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# NEWS HIGHLIGHTS

EST. 2007

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

**AUGUST 25, 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 (RIL)** – Reliance Consumer Products Limited (RCPL) has forayed into the fast-growing healthy functional beverage space with the acquisition of majority stake in a Joint Venture (JV) with Naturedge Beverages Private Limited. Through this JV, RCPL is focused on offering consumers a range of herbal-natural beverages, thus further enhancing its presence as a Total Beverage Company. The healthy functional beverage space presents a large and rapidly expanding opportunity, driven by a strong consumer shift toward healthier, natural alternatives. Founded in 2018 by Siddhesh Sharma, a third-generation entrepreneur from one of India's most trusted manufacturers of Ayurvedic products, Shree Baidyanath Ayurved Bhawan Private Limited, Naturedge Beverages has since focused on solutions that infuse the benefits of Indian Ayurveda and contemporary beverage choices. Its flagship offering "Shunya" is herb infused functional packaged beverage with zero-sugar & zero calories that has already gained the attention of the consumers across India. Shunya is packed with the goodness of Indian super herbs like Ashwagandha, Brahmi, Khus, Kokum and Green Tea, that provides for that extra boost to help consumers stay ahead. Apart from rapidly expanding its portfolio through key acquisitions like Campa Cola Co Private Limited, launch of Campa Energy and Raskik beverages, the addition of Shunya in RCPL's portfolio of brands further reaffirms its commitment to offering consumers a total beverage portfolio. This partnership would enable RCPL to expand the beverages portfolio by adding healthy product

offerings, including Energy drinks, Stills, Energy Shots, Herb-infused water, among others.

**Reliance Industries Limited (RIL)**- With the new tariff regime of the United States kicking in from August 27, India's oil refining officials are looking at receiving Russian oil at a discounted rate beyond that deadline. However, a Business Standard report, noting "ship tracking data and official sources", has said that gains accrued since 2022 from India's purchase of Russian oil grades have helped two private players make more profit than the state-run refiners. These two private players are RIL and Russian Rosneft-operated Nayara Energy Limited (Nayara). Together, they have accounted for over 40 per cent of the average 1.5 million barrels per day (bpd) supplies India has sourced from Russia. According to the August 23 news report, state-run refiners, cosseted by New Delhi's fixed fuel price regime, have gained less compared to private refiners. The report said, the oil imports are not equally distributed, with private sector refiners becoming the biggest beneficiaries. Quoting data from maritime intelligence agency Kpler Ltd., the report said that just two Indian refiners, both private, accounted for a combined 881,000 bpd of the 1.8 million bpd in total imports of discounted Russian crude oil in 2025 till date. In total, there are seven Indian importers for the oil. The news report has pointed out that in June 2025, the share of Russian oil in Indian market touched a record 45 per cent, meaning, virtually, every second barrel of India's overseas crude came from Russia. RIL has been the biggest beneficiary of this exercise even though the extent of profits is unknown, said the report. Since Indian state-run refiners like Oil and Natural Gas Corporation Limited (ONGC) have a responsibility towards price controlled domestic fuel market, these two private players get to export a large portion of their output to Europe and Asia at lucrative prices. RIL and Nayara together accounted for 81 per cent of India's fuel exports this year in volume terms, primarily of middle distillates like diesel and jet fuel, the news report underlined. At 914,000 bpd, RIL accounted for 71 per cent

of India's exports. The report highlighted that RIL's Jamnagar refinery exported around 67 per cent of its production, and in June imports of Russian oil at 746,000 bpd made up over half of Jamnagar's 1.36 million bpd capacity.



## DIVIDEND PAYERS



GO TO  
PORTLAND CANADIAN  
BALANCED FUND<sup>1</sup>

**Cenovus Energy Inc. (Cenovus)** – announced that it has entered into a definitive arrangement agreement to acquire MEG Energy Corp. (MEG) in a cash and stock transaction valued at CA\$7.9 billion, inclusive of assumed debt. Under the terms of the agreement, Cenovus will acquire all of the issued and outstanding common shares of MEG for \$27.25 per share, which will be paid 75% in cash and 25% in Cenovus common shares. Each MEG shareholder will have the option to elect to receive, for each MEG common share (i) \$27.25 in cash; or (ii) 1.325 Cenovus common shares, subject to pro-ration based on a maximum amount of \$5.2 billion in cash and a maximum of 84.3 million Cenovus common shares. On a fully pro-rated basis, the consideration per MEG common share represents approximately \$20.44 in cash and 0.33125 of a Cenovus common share.

### Transaction Highlights

- Reinforces Cenovus's position as the pre-eminent SAGD (Steam-Assisted Gravity Drainage) oil sands producer – The acquisition brings together two leading SAGD oil sands producers with combined oil sands production of over 720,000 bpd, the lowest steam-to-oil ratio and the largest land base in the best quality resource area in the basin.
- Exceptional asset fit – Consolidates adjacent, fully contiguous and highly complementary assets at Christina Lake, enabling integrated development of the region and unlocking significantly accelerated access to previously stranded resource.
- Over CA\$400 million of annual synergies – Cenovus expects to realize approximately \$150 million of near-term annual synergies, growing to over \$400 million per year in 2028 and beyond. This includes corporate and commercial synergies as well as development and operating synergies which leverage both companies' technical expertise and the ability to integrate future development across the Christina Lake region.
- Immediately accretive – The acquisition is expected to be immediately accretive to adjusted funds flow per share and free funds flow per share.
- Maintains strong balance sheet and continued focus on shareholder returns – The transaction has been structured to preserve Cenovus's strong balance sheet and investment grade credit ratings, with expected pro forma net debt of <1 times adjusted funds flow (AFF) at strip pricing. Cenovus will retain a robust financial framework and continue to balance deleveraging with meaningful shareholder returns.

"This transaction represents a unique opportunity to acquire approximately 110,000 bpd of production within some of the highest quality, longest-life oil sands resource in the basin, which sits directly adjacent to our core Christina Lake asset," said Jon McKenzie, Cenovus President & Chief Executive Officer (CEO). "The magnitude of synergies that we have identified makes this a compelling value creation opportunity for Cenovus shareholders. The team at MEG has done a fantastic job developing these assets, and we look forward to leveraging our combined expertise and scale to drive additional value for many years to come."

### Financing plan

Cenovus has obtained fully committed financing for the transaction comprised of a CA\$2.7 billion term loan facility and a \$2.5 billion bridge facility, which will be used to fund the cash component of the transaction. Cenovus anticipates initiating a senior debt offering to replace the bridge facility.

Upon completion of the transaction, Cenovus will maintain its strong financial position with liquidity of over \$8 billion in undrawn committed credit facilities and cash on hand. The company remains committed to a strong balance sheet and investment grade credit ratings. Pro forma net debt is expected to be approximately \$10.8 billion, representing less than one times AFF at strip pricing. The fully committed term loan and bridge facilities have been provided by Canadian Imperial Bank of Commerce (CIBC) and JPMorgan Chase Bank, N.A. (JPM) as Co-Underwriters and Joint Bookrunners.

### Update to shareholder returns framework

Upon closing of the transaction, the company intends to adjust its shareholder returns framework, continuing to balance deleveraging with meaningful shareholder returns. Under the adjusted framework, while net debt is above \$6.0 billion, the company will target to return approximately 50% of excess free funds flow (EFFF) to shareholders, with the remainder allocated to deleveraging. When net debt is between \$6.0 billion and \$4.0 billion, the company will target to return approximately 75% of EFFF to shareholders, with the remainder allocated to deleveraging. The long-term net debt target of \$4.0 billion remains unchanged, and upon reaching the target, Cenovus will target to return approximately 100% of EFFF to shareholders. Cenovus will actively review opportunities to accelerate deleveraging and shareholder returns.



## LIFE SCIENCES



GO TO  
PORTLAND LIFE  
SCIENCES  
ALTERNATIVE FUND<sup>1</sup>

**Amgen Inc. (Amgen)** announced that the Food and Drug Administration (FDA) has expanded the approved use of Repatha® (evolocumab). This broadens access to Repatha for patients who struggle to manage their cholesterol levels with statins or cannot tolerate them. The update



reinforces Repatha's role in cholesterol management alongside diet and exercise.

**BeOne Medicines Ltd. (BeOne)** has entered into a royalty purchase agreement with Royalty Pharma plc for up to US\$950 million related to sales of IMDELLTRA® (tarlatamab-dlle), an immunotherapy for extensive-stage small cell lung cancer (ES-SCLC). BeOne will receive \$885 million upfront, with an option to sell additional royalties for up to \$65 million within a year. The deal excludes sales in China and allows BeOne to retain rights to other assets in its collaboration with Amgen.



## NUCLEAR ENERGY

**Centrus Energy Corp. (Centrus)** - has received a U.S. Department of Energy (DOE) waiver allowing it to continue importing low-enriched uranium (LEU) from Russia through 2027, covering all of its currently committed deliveries to U.S. customers. This builds on an earlier waiver granted in July 2024, which had only authorized imports for 2024 and 2025, while deferring a decision on subsequent years. The extension enables Centrus to meet contractual obligations despite the Prohibiting Russian Uranium Imports Act, which formally bans Russian uranium imports beginning August 2024 but allows temporary waivers until January 2028. With the waiver secured, Centrus can ensure supply continuity while advancing its domestic enrichment capabilities.

**Doosan Enerbility Co., Ltd (Doosan)**- South Korea's HD Korea Shipbuilding & Offshore Engineering Co., Ltd. (HD KSOE) has agreed to acquire 100% of Doosan Power Vina Company Limited (Vina), the Vietnamese manufacturing unit of Doosan, for approximately 290 billion won (c. US\$209 million). The transaction covers Vina's 110-hectare industrial complex located in the Dung Quat Economic Zone in Quang Ngai Province, Vietnam. Vina historically produced thermal power plant boilers, Liquefied Natural Gas (LNG) plant modules, port cranes, desalination equipment, and has operated its own port facilities. HD KSOE now intends to transform the site into a regional hub for independent cargo tanks and port crane manufacturing, supporting eco-friendly vessels such as LNG, Liquefied Petroleum Gas (LPG), ammonia, and Carbon dioxide (CO<sub>2</sub>) carriers. According to Doosan CEO, Park Sang-hyun, the divestment represents a strategic move to recycle capital in to rapidly growing core businesses such as Small Modular Reactors (SMRs) and gas turbines. Subsequent to the announcement of the Vina sale, Doosan secured a 446 billion won (US\$321 million) order to supply an H-class gas turbine, steam turbine, and heat recovery facilities as a part of the planned modernization of Korea South-East Power Co., Ltd.'s Bundang Combined Cycle Power Plant.

**Oklo Inc. (Oklo)**- has signed a Memorandum of Understanding (MOU) with ABB Ltd. to collaborate on digitalization, automation, and electrification solutions that will support the deployment of its Aurora powerhouses. As part of this initiative, Oklo commissioned a new monitoring room at its Santa Clara headquarters, outfitted with ABB technology, to serve as a hub for operator training, simulation, and licensing preparation. The facility is designed to showcase how Aurora's inherent safety features and advanced automation allow personnel to function primarily as monitors rather than traditional operators. The partnership with ABB also establishes a framework for broader

collaboration on advanced energy systems, including integration with data centers and other mission-critical facilities. Taken together, these steps further Oklo's commercial readiness and reinforce its strategy to scale training and enable efficient fleet-wide deployment of its reactors.



## ECONOMIC CONDITIONS

**Canadian Consumer Price Index (CPI)** increased 0.3% in July in non-seasonally adjusted terms, a result in line with the median economist forecast. In seasonally adjusted terms, headline prices rose 0.12% following a +0.18% print the prior month. Five of the eight major categories posted price increases in July, led by food (+0.41%), shelter (+0.32%) and household operations/furnishing (+0.30%). On the other end of the spectrum, price declines were observed in the clothing/footwear (-0.74%), recreation/education (-0.31%) and transportation (-0.18%) segments. On an annual basis, headline inflation eased two ticks in July to 1.7%, which was a bit lower than the +1.8% print expected by economists polled by Bloomberg Limited Partnership. As has been the case for a few months now, the abolition of the carbon tax last April continued to artificially depress the headline measure. The CPI excluding indirect taxes cooled from 2.5% to a 7-month low of 2.2% during the month, comfortably within the central bank's target range (1-3%). Regionally the annual inflation rate was above the national average in Quebec (+2.3%) and Manitoba (+1.9%), and below that mark in Alberta (+1.3%), Saskatchewan (+1.4%) and the Maritime provinces.

**U.S. existing home sales** climbed 2.0% in July. That was enough to push the level back above 4 million units, after briefly stepping below that mark for the first time in 9 months in June. Sales of single-family homes jumped 2.0%, while condominiums (condos) rebounded 2.8% after falling to the lowest levels since the depths of the financial crisis (outside the wild pandemic swings). Despite the better-than-expected figures, overall activity remains subdued as the housing market faces intense headwinds.

**U.S. Housing starts** confounded expectations, increasing 5.2% to 1.43 million annualized in July. That's the highest level since February. Multis increased almost 10%, while single-family units climbed 2.8%. Back-to-back monthly gains in condo starts have pushed home building activity up for two straight months, something not seen in the last 1½ years. Despite the better-than-expected gain in starts, building permits, a good proxy for future home construction, fell 2.8% to 1.35 million annualized. That marks the lowest level since the onset of the pandemic amid muted builder sentiment. And so while Housing starts jumped for the second straight month, thanks to a surge in condos it's expected residential construction to weigh on economic growth this quarter amid still-elevated interest rates and high material costs.

**UK inflation** surprised to the upside across all measures in July. Headline CPI came in at 3.8% year on year (y/y) (market (mkt): 3.7%), with food being a big story, as expected. Services also inched up to 5.0% (mkt: 4.8%), mainly on the back of high transport prices and restaurants and hotels, the latter of which had dual effects of food price increase and summer holiday pricing. This brought core CPI to 3.8% y/y (mkt: 3.7%). Ultimately, headline and core numbers are in line with Bank

of England forecasts, and the end-of-summer hump was expected in the August projections.



## FINANCIAL CONDITIONS

**Reserve Bank of New Zealand** cut rates 25 basis points (bps) down to 3.0% as expected and signaled more cuts to come, despite raising its projections for inflation to 3.0% for third quarter (Q3) and 2.2% by mid 2026. The New Zealand central bank said there was still scope to lower the Official Cash Rate (OCR) further if the medium-term inflation pressures continue to ease. The Bank sees more headwinds from tariffs and policy uncertainty. The higher-than-expected US tariffs on New Zealand exports are challenging for certain industries despite overall resilient trade volumes.

**Sweden's Sveriges Riksbank** left rates unchanged at 2% and said the central bank sees some probability of an interest rate cut later in the year.

**U.S. Federal Reserve Chair Powell** spoke on the "Economic Outlook and Framework Review" at Jackson Hole last Friday. The key phrase in the economic outlook section was that "with policy in restrictive territory, the baseline outlook and the shifting balance of risks may warrant adjusting our policy stance." This signals in our view that a rate cut is on the table for the September 16-17 Federal Open Markets Committee meeting. Powell reiterated that: "In the near term, risks to inflation are tilted to the upside, and risks to employment to the downside—a challenging situation. When our goals are in tension like this, our framework calls for us to balance both sides of our dual mandate." And, it's the employment side that is starting to weigh heavier and shifting the balance.

The U.S. 2 year/10 year treasury spread is now 0.55% and the U.K.'s 2 year/10 year treasury spread is 0.76%. 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 6.58%. 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 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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## RISK TOLERANCE

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