



Portland
Investment Counsel®
Buy. Hold. And Prosper.®

NEWS HIGHLIGHTS

EST. 2007

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

JANUARY 19, 2026

The views of the Portfolio Management Team contained in this report are as of January 19, 2026 and this report is not intended to provide legal, accounting, tax or specific investment advice. Views, portfolio holdings and allocations may have changed subsequent to this date. This research and information, including any opinion, is compiled from various sources believed to be reliable but it cannot be guaranteed to be current, accurate or complete. It is for information only, and is subject to change without notice. The contents of this Newsletter reflect the different assumptions, views and analytical methods of the analysts who prepared them.



OWNER OPERATED COMPANIES



GO TO
PORTLAND 15 OF 15
ALTERNATIVE FUND



PORTLAND 15 OF 15
ALTERNATIVE FUND
COMPANY NEWS

Ares Management LLC (Ares) – reported it raised approximately US\$7.1 billion of capital for its Credit Secondaries strategy, including the final close of its inaugural Ares Credit Secondaries Fund (ACS), affiliated vehicles, and anticipated leverage. The firm said ACS attracted approximately US\$4 billion of Limited Partner (LP) equity commitments (versus a US\$2 billion target) and that it expects to build a highly diversified portfolio of predominantly senior secured, private equity-backed, floating-rate private credit exposures by allocating across LP-led and continuation vehicle transactions. Ares also noted the strategy sits within its Secondaries Group (reported US\$38 billion Assets Under Management (AUM) as of September 30, 2025) and that the broader Ares platform managed over US\$595 billion AUM as of the same date.

Reliance Industries Limited (Reliance) – Reliance reported a quarterly profit up 0.6% to INR 186.5 billion (US\$2.1 billion) for the three months ended December 31, 2025 compared with a year earlier, according to an exchange filing Friday. Revenue rose 11% to INR 2.69 trillion, on the back of a larger-than-expected 8% rise in its crude oil refining business. Total costs jumped 12% to INR 2.45 trillion. Robust growth in the company's energy business was led by significantly higher fuel margins with favorable demand-supply dynamics, along with operational flexibility, Reliance said in a post-earnings statement. The latest quarterly earnings were constrained by higher freight rates and weak downstream margins, Reliance said in a post-earnings presentation, referring to the petrochemical business. Revenue growth at the closely held retail unit was muted on festival demand being spread

across two quarters last year and consumption tax changes, Reliance said in the presentation. Retail Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) margins were lower due to festival promotions, investments in hyper-local commerce and a new labor code. Reliance opened 431 stores, pushing the nationwide tally to 19,979 stores. Refining margins improved, aided by tighter global product markets after sanctions and refinery disruptions reduced Russia's fuel exports, alongside global refinery outages and permanent United States capacity closures. Reliance, which has scaled back imports of discounted Russian crude, is exploring reviving crude supply from Venezuela. Its Jamnagar facility is one of the few refineries in India that can take in even the harder-to-process Venezuelan varieties. Securing this will help offset the loss of Russian barrels as well as diversify feedstock. Growth in wireless subscribers and average revenue per user boosted Reliance Jio results. Jio is gearing for a listing this year in possibly India's biggest-ever Initial Public Offering (IPO). Construction is in full swing for 40 Gigawatt Hours (GWh) annual Battery Energy Storage System (BESS) assembly and cell manufacturing giga factories, Reliance said in the presentation. The commissioning is planned in various phases during the year, it added. BESS refers to battery energy storage systems.



DIVIDEND PAYERS



GO TO
PORTLAND CANADIAN
BALANCED FUND

The Mosaic Company (Mosaic) – provided an update on fertilizer markets and preliminary selected fourth quarter 2025 results. "North American fertilizer demand declined well beyond normal seasonal softness in the fourth quarter," the company stated. The company announced phosphate sales volumes at approximately 1.3 million tonnes and potash sales volumes at approximately 2.2 million tonnes. The company remains optimistic about the outlook for 2026 stating, "Despite the extraordinarily weak fourth quarter,

2026 is positioned to be more constructive.” The company cites growers’ need to replenish nutrients after a strong crop, additional government support payments, and Chinese phosphate export restrictions as catalysts for improved market conditions in 2026.

United Parcel Service, Inc. (UPS) – has rolled out a new structure for its United States sales team, which was tested in Chicago in 2024 before being rolled out nationwide. The changes are part of regular adjustments the company makes “to keep pace with an always-evolving business landscape,” UPS said in an emailed statement to Supply Chain Dive. “The updated structure sharpens the focus of our United States sales team, enabling them to build stronger customer relationships, better meet the needs of our customers and deliver the world-class service they expect from UPS,” the carrier said. UPS added that “a small number of employees were impacted” by the organizational adjustment but did not provide an exact figure. The company is providing severance packages and outplacement assistance for those affected.

Verizon Communications Inc. (Verizon) – announced it has secured all the regulatory approvals needed to close the acquisition of Frontier Communications Parent, Inc. (FYBR). The carrier expects to close the US\$20 billion acquisition on January 20. Once the deal completes, Verizon will expand its fiber footprint to almost 30 million locations across 31 states. As part of the approval, Verizon must expand affordable voice and broadband options, including protections for low-income customers and California LifeLine (low-income California residents) participants. On top of this, the carrier is also expected to support continued broadband investment and network reliability, particularly in communities currently served by Frontier, while also protecting rural customers.



Amgen Inc. (Amgen) – reported that its experimental obesity drug MariTide helped trial participants maintain weight loss in a Phase 2 extension study when given at lower or less frequent doses over a second year of treatment. The company said a “large majority” of patients who initially lost significant weight continued to sustain that loss on monthly or quarterly dosing, and that the extended treatment was generally well-tolerated with few gastrointestinal side effects and no new safety signals. MariTide’s mechanism is distinct from typical Glucagon-Like Peptide-1 (GLP-1) therapies, activating GLP-1 receptors and blocking Glucose-Dependent Insulinotropic Polypeptide (GIP) receptors. MariTide is being positioned as a differentiated option through reduced dosing frequency compared with currently marketed weekly GLP-1 agents from Eli Lilly and Company and Novo Nordisk A/S. Amgen is advancing six global Phase 3 clinical trials.

Separately, Amgen has entered into a research collaboration with Ro, a direct-to-patient telehealth provider. The collaboration will evaluate real-world barriers to evidence-based obesity care, with a focus on access to GLP-1 therapies and the patient and provider experience. The collaboration

will leverage anonymized real-world data from Roman Health Ventures Inc. (Ro’s) nationwide direct-to-patient platform to evaluate how insurance coverage and prior authorizations affect patients’ ability to obtain treatments such as GLP-1s, going beyond policy-level assessments to look at what happens in practice. The research aims to generate insights that can help patients, clinicians, and health systems better understand coverage criteria and gaps and potentially inform future therapy development, care delivery innovations, and improved patient outcomes. Amgen characterizes the initiative as observational research to identify unmet needs across the care ecosystem.

Nuvalent Inc. (Nuvalent) – reported progress against its OnTarget 2026 operating plan, highlighting acceptance by the United States Food and Drug Administration (FDA) of its New Drug Application (NDA) for zidesamitinib in Tyrosine Kinase Inhibitor (TKI)–pre-treated, advanced ROS1-positive Non-Small Cell Lung Cancer (NSCLC). The application is supported by pooled data from the ARROS-1 Phase 1/2 clinical trial. The FDA assigned a Prescription Drug User Fee Act (PDUFA) date of September 18, 2026. Zidesamitinib is a ROS1-selective, brain-penetrant Tyrosine Kinase Inhibitor (TKI) designed to overcome resistance mutations and treat Central Nervous System (CNS) disease and has received both Breakthrough Therapy Designation and Orphan Drug Designation, underscoring the significant unmet medical need in the post-Tyrosine Kinase Inhibitor setting.



NUCLEAR ENERGY

ČEZ Group (ČEZ) – has completed the acquisition of Gas Distribution s.r.o., finalizing the transaction through its 55.21%-owned subsidiary GasNet and marking a major consolidation of the Czech gas distribution sector. With regulatory approvals secured, the deal brings approximately 4,600 kilometers of gas pipelines and around 111,000 customer connection points, serving roughly 729,000 inhabitants in South Bohemia and parts of the Vysočina region, under ČEZ’s control. The acquired network delivered about 2.8 Terawatt Hours (TWh) of natural gas in 2024, primarily to residential and local industrial customers, and fills the last major geographic gap in GasNet’s nationwide footprint outside Prague. Following the close, ČEZ (via GasNet) now controls roughly 94–95% of the Czech gas distribution network by pipeline length and around 84% by customer connections. While the purchase price was not publicly disclosed, prior independent valuations commissioned during E.ON’s restructuring had placed the assets at roughly CZK 8.6 billion, or about CZK 9.4 billion including debt. ČEZ indicated that integration is expected to be completed in 2027, while maintaining continuity of service for customers and employees. Distribution tariffs will remain regulated by the Energy Regulatory Office, meaning no immediate impact on end-user prices as a result of the ownership change.

ITM Power PLC (ITM Power) – ITM Power announced Jürgen Nowicki formally assumed the role of Non-Executive Chair on 15 January 2026, following an appointment announcement made in June 2025, and that outgoing chair Sir Roger Bone retired the same day after serving as chair since 2019 (and as a non-executive director since 2014). Nowicki is an industrial executive with a long career at Linde, most recently serving until May 2025 as Chief Executive Officer (CEO) of Linde Engineering and a member of Linde plc’s Executive Leadership Team. Before that, he held

multiple senior roles across Linde's Gases and Forklift businesses in Germany, the United States, and the Czech Republic, bringing large-scale engineering and international-market experience. It was also highlighted that Nowicki previously sat on ITM Power's board as Linde's nominated representative from November 2019 to January 2025.



ECONOMIC CONDITIONS

Canadian existing home sales declined 2.7% month-on-month (m/m) in December. December marks the second straight month on the decline, and the largest m/m decline since March. For the full year of 2025, sales volumes were down 1.9%. New listings decreased 2% m/m in December, the fourth consecutive monthly decline. The sales-to-new listings ratio fell to 52.3%, below the long-term average of 54.9%.

Canadian housing starts increased 11% m/m to an annualized 282,400 units in December. December's gain was concentrated in the multi-family sector, with urban starts up 14% m/m to 231,000 units. Meanwhile, urban single-detached starts were flat at 39,100 units. Urban starts increased in 6 of 10 provinces, with Ontario leading the way as starts jumped nearly 40,000 to 93,900 units.

United States Consumer Price Index (CPI) inflation was 2.7% year-on-year (y/y) in December, in line with expectations. Food prices were up 0.7% m/m in December, and 3.1% y/y. In contrast, energy prices rose 0.3% m/m and are up 2.3% y/y. Core inflation, which excludes food and energy, came in at 0.2% m/m, below the 0.3% expectations. Core inflation is up 2.6% y/y, unchanged from November's pace. Within the core, goods prices were flat m/m in December, while services were up 0.3% m/m, driven largely by shelter costs accelerating to a 0.4% m/m increase.

United States retail sales rose 0.6% m/m in November, rebounding from a 0.1% contraction in October. November's rebound came in above consensus expectations of a 0.4% m/m increase. Non-core sales categories were all up on the month, reversing their declines in October. Sales of autos and parts rose by 1% m/m, while sales at gasoline stations increased by 1.4% m/m. Sales at building and garden retailers also improved by 1.3% m/m. Strength was seen at clothing retailers (+0.9%), sporting goods (+1.9%), miscellaneous retailers (+1.7%) and non-store retailers (+0.4%). After a flat read in October, spending at bars and restaurants increased 0.6% m/m in November.

United States existing home sales climbed 5.1% m/m in December to an annualized 4.35 million units. The increase came in well above the consensus expectations of 2.2% m/m. Sales activity increased 5.1% m/m in the single-family segment, and 5.3% m/m in the condo/co-op segment. Inventory levels declined 18.1% to 3.8 months' supply in December but remain up 3.5% y/y. The median home price was up 0.4% y/y, a deceleration from 1.4% in November.

United States Federal Reserve Beige Book showed improved economic activity during this reporting period. Across the twelve Federal Reserve Districts, eight reported slight-to-modest growth (up from one in November), one noted a modest decline (down from two in November), and the remaining three saw no change (down from nine in November). The outlook for activity was "mildly optimistic" compared with "largely unchanged" last time. While employment was "mostly unchanged in the most recent period," this was an upgrade from the slight decline reported earlier. Wages increased

at a "moderate pace," which is an upgrade from last time. The report also notes prices "grew at a moderate rate," and that "firms expect some moderation in price growth."

The Trump administration and a bipartisan group of governors called for reforms in the largest electric grid in the country to ensure the development of new data centers doesn't drive up electricity costs. Federal and state officials signed a statement of principles focused on the Pennsylvania-New Jersey-Maryland (PJM) Interconnection grid, which serves over 67 million people across 13 states in the Mid-Atlantic and Midwest. The pact calls for technology companies to foot the bill for new power plants in the region to address the surge of Artificial Intelligence (AI) data centers and their associated electricity consumption. The administration says the National Energy Dominance Council reached an agreement with several states for over US\$15 billion in new power-generation projects. The statement also calls on PJM to hold an emergency capacity auction for this power and to protect residential consumers from capacity price increases via price caps. This move is aligned with recent affordability-focused actions from the administration, including the purchases of mortgage bonds and capping of credit card rates.

On January 16, 2026, United States Energy Secretary Chris Wright and Slovak Prime Minister Robert Fico signed an Intergovernmental Agreement (IGA) in Washington to advance cooperation on Slovakia's civil nuclear power program. The agreement spans reactor technology, supply chains, safety and security best practices, workforce development, and long-term project planning. The IGA includes development of a new, state-owned "American" nuclear unit with an output of approximately 1,200 Megawatt Electrical (MWe) at the Jaslovské Bohunice Nuclear Power Plant, supporting Slovakia's move away from reliance on Russian-designed reactor technology.

China's trade surplus surged 20% to a record high of almost US\$1.2 trillion in 2025. China's exports rose 5.5% for the year to US\$3.77 trillion, despite new waves of higher tariffs coming from the United States. Exports to the United States fell 20%, in contrast exports to Africa surged 26%. Those to Southeast Asian countries jumped 13%, to the European Union 8%, and to Latin America 7%. Mechanical and electrical items were the largest export category last year, rising 8.4% from a year earlier. Car exports also grew last year. Auto exports surged 21% in 2025 to more than 7 million units, driven by electric vehicles and plug-in hybrids.

Euro area inflation declined to 1.9% annual rate in December, from 2.1% in November. European Union annual inflation was 2.3% in December 2025, down from 2.4% in November. The lowest annual rates were registered in Cyprus (0.1%), France (0.7%), and Italy (1.2%). The highest annual rates were recorded in Romania (8.6%), Slovakia (4.1%), and Estonia (4.0%). Compared with November 2025, annual inflation fell in eighteen Member States, remained stable in three, and rose in six.



FINANCIAL CONDITIONS

The United States (U.S.) 2-year/10-year Treasury spread is now 0.63%, and the United Kingdom (U.K.) 2-year/10-year Treasury spread is 0.75%. 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 6.06%. Existing U.S. housing inventory is at 3.3 months' supply of existing houses as of January 19, 2026—well off its peak during the Great Recession of 11.1 months, and we consider a more normal range of 4–7 months.

The Chicago Board Options Exchange Volatility Index (VIX) is at 18.84, and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

Portland Investment Counsel Inc. currently offers Mutual Funds & Private/Alternative Products - visit www.portlandic.com

Individual Discretionary Managed Account Models - [SMA](#)

Net Asset Value:

The Net Asset Values (NAV) of our investment funds are published on our Portland website at www.portlandic.com/prices

We want to share our insights with you and welcome your feedback. Our website has the latest, as well as archived videos, company profiles, and press articles. Please visit us at www.portlandic.com



Portland Investment Counsel Inc.



portlandinvestmentcounsel



Portland Investment Counsel Inc.



@PortlandCounsel

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.

This research and information, including any opinion, is based on various sources including corporate press releases, annual reports, public news articles and broker research reports and is believed to be reliable but it cannot be guaranteed to be current accurate or complete. It is for information only, and is subject to change without notice. This Newsletter is not an offer to sell or a solicitation of an offer to buy any security nor is it necessarily an indication of how the portfolio of any Portland Fund is invested. The securities discussed in the Newsletter may not be eligible for sale in some jurisdictions. The views expressed by any external links and subsequent media, including but not limited to videos, are not necessarily those of Portland Investment Counsel Inc. (Portland) and are provided for general information purposes only. Portland Investment Counsel Inc. assumes no responsibility for the information provided by external sources.

Use of any third party quotations does not in any way suggest that person endorses Portland and/or its products. Use of any third party material may not reflect the views and opinions of Portland. Portland makes no representation or warranty, express or implied, in respect thereof, takes no responsibilities for errors and omissions contained herein and accepts no liability whatsoever for any loss arising from any use of, or reliance on this material or its content which is being provided for informational purposes only and should not be construed as investment, tax or financial advice.

Certain statements may contain forward-looking statements which can be identified by the use of words such as "may", "should", "will", "anticipate", "believe", "could", "plan", "estimate", "expect", "intend", "scheduled" or "continue" or similar expressions to the extent they relate to a security. The forward-looking statements are not historical facts. These forward-looking statements are subject to a number of significant risks, uncertainties assumptions, contingencies and other factors (many of which are outside the control of, and unknown to Portland Investment Counsel Inc. ("Portland") and its directors, officers, employees, agents or associates), that could cause actual results or performance to be materially different from any future result so performed, expressed or implied by such forward-looking statements. Portland has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise.

RISK TOLERANCE

Risk tolerance measures the degree of uncertainty that an investor can handle regarding fluctuations in the value of their portfolio. The amount of risk associated with any particular investment depends largely on your own personal circumstances including your time horizon, liquidity needs, portfolio size, income, investment knowledge and attitude toward price fluctuations. Investors should consult their financial advisor before making a decision as to whether this Fund is a suitable investment for them.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. The indicated rates of return are the historical annual compounded total returns including changes in units [share] value and reinvestment of all distributions [dividends] and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. The rates of return are used only to illustrate the effects of the compound growth rate and are not intended to reflect future values of the mutual fund or returns on investment in the mutual fund. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated.

Information presented in this Newsletter should be considered for background information only and should not be construed as investment or financial advice. As each individual's situation is different, you should consult with your own professional investment, accounting, legal and/or tax advisers prior to acting on the basis of the material in the Newsletter. Commissions, management fees and expenses may be associated with investment funds. Investment funds are not guaranteed, their values change frequently, and past performance may not be repeated. Please read the prospectus or offering document before investing.

Consent is required for any reproduction, in whole or in part, of this piece and/or of its images and concepts. Portland Investment Counsel is a registered trademark of Portland Holdings Inc. The Unicorn Design is a trademark of Portland Holdings Inc. Used under license by Portland Investment Counsel Inc. Buy. Hold. And Prosper. is a registered trademark of AIC Global Holdings Inc. used under license by Portland Investment Counsel Inc.

Portland Investment Counsel Inc., 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7 Tel.: 1-888-710-4242 • www.portlandic.com • info@portlandic.com

PIC26-003-E(01/26)