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

SEPTEMBER 15, 2025

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OWNER OPERATED COMPANIES



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ALTERNATIVE FUND



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ALTERNATIVE FUND
COMPANY NEWS

Brookfield Asset Management Ltd. (Brookfield AM)

Last week, Brookfield Asset Management Ltd. (Brookfield AM) hosted its 2025 investor day. The company reported it had exceeded the ambitious 5-year doubling targets set back in 2020, growing fee-bearing capital (FBC) from US\$277 billion to US\$563 billion and fee-related earnings from US\$1.3 billion to US\$2.7 billion.

This was driven by 75% growth in flagship funds and a five-fold increase in complementary strategies, alongside the emergence of new client channels including 60,000 private wealth clients and 800,000 annuity policyholders.

Looking ahead, management aims to double again by 2030 to US\$1.2 trillion in FBC and US\$5.9 billion in distributable earnings (DE), with growth balanced between steady flagship expansion, complementary strategies that nearly double, and private wealth growth projected to more than triple.

The wealth channel is supported by a 150-person salesforce focused on financial advisor penetration and retail-friendly product design, targeting the vast US\$40 trillion individual investor pool where allocations to alternatives remain minimal.

By 2030, 92% of Brookfield AM's capital base is expected to be long-term or perpetual, providing stability while realized carried interest could add US\$30 billion in gross profits between 2031 and 2035.

Spotlight strategies include Brookfield Capital Partners with a 26% gross return track record, the Infrastructure Income Fund which has already raised

US\$6 billion from private wealth clients, and the newly launched Artificial Intelligence Infrastructure Fund positioned to capture a US\$7 trillion global build-out of compute, power, and data centers.

Brookfield Corporation (Brookfield Corp)

Last week, Brookfield Corporation (Brookfield Corp) hosted its 2025 investor day. Brookfield Corp's calculation of plan value now totals US\$161 billion, or US\$102 per share, with a goal to reach US\$210 by 2030, reflecting a diversified mix across asset management, wealth solutions, and operating businesses.

During the investor day, real estate received significant attention, highlighting improving fundamentals (higher office usage, leasing growth, collapsing new supply, and rent premiums), while Brookfield Corp's portfolio showed resilience through positive Net Operating Income (NOI) growth, leasing spreads, monetizations, and financings.

Brookfield Wealth Solutions (BWS) stood out as a growth driver, with management contrasting their "investment-led insurance" model, integrating recent acquisitions (American Equity Investment Life Holding Company (AEL), American National Insurance Company, Argo Group International Holdings Ltd.), and targeting float growth from US\$135 billion to US\$350 billion and Distributable Earnings (DE) expansion from US\$1.7 billion to US\$5.5 billion by 2030.

Looking ahead, Brookfield Corp projects a 25% DE per share growth rate through to 2030, driven primarily by Wealth Solutions and Asset Management, with capital allocation, carry realizations, and operating businesses adding further upside.

LVMH Moët Hennessy Louis Vuitton SE (LVMH)

Giorgio Armani passed away on September 4, 2025, at the age of 91, leaving behind not only a renowned fashion legacy but a detailed succession plan that could reshape the future of his empire.

In his will, Armani instructed his heirs to sell a 15% stake in Giorgio Armani S.p.A. within 18 months, explicitly listing LVMH Moët Hennessy Louis Vuitton SE (LVMH), L'Oréal S.A., and EssilorLuxottica S.A. as three preferred buyers.

This strategy represents a notable shift for the brand, which Armani had long kept fiercely independent, repeatedly turning down acquisition offers. LVMH acknowledged the development and stated it would be honored to acquire a stake if invited, committing to reinforcing Armani's global prestige and creative leadership.

Armani S.p.A. generated approximately €2.3 billion in revenue in 2024, though margins were modest. Analysts estimate the company's valuation between €5 billion and €7 billion.

Among the three named preferred buyers:

- LVMH already spans handbags, jewellery, watches and champagne, but lacks an Italian haute couture jewel to match its French icon, Christian Dior.
- By contrast, L'Oréal S.A.'s strengths remain rooted in beauty and cosmetics, where it already licenses Armani fragrances—moving into couture could be a stretch.
- Meanwhile, EssilorLuxottica S.A. dominates eyewear and has Armani-branded glasses in its arsenal, but running a luxury maison is far removed from churning out frames at scale.

The key advantage for LVMH, however, is its financial firepower, boasting larger available cash balances, and 2024 annual free cash flow of US\$20.5 billion, vs. US\$7.2 billion for L'Oréal S.A. and US\$3.6 billion for EssilorLuxottica S.A.

Reliance Industries Limited (Reliance)

India's securities market regulator on Friday made it easier for very large private companies to go public in one of the world's top destinations for first-time share sales this year.

Companies with market capitalization of more than Indian National Rupee (INR) 5 trillion (US\$56.5 billion) can now make an initial public offering of as low as INR 150 billion and dilute 2.5% equity stake, the Securities and Exchange Board of India (SEBI) said in a statement following its board meeting.

Such companies will be allowed five years to raise the minimum public shareholding to 15% and to 25% in the next five years, according to the SEBI statement. Till now, Initial Public Offering (IPO)-bound large companies were required to dilute a minimum of 5% of their equity and have 10% public shareholding within two years of getting listed.

The new rule, proposed in a discussion paper last month, will allow large private companies such as (Reliance's telecom unit Reliance Jio Infocomm Ltd. (Jio) and the country's top bourse National Stock Exchange of India Ltd. to offer a smaller slice in their proposed IPOs next year.

Jio could fetch more than US\$3 billion through its share sale under the new measure, Citigroup Inc. had estimated prior to Friday's SEBI board meeting.

The regulator said that it will recommend changes to minimum offer size for IPOs to the Ministry of Finance for amending the existing regulations.

The relaxed listing rules will likely supercharge first-time share sales in the third busiest destination in the world this year. Companies have raised more than US\$10 billion through IPOs in India in 2025.

The regulator also relaxed rules for marquee global investors looking to enter the country's stock and bond markets. Sovereign wealth funds, central banks, global mutual funds among others will enjoy a so-called single window access intended to unify and streamline market access for "low-risk" global investors, SEBI said in the statement.

The measure seeks to reduce regulatory complexities and enhance India's global competitiveness as an investor-friendly destination. The move will encourage larger and more stable inflows from institutional investors and boost liquidity in both equity and debt markets. Global institutional investors have for long complained to Indian regulators about complex compliance rules that hindered their participation in the country's public markets.

SEBI this week eased rules for foreign investors investing only in sovereign bonds in a bid to address access concerns.

Reliance Industries Limited (Reliance)

OpenAI, the creator of AI chatbot ChatGPT, is reportedly in talks with Reliance and India's leading data centres to bring Stargate to India, in what can be seen as a boost to billionaire Mukesh Ambani's AI ambitions.

The Sam Altman-led company is in preliminary discussions with the likes of Sify Technologies Ltd. and Yotta Data Services, even as it looks to bring its US\$500 billion supercomputing project to India, The Economic Times (ET) reported on Tuesday.

In parallel, it has been in talks with Reliance for the past six months. The discussions have centred on installed capacity of data centres, as well as power availability among others.

The development comes even as India has asked OpenAI to bring Stargate to India and store data of Indians locally. "The government has told OpenAI that they should invest at least a few billions out of the US\$500 billion project in India," ET quoted an unnamed official as saying.



DIVIDEND PAYERS



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BALANCED FUND

Magna International Inc. (Magna)

Magna has appointed Philip D. Fracassa as Executive Vice-President and Chief Financial Officer (CFO), effective immediately, succeeding Patrick McCann, who has been CFO since 2022 and will step down after more than 26 years with the company.

McCann will remain as an advisor through February 2026 to ensure a smooth transition. Fracassa brings nearly two decades of experience from The Timken Company, where he spent over a decade as CFO, and his career also includes roles at Visteon, General Motors, and Price Waterhouse with expertise in tax, treasury, control, and corporate planning.

The Toronto-Dominion Bank (TD)

TD announced executive appointments to further strengthen its leadership bench, enhance execution and elevate the client experience.

Taylan Turan will serve as Senior Executive Vice President and Chief Operating Officer starting September 29, 2025; his role will focus on simplifying operations, increasing execution speed, and elevating client experience.

Paul Whitehead will become Executive Vice President, Global Head of Client & Colleague Experience and Marketing as of December 1, 2025, leading TD Bank Group's efforts to set standards in experience, marketing, and brand.

Simon Fish joins as Senior Executive Vice President and General Counsel on September 15, 2025, bringing deep experience in banking, regulation, and capital markets to strengthen TD Bank Group's legal leadership.



Amgen Inc. (Amgen) and Kyowa Kirin Co., Ltd. (Kyowa Kirin)

Amgen Inc. (Amgen) and Kyowa Kirin Co., Ltd. (Kyowa Kirin) have released preliminary top-line results from the ASCEND Phase 3 study evaluating rocatinlimab, a T-cell rebalancing therapy targeting the OX40 receptor, in adults and adolescents with moderate to severe atopic dermatitis (AD).

The study, which includes about 2,600 patients, focuses on long-term safety and efficacy of rocatinlimab administered every four or eight weeks. Early findings indicate that rocatinlimab provides sustained therapeutic benefit over one year, improving skin clearance, itch, and disease severity.

Telix Pharmaceuticals Limited (Telix)

Telix has initiated a Phase 3 clinical trial, BiPASS™, to assess the use of Magnetic Resource Imaging (MRI) and Prostate Specific Membrane Antigen Positron Emission Tomography (PSMA-PET) imaging for improved prostate cancer diagnosis.

The study aims to determine whether this combination can enhance diagnostic accuracy, potentially allowing some patients to avoid unnecessary biopsies or undergo a single PSMA-PET guided biopsy.

The trial, which will enroll 204 patients across Australia and the U.S., seeks to expand the indications for Telix's PSMA-PET imaging agents, Illuccix® and Gozellix®, in the U.S. market.

This approach builds on prior research showing that MRI and PSMA-PET can better identify prostate cancer, reducing unnecessary procedures and improving patient outcomes.



NUCLEAR ENERGY

Cameco Corporation (Cameco)

Cameco Corporation (Cameco) has signed a long-term agreement to supply natural uranium hexafluoride (UF₆) to Slovenské elektrárne (SE) for its nuclear power plants in Slovakia.

The deal, which runs through 2036, will support SE's Bohunice and Mochovce facilities, starting in 2028. The agreement includes uranium and conversion services, providing a secure and diversified Uranium Hexafluoride (UF₆) supply to enhance Slovakia's energy security.

Cameco CEO Tim Gitzel emphasized the role the company will play in stabilizing the region's nuclear fuel supply. SE's CEO, Branislav Strýček, noted that this agreement diversifies suppliers and reduces dependence on a single source, further securing Slovakia's energy future.

Doosan Enerbility Co., Ltd. (Doosan Enerbility)

Doosan Enerbility's subsidiary Doosan Škoda Power has secured a South Korean Won ₩300 billion (approx. US\$216 million) contract from Czech utility České Energetické Závody (ČEZ) to replace the turbine generators at Units 1 and 2 of the Temelín Nuclear Power Plant.

The scope includes supplying the main turbine generators, auxiliary systems, and performing installation work, followed by 15 years of maintenance services.

This project is part of ČEZ's broader strategy to modernize its nuclear fleet and extend the operating life of its reactors to 60 years, while also aiming to boost output and enhance reliability.

GE Vernova Inc. (GE Vernova)

Last week, GE Vernova Inc. (GE Vernova) CEO Scott Strazik spoke at Morgan Stanley's 13th Annual Laguna Conference.

At the conference, Scott highlighted Gas Power as a durable earnings base, with ~720 Giga Watt (GW) installed today (only 30% of which is baseload) and at least 200 GW of mostly baseload capacity expected over the next decade, which should materially lift service economics.

Nuclear was positioned as a longer-dated growth option, with 5 GW of U.S. updates identified and BWRX-300 projects advancing in Canada and the U.S.

Wind remains the most challenged segment, with U.S. onshore market share steady at ~50% but 2026 revenues at risk of declining 10–15% and margins slipping to mid-single digits if market softness persists.

By contrast, Electrification is framed as a key growth engine, with a US\$125–150 billion addressable market, hyperscaler and sovereign orders building momentum, and portfolio simplification moves like the recently announced US\$600 million Proficy sale to TPG, funding reinvestment into grid software and AI-enabled solutions.



ECONOMIC CONDITIONS

United States – Consumer Price Index (CPI)

The CPI rose 0.4% in August, slightly more than what economists had anticipated (+0.3%). This came in the wake of a 0.2% print the prior month. Prices in the energy segment rose 0.7% as gasoline (+1.9%) and electricity (+0.2%) were only partially offset by declines for fuel oil (-0.3%) and utility gas services (-1.6%).

The cost of food, for its part, rose 0.5% month on month, the most in 31 months. The core CPI, which excludes food and energy, rose a consensus-matching 0.3% (0.35% at the second decimal, the most in 7 months).

The price of core goods advanced 0.3% on gains for tobacco/smoking products (+1.0%), alcoholic beverages (+0.6%), apparel (+0.5%), as well as used (+1.0%) and new vehicles (+0.3%). On the other hand, the price of medical care commodities eased 0.3%.

Year on year, headline inflation came in at 2.9%, up from the prior month but in line with the median economist forecast. It was also the highest print in 7 months. As expected, the 12-month core measure stayed unchanged at 3.1%.

While increasing energy costs were expected, the strong increase in the price of food was not, which hoisted 12-month inflation in this segment to its highest level since October 2023 (3.2%). The U.S. remains dependent on imports in this sector, which could explain this rebound. Alternatively, it may be that the campaign to deport undocumented immigrants is having a disproportionate impact on the agricultural sector, which depends heavily on migrant workers. Time will tell how prices evolve in this segment.

China – Economic Indicators

Chinese Retail Sales lost momentum, Industrial Production decelerated, and Fixed Asset Investment slumped in August, supporting the case for targeted stimulus, though it's unlikely significant stimulus is forthcoming.

On retail sales, consensus was expecting a mild pick-up from 3.7% year-over-year (y/y) to 3.8%, but it came in at 3.4%, the lowest since November last year.

Industrial Production slowed from 5.7% y/y to 5.2% in August, below 5.6% consensus. Meanwhile, Fixed Asset Investment slowed to +0.5% y/y year-to-date (YTD), below 1.5% consensus, the slowest pace since August 2020.

United Kingdom (UK) – Gross Domestic Product (GDP) and Inflation Expectations

UK GDP was flat for the month of July, and Industrial Production/Manufacturing Output showed significant weakness.

A Bank of England / Ipsos inflation expectations survey for August showed a jump to 3.6% in the next twelve months from 3.2%.

Eurozone – European Central Bank (ECB) Policy

ECB's committee unanimously decided to leave key interest rates unchanged:

- The deposit rate at 2.00%,
- The refinancing rate (ref rate) at 2.15%, and

- The marginal lending facility at 2.40%.

The deposit rate is now down 200 basis points (bps) since the cycle began, compared to 250 bps from the Bank of Canada, and 100 bps from the Federal Reserve System (FED).



FINANCIAL CONDITIONS

The U.S. 2 year/10 year treasury spread is now 0.50% and the U.K.'s 2 year/10 year treasury spread is 0.68%. 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 6.35%. Existing U.S. housing inventory is at 4.6 months supply of existing houses as of August 21, 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 15.35 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

The VIX (volatility index) is 14.36 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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