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NEWS HIGHLIGHTS

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

JUNE 2, 2025

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OWNER OPERATED COMPANIES



GO TO
PORTLAND 15 OF 15
ALTERNATIVE FUND



PORTLAND 15 OF 15
ALTERNATIVE FUND
COMPANY NEWS

Ares Management Corporation (Ares) – Antares Capital Advisers, LLC (Antares), in partnership with Ares, has closed its first private credit continuation vehicle with over US\$1.2 billion in commitments. The transaction, led by Ares Credit Secondaries, facilitates the purchase of assets and Limited Partner interests from two Antares-managed private credit funds, consisting of over 100 first lien, floating-rate loans. This is Ares' largest credit secondaries deal to date and represents a milestone in expanding Antares' platform and offering tailored liquidity solutions. Both Antares and Ares highlighted the deal as a demonstration of their long-standing partnership and commitment to innovation in private credit and secondaries.

Brookfield Asset Management Ltd. (Brookfield) – continues to execute on high-impact transactions across infrastructure and private equity, reinforcing its strategy of acquiring essential, long-duration assets and scalable platforms.

Brookfield is arranging approximately US\$3 billion in debt financing, led by Morgan Stanley, to support its \$9 billion acquisition of Colonial Enterprises, Inc. (Colonial), the operator of the largest U.S. fuel pipeline system, which spans over 5,500 miles from Houston to New Jersey. Structured through Brookfield Infrastructure Partners, the financing will be issued at the holding-company level, while Colonial's existing debt is expected to remain at the operating level. The acquisition adds to Brookfield's growing portfolio of energy transportation assets, following previous investments in Brazil's Nova Transportadora do Sudeste S.A.

pipeline and Abu Dhabi's gas network. The sellers include KKR & Co. Inc., Caisse de depot et placement du Quebec (CDPQ), Shell plc, IFM Investors Pty Ltd, and Koch Industries, LLC, with a bond or leveraged loan transaction expected to launch as early as June.

In a separate transaction, Brookfield Infrastructure has partnered with GATX Corporation (GATX) to acquire Wells Fargo & Company's (Wells Fargo) railcar leasing business for \$4.4 billion. The joint venture is being financed through a \$3.2 billion term loan and a \$250 million revolving credit facility, with Wells Fargo Securities among the lenders. The deal encompasses 105,000 railcars, along with an additional 23,000 cars and 440 locomotives. GATX will manage the entire portfolio and initially hold a 30% stake, with the option to acquire Brookfield's 70% interest over the next decade. The acquisition significantly expands GATX's fleet and market leadership, while aligning with Wells Fargo's broader strategy of streamlining its business focus. The transaction is expected to close in the first quarter of 2026.

Further expanding its private equity footprint, Brookfield has also completed the acquisition of Antylia Scientific, Inc. (Antylia), a diversified life sciences company, in partnership with CDPQ. The deal, valued at approximately \$1.34 billion, marks a significant move into the biopharma, diagnostics, and environmental testing sectors. Headquartered in Vernon Hills, Illinois, Antylia manufactures mission-critical lab and bioprocessing products and has executed 15 add-on acquisitions since 2014. Brookfield's entry into Antylia aims to position it to capture long-term value in the growing life sciences tools market through a platform with embedded merger and acquisition capabilities and recurring revenue streams.

Together, these transactions illustrate Brookfield's ability to deploy capital across infrastructure and private equity with scale, discipline, and a focus on resilient, cash-generative businesses.

LVMH Moët Hennessy Louis Vuitton SE (LVMH) – Maria Grazia Chiuri has stepped down as creative director of Christian Dior SE's (Dior) women's collections after a nine-year tenure marked by feminist themes and commercial success. She was the first woman to lead the iconic fashion house's creative vision and is credited with significantly contributing to Dior's growth since joining in 2016. Her final show featured the Cruise collection in Rome. Dior has officially appointed Jonathan Anderson, its current menswear designer, as her successor, granting him oversight of womenswear, menswear, and haute couture. Anderson, 40, is a celebrated Irish designer known for his avant-garde work at Loewe S.A., another LVMH label, where he helped shape distinctive designs like the Puzzle handbag and barrel-legged jeans. This leadership transition comes amid an industry-wide creative reshuffle at major luxury houses such as Chanel S.A., Guccio Gucci S.p.A., and Balenciaga S.A., as brands attempt to reignite sales in a softening global luxury market. LVMH Chief Executive Officer (CEO) Bernard Arnault praised Anderson's "unique artistic signature" and positioned his appointment as a strategic move to guide Dior into a bold new era.

Reliance Industries Limited (Reliance) – BP p.l.c.'s (BP) Castrol lubricant division has attracted interest from major global players, including India's Reliance, Saudi Arabian Oil Company, and private equity firms such as Apollo Global Management, Inc. and Lone Star Global Acquisitions, Ltd., according to sources familiar with the matter. The potential deal could value the business between US\$8 billion and \$10 billion, making it one of the most significant energy asset sales currently underway. BP has begun circulating initial details of the unit to prospective buyers, which also include global investment firms Brookfield and Stonepeak Partners LP. Discussions are still in the early stages, but formal bids are expected in the coming weeks.

Reliance – Reliance Jio Infocomm Limited (Jio) has begun deploying its own 5G network equipment in a move toward lowering costs and gaining more control over its infrastructure, according to recent Indian press reports. To support its expanding 5G customer base, Jio is introducing locally manufactured small cell sites and radio units. These components are produced at a facility near Chennai operated through a joint venture between Reliance and Sanmina Corporation (Sanimina). These new components form a central part of Jio Platforms' 5G portfolio. The small cells are tailored to improve network capacity and coverage in crowded urban areas and indoor locations, according to the reports. Earlier, Reliance, teamed up with Sanmina to launch a high-tech electronics manufacturing center in India. The rollout of Jio's new 5G hardware is also being supported by Radisys Corporation, a Jio Platforms-backed firm that focuses on network software and digital services. Although Jio initially relied on global vendors like Telefonaktiebolaget LM Ericsson and Nokia Corporation for the initial stages of its 5G network rollout in the country, it is now shifting to in-house solutions to reduce capital expenditure. By using domestically produced components, Jio aims to cut 5G deployment costs by up to 60%, driven by lower import duties, fewer licensing fees and reduced reliance on global manufacturing.



DIVIDEND PAYERS



GO TO
PORTLAND CANADIAN
BALANCED FUND¹

The Bank of Nova Scotia (Scotiabank) - reported second quarter net income of CA\$2,032 million compared to \$2,092 million in the same period last year. Diluted earnings per share (EPS) were \$1.48, compared to \$1.57 in the same period a year ago. Adjusted net income for the second quarter was \$2,072 million and adjusted diluted EPS were \$1.52, down from \$1.58 last year. Adjusted return on equity was 10.4% compared to 11.3% a year ago. "We continued to invest in our key strategic priorities this quarter, including building deeper, more advice-driven client relationships," said Scott Thomson, President and CEO of Scotiabank. "Amidst the continuously-evolving economic outlook, we are focused on what we can control and are executing on our strategic plan while continuing to deliver positive operating leverage. This quarter we increased our performing allowances to reflect the impact of an uncertain macroeconomic outlook. With strong balance sheet metrics, we remain well positioned to support our clients through this period of uncertainty and to seize growth opportunities as they arise." The Bank reported a Common Equity Tier 1 (CET1) capital ratio of 13.2% and declared a dividend of \$1.10, representing a 4% increase.



LIFE SCIENCES



GO TO
PORTLAND LIFE
SCIENCES
ALTERNATIVE FUND¹

Amgen Inc. - demonstrated that the company's drug, IMDELLTRA®, significantly improved overall survival by 40% and progression-free survival in patients with small cell lung cancer (SCLC) who had progressed after chemotherapy, according to the Phase 3 DeLLphi-304 trial. The treatment extended median overall survival by over five months compared to standard chemotherapy (13.6 months vs. 8.3 months) and showed a favorable safety profile with manageable side effects. These results could position IMDELLTRA as a key therapy for relapsed SCLC.

Arvinas, Inc. – and Pfizer's investigational drug, Vepdegestrant, has shown results in the Phase 3 VERITAC-2 trial for patients with a type of breast cancer. The trial demonstrated a 2.9-month improvement in median progression-free survival with Vepdegestrant compared to Fulvestrant (a standard of care), reducing the risk of disease progression or death by 43% in patients with a type of mutation. The treatment was generally well tolerated with low rates of gastrointestinal side effects. Vepdegestrant, a proteolysis-targeting chimera (PROTAC) ER degrader, is the first such drug to be evaluated in a Phase 3 trial and could offer a new treatment option for patients resistant to standard therapies. The companies plan to submit a New Drug Application for Vepdegestrant to the Food and Drug Administration in late 2025.

BeOne Medicines Ltd. (formerly BeiGene, Ltd.) – announced that the European Medicines Agency's Committee for Medicinal Products for Human Use has issued a positive opinion recommending approval of TEVIMBRA® (tislelizumab) combined with chemotherapy as a first-line treatment for certain types of nasopharyngeal cancer. This recommendation is based on a Phase 3 study, which showed a significant improvement in progression-free survival and overall survival compared to chemotherapy alone.

Clarity Pharmaceuticals Ltd. – has announced the imaging of the first patient in its Phase III AMPLIFY trial using Copper-64 labeled sarcophagine-bis prostate-specific membrane antigen Positron Emission Tomography / Computed Tomography (Cu-64 SAR-bisPSMA PET/CT), aimed at diagnosing biochemical recurrence of prostate cancer. Conducted at Xcancer Corporation in Omaha, Nebraska, the trial builds on results from earlier studies (PROPELLER and COBRA), which demonstrated improved lesion detection and earlier diagnosis compared to standard-of-care PSMA PET imaging. Cu-64 SAR-bisPSMA offers potentially enhanced sensitivity, next-day imaging flexibility, and broader accessibility.

Danaher Corporation (Danaher) – has partnered with AstraZeneca PLC to develop and commercialize novel diagnostic tools aimed at enhancing precision medicine. This collaboration focuses on creating Artificial Intelligence (AI)-powered diagnostics that help clinicians identify patients who would benefit most from targeted therapies. Danaher will leverage its newly opened Centers for Enabling Precision Medicine, providing comprehensive support across diagnostic modalities. The first product will involve digital and computational pathology, powered by Leica Biosystems, a Danaher subsidiary. This partnership aims to scale precision medicine, particularly in areas like antibody-drug conjugates, by improving patient selection through AI-based diagnostics.

Schrödinger, Inc. (Schrödinger) – has appointed Mannix Aklian as Executive Vice President, Chief Commercial Officer, and Global Head of Software Sales and Marketing, strengthening its executive team. Aklian brings over 25 years of experience in software sales and leadership across the biopharma and tech sectors. He will lead global account management and oversee the growth and commercialization of Schrödinger's computational platform. Previously at Certara, Inc. and LI, Inc., Aklian has a track record in driving software innovation and global market expansion.

NUCLEAR ENERGY

NuScale Power Corporation (NuScale) – has received approval from the U.S. Nuclear Regulatory Commission (NRC) for its new NuScale Power Modules™ design, which increases the power output per module from the previously-approved 50 Megawatt electrical (Mwe) to 77 MWe. This makes the small modular reactor (SMR) suitable for a broader range of energy consumers seeking clean, reliable power. NuScale remains the only SMR company with NRC approval for its designs. The approval supports the partnership with ENTRA1 Energy LLC, which will deploy these advanced SMRs in upcoming energy plants, aiming for deployment by 2030.



ECONOMIC CONDITIONS

Canadian GDP: Statistics Canada released its GDP estimate for first quarter (Q1) 2025. The economy expanded at an annualized rate of 2.2%, 5 ticks higher than the consensus estimate calling for a 1.7% increase. This growth, coupled with moderate population gains, translated into the strongest per capita GDP growth in 11 quarters (+1.6 annualized). The previous quarter's result, meanwhile, was revised down from 2.6% to 2.1%. Domestic demand was slightly down in Q1 (-0.1%), as residential investment (-10.9%), government investments (-3.2%) and non-residential structures (-6.1%) more than offset gains for household consumption (+1.2%) and investment in machinery and equipment (+17.9%). Meanwhile, government consumption (-0.3%) also detracted from growth. Trade had a positive impact on GDP, as exports (6.7%) registered a larger increase than imports (+4.4%). Inventory investment was higher compared to fourth quarter (Q4) resulting in a positive contribution to GDP (+1.4%). Nominal GDP grew 4.9% on an annualized basis following a 5.8% increase in the (Q4) of 2024. Also in nominal terms, disposable income surged an annualized 3.4% following a 2.5% increase in Q4. Consumption, meanwhile, rose 4.2% annualized. As a result, the savings rate dropped from 6.0% to 5.7%, remaining well above its pre-pandemic level (2.8%).

Industry data showed that output was up +0.1% in March, in-line with consensus expectations. Both goods (+0.2%) and services (+0.1%) posted increases. Statistics Canada also released an advance estimate for April showing growth of 0.1% in the month.

U.S.A. Tariffs: The US Court of International Trade ruled last week that the President does not have the authority to use International Emergency Economic Powers Act (IEEPA) to implement tariffs and ordered the administration to stop collecting money. The White House immediately appealed the ruling to the US Court of Appeals and won a reprieve that it could continue to collect funds while the appeals case was being heard and as the administration appeals the ruling and considers several alternative trade acts to keep the tariffs in place.

There are three possible channels for tariffs from here. Appeals ultimately likely go to the Supreme Court, though the Court is scheduled to start its summer recess in around one month. Congress can also pass the tariffs directly or change the law that is IEEPA, both of which seem unlikely. Most likely in our view is the Administration uses some combination of Sections 232, 301, 122, and 338 to reapply the same tariffs by another name. 232 and 301 have been used more widely, though can take 3-6 months to implement. 122 and 338 are more than sufficient to replicate what was in place and can be implemented within one week to one month. That means the most likely outcome in our view is that there are plenty of ways for tariffs to remain on track. Meanwhile, the White House is attacking the judges of the US Court of International trade. Stephen Miller, the White House Chief Deputy Chief of Staff, called the decision a "judicial coup" and that "we are living under a judicial tyranny". Two of the three judges were Republican appointees with one of those a Trump appointee.

President Trump, late Friday 30th May, announced that steel and aluminum tariff rates will double to 50% on Wednesday 4th June. This will lift the average U.S. tariff rate slightly to around 15%; but, more worrisome, it could set a precedent for possibly higher duties on motor vehicles and other sector-specific products, such as lumber and microchips, which are currently under investigation. This follows increased trade tensions between the U.S. and China last week when the President accused China of violating the recent deal to temporarily roll back reciprocal duties, and China is now claiming the U.S. is the violator.

Associated Press reports US Senate readying bipartisan bill (backed by 41 Republicans and 41 Democrats) which would impose 500% tariffs on countries that continue to buy Russian exports (including oil, gas, uranium); this is a not so subtle bill which would directly target China and India but could be enough to force Putin to sue for peace as oil and gas money would quickly run dry. Even with overwhelming Senate approval, this will still come down to President Trump's decision. Having been repeatedly called weak recently by the press President Trump certainly can play the middle ground here in referring to the Senate bill to coax concessions and shows just how interlinked politics/economics/war all are.

U.S. Nominal personal income rose 0.8% in April, more than twice as much as the +0.3% print expected by consensus. The wage/salary component of income advanced 0.5%, while income derived from government transfers surged 2.8%. The latter was led by an increase in Social Security payments, reflecting payments associated with the Social Security Fairness Act. Personal current taxes, meanwhile, rose 0.6%. All this translated into a 0.8% gain in disposable income, the biggest in 15 months. Nominal personal spending, for its part, moved up a consensus-matching 0.2%, as a 0.4% gain for services was only partially offset by a 0.1% decline for goods, more specifically durable goods (-0.3%). As disposable income rose at a faster pace than spending, the savings rate jumped from 4.3% to 4.9%. Although the highest in 11 months, this figure remained far below the levels observed before the pandemic (between 6.5% and 8.5%). Adjusted for inflation, disposable income jumped 0.7%, while personal spending edged up 0.1%. Services spending rose 0.3%, while goods outlays cooled 0.2%.

U.S. durable goods orders in April retraced most of the prior month's surge, but the 6.3% drop was better than expected. The decline was mostly centre in volatile transportation equipment (-17.1%). But, orders excluding transportation eked out a 0.2% gain, with computers leading to the upside. Core capital goods orders—a gauge for business investment—fell 1.3%, the biggest decline in six months. But, the control measure of core shipments (incl. aircraft)—an input for GDP—jumped 3.5%. That's the fastest pace since last summer and suggests a solid start to second quarter business equipment spending—quite impressive, given the heightened uncertainty that prevailed in the month, though likely due to tariff front-running.



FINANCIAL CONDITIONS

Reserve Bank of New Zealand cut the overnight borrowing rate by 25 basis points (bps) as expected, but it delivered a more measured message. Expectations for a further 25bps rate cut are now being pushed out to August. No surprises to the forecasts the Bank delivered, revising GDP, Consumer Price Index and Wages lower vs Feb'25 Monetary Policy Statement forecasts and the unemployment rate is elevated for longer.

The U.S. 2 year/10 year treasury spread is now 0.54% 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 U.S. 30 year mortgage market rate is now 6.89%. 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 volatility index (VIX) is 19.17 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

And Finally: *"Compound interest is the eighth wonder of the world. He who understands it, earns it; he who doesn't, pays it."* ~Albert Einstein

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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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