as they continue to gain more clarity and it's noted there was a "clear consensus" to hold. BoC sees the recent hike to steel and aluminum tariffs as an underlying sign of unpredictability.

European Central Bank (ECB) cut the deposit rate 25 bps as expected down to 2% as the economy faces more threats from US tariffs and inflation dips to 2%. New quarterly projections show inflation below target in 2026 at 1.6%, with the economy expanding a little less next year than the ECB had previously forecasted. The ECB remains concerned of a backdrop of tough US trade policies, stifled investment, and delayed household spending. Inflation numbers will be watched carefully with some economists expecting prices to undershoot the target before Brussels hit back on tariffs and Europe ramps up military and infrastructure spending.

The U.S. 2 year/10 year treasury spread is now 0.48% and the U.K.'s 2 year/10 year treasury spread is 0.64%. 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 US 30 year mortgage market rate is now 6.85%. 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 17.29 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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