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NEWS HIGHLIGHTS

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

MAY 4, 2026

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OWNER OPERATED COMPANIES



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ALTERNATIVE FUND
COMPANY NEWS

Ares Management Corporation (ARES) – reported results for Quarter 1 2026, with assets under management (AUM) up 18% year-on-year (YoY) to US\$644 billion, fee-paying assets under management (FPAUM) up 19% to US\$400 billion, management fees up 22%, and fee-related earnings (FRE) up 26%. Fundraising was strong at US\$29.5 billion, led by US\$20.4 billion in Credit, with management also highlighting a forward calendar across Alternative Credit Fund III, Senior Direct Lending Fund IV (SDL IV), and a global data center equity fund. Institutional demand appeared resilient, while United States private-credit wealth products showed softer flows and higher repurchase activity. Deployment was US\$32.3 billion overall, though United States direct lending activity slowed with weaker middle-market mergers and acquisitions (M&A). Credit commentary was generally stable: management cited continued earnings before interest, tax, depreciation and amortization (EBITDA) growth, mid-40% loan-to-value ratios (LTVs), improving interest coverage, non-accruals below historical norms, and only one software company on non-accrual. On software specifically, ARES framed its exposure as limited and mostly senior-secured, with a third-party artificial intelligence (AI) review classifying most software-oriented exposure as low disruption risk.

Berkshire Hathaway Inc. (Berkshire Hathaway) – released Quarter 1 (Q1) 2026 results on May 2, reporting operating earnings of US\$11.35 billion, up from 9.64 billion last year, and net earnings attributable to shareholders of

10.11 billion, up from 4.60 billion. Insurance underwriting earnings rose to 1.72 billion from 1.34 billion, with Berkshire Primary and Berkshire Hathaway Reinsurance Group improving from prior-year losses, while Government Employees Insurance Company (GEICO) underwriting earnings declined to 1.42 billion from 2.17 billion as the loss ratio increased due to higher automobile claims frequency and severity, and underwriting expenses rose mainly from higher policy-acquisition costs. Berkshire Hathaway said there were no losses from significant catastrophe events in Berkshire Primary and property and casualty reinsurance in Q1, compared with catastrophe losses in the prior-year period. BNSF Railway Company (BNSF) earnings rose to 1.38 billion from 1.21 billion, with operating revenue up 5.0% on higher car and unit volume, core pricing gains, business mix and higher fuel surcharge revenue; agricultural and energy products volume rose 11.6%, while industrial products volume declined due to lower plastics and building-products shipments tied to continued housing-market softness. Insurance investment income declined to 2.68 billion from 2.89 billion, primarily from lower interest income, and Berkshire Hathaway ended the quarter with insurance float of 176.9 billion, up about 500 million from year-end.

Reliance Industries Limited (RIL) – On April 30, Reliance Retail Ventures Limited (Reliance Retail) announced the acquisition of Priyanka Chopra's global haircare brand Anomaly, including its trademarks, brand assets, and digital properties. The acquisition marks a significant expansion of Reliance Retail's beauty portfolio and reinforces its commitment to building and scaling high-growth consumer brands in India and globally. Founded by the global actor and entrepreneur in 2021, Anomaly is a clean, vegan, high performance haircare brand offered at an accessible price point. Since its inception, the brand has established a strong international presence with distribution across key global markets. Through this acquisition, Reliance Retail brings full ownership of the brand's intellectual property and digital ecosystem into its portfolio, enabling it to scale Anomaly through its expansive retail network and omnichannel platforms. The move aligns with Reliance Retail's broader strategy to deepen its presence in the fast-growing

beauty and personal care category, leveraging its offline footprint and digital commerce platforms, to accelerate brand growth and enhance consumer accessibility. Reliance Retail will focus on expanding Anomaly's brand equity and market share with India as a priority market. Innovation tailored to Indian hair and scalp needs will be a key driver, alongside strengthening product development and localized solutions. The brand will also continue to scale its international footprint across markets such as North America, the United Kingdom, and the Middle East as part of its global growth journey.

Reliance Industries Limited (RIL) – Reliance Industries Limited has announced plans to establish India's largest giga-scale artificial intelligence (AI) data centre cluster in Andhra Pradesh. This strategic development is envisioned across three distinct phases, signalling a significant investment in the nation's digital infrastructure. The company is actively seeking substantial land parcels to facilitate this ambitious project. RIL has requested 935 acres specifically for the data centre cluster, with 300 acres allocated for the initial phase and a further 635 acres for the second phase of development. Beyond the core data centre facilities, RIL's proposal includes requests for additional critical infrastructure. This encompasses 1 acre of land designated for a cable landing station, which is vital for international connectivity and data transfer capabilities. Additionally, 80 acres have been sought for a desalination plant, indicating a comprehensive approach to resource management, particularly water, which is crucial for large-scale data centre operations. This multi-phase approach and the extensive land requirements highlight the sheer scale of the planned AI data centre cluster. Its designation as "giga-scale" underscores the intent to host substantial AI compute capabilities, which will demand robust power, cooling, and network infrastructure. The establishment of India's largest AI data centre cluster by RIL in Andhra Pradesh holds considerable implications for digital infrastructure stakeholders and potential investors. It suggests a major push towards advanced computing capabilities within the country, catering to the growing demands of AI workloads and cloud services. For data centre operators and infrastructure leaders, this project signifies a notable expansion in India's overall data centre capacity and a potential shift in the regional digital landscape. Investors will likely observe this development as a key indicator of strategic long-term investments in high-growth areas like AI infrastructure and digital connectivity in India.



DIVIDEND PAYERS



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PORTLAND CANADIAN
BALANCED FUND¹

The Cigna Group (Cigna) – Reports strong first quarter 2026 results and raises their outlook for full year 2026. Total revenues for the first quarter 2026 increased 5% to US\$68.5 billion, primarily driven by growth in Evernorth Health Services. Adjusted income from operations for first quarter 2026 increased 12% relative to first quarter 2025, driven by higher contributions primarily from Cigna Healthcare, as well as Evernorth Health Services. The Cigna Group's outlook for full year 2026 consolidated adjusted income from operations is at least US\$30.35 per share. Additionally, this outlook includes the impact of expected future share repurchases and anticipated 2026 dividends.

United Parcel Service, Inc. (UPS) – Announced first-quarter 2026 consolidated revenues of US\$21.2 billion. Consolidated operating profit was US\$1.27 billion; adjusted consolidated operating profit was US\$1.32 billion. Diluted earnings per share (EPS) were US\$1.02 for the quarter; non-Generally Accepted Accounting Principles (non-GAAP) adjusted diluted earnings per share were US\$1.07. For the full year 2026, UPS reaffirmed its consolidated financial targets of revenue of approximately US\$89.7 billion and non-GAAP adjusted operating margin of approximately 9.6%.

Verizon Communications Inc. (Verizon) - Reported first-quarter 2026 results, and increased 2026 guidance citing accelerating momentum in its strategic transformation. Total operating revenue was US\$34.4 billion, up 2.9 percent year-over-year (YoY). This result was driven in part by the company's disciplined approach to promotional spending and the resulting moderated upgrade activity, which impacted wireless equipment revenue. Adjusted earnings per share (EPS), excluding special items, grew to 1.28 in first-quarter 2026, a 7.6 percent increase year-over-year and the best quarterly growth rate since 2021. Verizon increased full year 2026 guidance to adjusted earnings per share (EPS) of 4.95 to 4.99, or year-over-year growth of 5.0 to 6.0 percent.



LIFE SCIENCES



GO TO
PORTLAND LIFE
SCIENCES
ALTERNATIVE FUND¹

Amgen Inc. (Amgen) – reported first quarter (Q1) 2026 revenues of US\$8.62 billion, up 6% year over year, and non Generally Accepted Accounting Principles (non GAAP) earnings per share (EPS) of 5.15, beating consensus estimates. Growth was primarily volume driven at 9%, with net pricing down approximately 2%, and 16 products delivered double digit growth led by Repatha, EVENITY, and the innovative oncology portfolio. Despite the earnings beat, performance was weighed down by continued erosion in legacy products, with Prolia declining 34% and Enbrel and Xgeva facing similar pressure from biosimilar competition and Medicare Part D prescription drug pricing reforms. Additional overhang came from the United States Food and Drug Administration (FDA) proposal to withdraw Tavneos approval, citing lack of substantial evidence of effectiveness and alleged misstatements in the original application. Management raised full year 2026 guidance to revenue of US\$37.1–38.5 billion, with newer growth drivers and pipeline assets like MariTide viewed as longer term rather than near term offsets to legacy declines.

Arvinas, Inc. (Arvinas) – and its partner Pfizer Inc. (Pfizer) announced that the United States Food and Drug Administration (FDA) granted approval for VEPPANU (vepdegestrant) for adults with estrogen receptor positive (ER positive), human epidermal growth factor receptor 2 negative (HER2 negative), estrogen receptor 1 (ESR1) mutated advanced or metastatic breast cancer, following at least one line of endocrine therapy. The approval is historically notable as the first time the FDA has approved a PROteolysis TArgeting Chimera (PROTAC) therapy. Approval arrived ahead of the June 5, 2026, Prescription Drug User Fee Act (PDUFA) date, and in the pivotal VERITAC 2 trial among ESR1 mutant patients, vepdegestrant reduced the risk of disease progression or death by 43% compared to fulvestrant. Arvinas and

Pfizer have indicated they will not commercialize the drug themselves and are actively seeking a third party partner to handle its launch.

Bicycle Therapeutics plc (Bicycle Therapeutics) – ended first quarter (Q1) 2026 with US\$559.5 million in cash, a runway the company expects to extend into 2030, while collaboration revenue fell sharply to 887,000 from 9.98 million in the prior-year period. Bicycle Therapeutics is no longer a collaboration-revenue-driven story and is instead transitioning toward a model centered on its wholly owned pipeline and clinical data-driven value creation. The emerging lead asset is nuzefatide pevedotin, an EPH receptor A2 (EphA2)-targeting drug conjugate, with a Phase 2 pancreatic cancer trial now enrolling after the first patient was dosed in April 2026. On the zelenectide front, the Duravelo-2 trial showed response rates in metastatic urothelial cancer comparable to standard of care, with a differentiated tolerability profile. Zelenectide is a Bicycle toxin conjugate (BTC) that targets Nectin-4 (NECTIN4)-expressing tumor cells, delivering a cytotoxic payload to enhance precision and limit off-target toxicity. The trial is being converted to a randomized Phase 2, while the Duravelo-3 and Duravelo-4 trials in NECTIN4-amplified breast and lung cancers are being discontinued. Initial Duravelo-2 data are expected at the American Society of Clinical Oncology (ASCO)

ICON Public Limited Company (ICON) – announced on April 29 that its Audit Committee completed its investigation into certain accounting practices and controls, with findings primarily related to revenue recognition. ICON said revenue was overstated in 2023 and 2024, with the overstatement in each year below the previously disclosed upper limit of 2 percent, and that similar issues were identified in 2025 with a smaller revenue impact than in the prior years. The company plans to restate 2023, 2024, and the first nine months of 2025, and reaffirmed that the issue had no impact on customers, operations, or cash flow. ICON's 2025 financial statements and external audit are still being finalized, and the company said the eventual Form 20 F (annual report filed with the United States Securities and Exchange Commission by foreign private issuers) will include details of material weaknesses and remediation plans. Chief Executive Officer (CEO) Barry Balfe said the company will provide a broader business update after the audit process is complete.

RadNet, Inc. (RadNet) – announced on April 30 a new joint venture with Saint Alphonsus Health System, part of Trinity Health, through the acquisition of a majority equity position in Intermountain Medical Imaging, which owns five outpatient multi modality imaging centers in Boise, Idaho. The joint venture includes three outpatient imaging centers in Meridian and Eagle and imaging facilities at two Saint Alphonsus medical centers, offering magnetic resonance imaging (MRI), computed tomography (CT), positron emission tomography/computed tomography (PET/CT), mammography, ultrasound, X ray and related procedures. RadNet will manage operations, while Gem State Radiology will continue providing professional radiology services through nearly 30 radiologists. RadNet said the centers will deploy DeepHealth solutions (RadNet's health informatics and artificial intelligence (AI) platform for imaging workflow, radiology reporting, patient engagement and clinical AI tools) and projected the joint venture will generate about US\$ 30 million of annual revenue for RadNet.

Relay Therapeutics, Inc. (Relay) – reported Phase 1/Phase 2 data from the ReDiscover study evaluating its phosphoinositide 3 kinase alpha (PI3Kα) inhibitor, zovogalisib, plus Pfizer Inc.'s (Pfizer) investigational cyclin dependent kinase 4 (CDK4) inhibitor, atimociclib, and fulvestrant in phosphatidylinositol 4,5 bisphosphate 3 kinase catalytic subunit alpha (PIK3CA) mutated,

hormone receptor positive (HR positive)/human epidermal growth factor receptor 2 negative (HER2 negative) metastatic breast cancer. Among 34 evaluable, heavily pretreated median third line patients, the triplet achieved a 44 percent objective response rate (ORR), approaching the 53–55 percent ORR seen with standard of care doublets in the frontline setting. Tolerability was a key highlight given the historical limitations of PI3Kα inhibitors, with zero Grade 3 (severe) hyperglycemia observed despite 47 percent of patients being pre diabetic and only 3 percent discontinuing due to treatment related adverse events. Based on these results, Relay plans to initiate a randomized Phase 3 trial versus a cyclin dependent kinase 4/6 (CDK4/6) inhibitor plus aromatase inhibitor doublet in early 2027, with Pfizer supplying both atimociclib and palbociclib for the study and Relay retaining full global rights and full trial sponsorship.

Telix Pharmaceuticals Limited (Telix) – announced that its marketing authorization application (MAA, a formal request submitted to regulatory authorities for approval to market a medicinal product) filed in Europe for TLX101 Px (Pixlumi), a glioma brain cancer imaging candidate, has been validated and accepted for review, entering a 210 day active assessment phase. National marketing authorizations in key European markets are expected to follow shortly after a positive Day 210 outcome. There is currently no generally available commercial product for positron emission tomography (PET) imaging of glioma using fluorine 18 fluoroethyl L tyrosine (18F FET) in Europe, underscoring the acute unmet medical need this product aims to address.



NUCLEAR ENERGY

Bloom Energy Corporation (Bloom Energy) – reported first quarter (Q1) 2026 revenue of US\$ 751.1 million, up 130.4 percent year over year (y/y), driven by product revenue of 653.3 million, up 208.4 percent y/y, while service revenue rose 15.6 percent to 61.9 million. Gross margin was 30.0 percent on a Generally Accepted Accounting Principles (GAAP) basis and 31.5 percent on a non Generally Accepted Accounting Principles (non GAAP) basis, with non GAAP product margin of 35.3 percent and service non GAAP margin improving to 18.0 percent. Operating income was 72.2 million, versus a 19.1 million loss last year, and operating cash flow was 73.6 million, positive for the first time in a Q1. Bloom Energy raised full fiscal year 2026 (FY26) guidance to 3.4 billion–3.8 billion of revenue, 34 percent non GAAP gross margin, 600 million–750 million of non GAAP operating income, and 1.85–2.25 of non GAAP earnings per share (EPS). Management said Bloom Energy is adding manufacturing capacity continuously, by hundreds of megawatts per quarter, while every product sale has an attached long term service contract, with data center contracts typically averaging 10–15 years.

Doosan Enerbility Co., Ltd. (Doosan Enerbility) – reported results for the first quarter (Q1) 2026. Orders reached KRW 2.8 trillion, up 61.8 percent year on year (YoY), backlog increased 45.9 percent to 24.1 trillion, sales rose 20.3 percent to 1.9 trillion, and earnings before interest and tax (EBIT) improved to 57 billion versus a 1 billion loss in Q1 2025. EBIT margin expanded to 3.0 percent from minus 0.1 percent, while earnings before interest, tax, depreciation and amortization (EBITDA) increased to 100 billion. Net income remained negative at 38 billion, and net debt increased to 3.5 trillion, with liability to equity broadly stable at 140.7 percent. The key operating drivers were domestic and North American Doosan gas turbines and steam turbine generators (DGT/STG) orders, Czech nuclear equipment revenue, DGT sales,

and stronger progress on Middle East, North Africa (MENA) combined cycle power plant (CCPP) projects. Management attributed the EBIT improvement to higher sales and improved profitability from core growth businesses, consistent with the company's broader mix shift strategy toward nuclear, gas and hydrogen, combined cycle power plant engineering, procurement and construction (CCPP EPC) and renewables. That said, order intake in the quarter was more turbine led than nuclear. Q1 orders included 2.0 trillion from gas and hydrogen and 0.6 trillion from nuclear. However, the remaining 2026 order pipeline is materially more nuclear weighted, with management targeting 3.5 trillion of large scale nuclear, 1.0 trillion of small modular reactors (SMR) and 0.3 trillion of nuclear services. The management's 2026 plan remains ambitious: 13.3 trillion of orders, 7.4 trillion of sales, 396 billion of EBIT and a 5.4 percent margin. By 2030, the company targets 16.4 trillion of orders, 11.7 trillion of sales, 1.15 trillion of EBIT and a 9.9 percent margin. This implies sales growth of approximately 58 percent from 2026 to 2030, but EBIT growth of nearly three times. The margin expansion is expected to come from coal run off, a greater mix of equipment and services, large nuclear and small modular reactor revenue ramp, gas turbine growth, long term maintenance service, and continued combined cycle power plant engineering, procurement and construction activity.

PRIVATE CREDIT

Regulatory warnings intensified across the U.S. over the past week, reinforcing concerns that stresses in private credit could extend beyond the asset class itself. On April 21, the U.S. Securities and Exchange Commission (SEC) reiterated that it is closely monitoring "emerging pressures" in private credit, citing persistent redemption activity, rising default rate projections, and continued opacity around valuations and credit quality. These concerns were echoed again on May 3, when Federal Reserve Vice Chair for Supervision Michael Barr cautioned that stress in private credit could trigger "psychological contagion" and contribute to a broader credit tightening, particularly given growing links between private lenders, insurers, and traditional financial institutions. The messaging suggests regulators are increasingly focused on sentiment driven risks and confidence effects rather than immediate balance sheet contagion.

Despite the heightened scrutiny, market activity and capital flows remained resilient. According to Bloomberg Inc. and Thomson Reuters Corporation reporting, large private credit managers continued to access capital and transact, even as volatility persisted. April saw several notable transactions and valuations adjustments, including high profile mark downs in software related portfolios and renewed caution toward late cycle credits exposed to artificial intelligence spending risks. At the same time, parts of the investor base have begun to differentiate more aggressively between managers and strategies, with some institutions reducing exposure to certain private credit funds while others selectively added risk, viewing recent price weakness as a tactical entry point.

In Europe and Canada, the tone was similarly mixed. European private credit funds faced increasing pressure to manage underperforming assets as financing costs and exit timelines extended, reinforcing concerns that funds may become reluctant long term owners rather than transitional lenders. In Canada, market commentary increasingly aligned with global regulatory narratives, highlighting parallels with U.S. and European oversight efforts focused on leverage, transparency, and valuation discipline. Overall, the week

underscored a maturing private credit market: regulators are growing more vocal about tail risks and interconnectedness, while investors and managers alike are adjusting expectations toward slower exits, greater dispersion of returns, and heightened emphasis on underwriting quality and liquidity management rather than headline yield alone



ECONOMIC CONDITIONS

Canadian Gross Domestic Product (GDP) increased +0.2% month over month (m/m) in February, in line with Statistics Canada's advance guidance and market expectations. Only 8 of 20 industries recorded growth, suggesting the expansion was positive but not broad-based. Goods-producing industries rose for a third consecutive month (+0.4% m/m), while services edged higher (+0.1% m/m). Manufacturing contributed most to goods-sector growth (+1.8% m/m), supported by strength in machinery and transportation equipment. Mining, quarrying, and oil and gas extraction also contributed (+0.4% m/m). Within services, gains in finance and insurance (+0.3% m/m), wholesale trade (+0.9% m/m), and transportation and warehousing (+1.2% m/m) were partly offset by weakness in the public-sector aggregate (-0.3% m/m), while advance guidance points to flat GDP growth in March.

U.S. Housing starts rose 10.8% m/m in March to 1.50 million (annualized) units, stronger than consensus expectations for 1.38 million units. March's uptick in housing starts was driven by strength in the single and multi-family segments, with the former up 9.7% m/m and the latter up 13.3% m/m. However, residential permits fell 10.8% m/m to 1.37 million annualized units in March pointing to weaker activity ahead. Permitting activity declined in both the single-family segment (-3.8% m/m) and the multi-family segment (-21.5% m/m).

U.S. Personal income jumped 0.6% m/m in March, ahead of market expectations for a 0.3% increase. Consumer spending surged 0.9% m/m in nominal terms, in line with market expectations, driven by increased spending at gas stations. Spending on gasoline jumped 19.2% due to higher prices. When adjusted for inflation, spending growth remained modest at 0.2% m/m. Consumers also cut back gasoline consumption in volume terms, with real sales of gasoline down 1.4% in March. Spending on goods rose by 0.6% m/m in real terms, supported by higher sales of motor vehicles and parts (+2.4% m/m), furniture (+1.5% m/m) and non-durable goods (+0.9% m/m). Service spending edged only slightly higher (+0.1% m/m), with reduced spending on transportation services (-0.5% m/m), utilities (-0.3% m/m) and flat spending on accommodation & food services. With spending outpacing disposable income, the personal saving rate dropped to 3.6%, down from the downwardly revised 3.9% in the prior month and the lowest rate since the end of 2022.

U.S. Core Personal Consumption Expenditures Price Index (PCE), The Federal Reserve's preferred underlying inflation gauge, rose +0.3% m/m in March, following a +0.4% increase in February. On a year-over-year basis, core PCE accelerated to +3.2%, up from +3.0% previously and still materially above the Fed's 2% target.

U.S. real GDP expanded +2.0% quarter over quarter (q/q) annualized in Q1 2026, below the +2.3% consensus forecast but faster than fourth quarter (Q4) 2025's +0.5% pace. Growth was led by private investment,

with business investment rising +10.4%, driven by equipment (+17.2%) and intellectual property products (+13.0%), both consistent with continued Artificial Intelligence (AI)/data-center buildout. Several economists noted that AI-related equipment, software, and computing investment made a meaningful contribution to growth, while investment outside the AI complex remained softer. Consumer spending increased +1.6%, with goods spending flat and services up +2.4%, suggesting household demand remained positive but less forceful. Structures investment declined (-6.7%) for the ninth consecutive quarter, while residential investment fell (-8.0%), reflecting ongoing weakness in rate-sensitive real estate activity. Government spending rebounded (+4.4%) after the Q4 shutdown-related decline, while net trade subtracted 1.3 percentage points from growth as imports surged (+21.4%) and exports rose (+12.9%).

The U.S. Institute for Supply Management Manufacturing Index (ISM Manufacturing Index) was unchanged at 52.7 in April, remaining in expansionary territory for a fourth consecutive month. This is the longest streak in expansionary territory since 2022 and just below consensus expectations of 53.0. Growth across industries remained broad, with 13 of 18 manufacturing sectors reporting expansion, the same as in March. New orders picked up by 0.6 points to 54.1 in April, while production eased by 1.7 points to 53.4, leaving both components still comfortably above the 50-point expansion threshold. Meanwhile, the employment index fell deeper into contractionary territory (down 2.3 points to 46.4), reflecting a continued soft hiring backdrop. Trade-related indicators weakened. Exports fell further into contractionary territory (down 2.0 points to 47.9), while imports slowed to near-stagnation (down 2.3 points to 50.3). The prices-paid index surged 6.3 points to 84.6, its highest reading since April 2022. The supplier deliveries index also rose to 60.6 (up 1.7 points) also its highest level since mid-2022, indicating increasingly slower deliveries amid intensifying supply chain strains. Survey commentary remained largely downbeat. Roughly two-thirds of respondents' comments were negative, with nearly half of all comments mentioning the war in the Middle East and about one-fifth citing tariffs.

FINANCIAL CONDITIONS

The Bank of Canada held its policy rate at 2.25%, maintaining the level it has kept in place since October. The Bank said its outlook for growth "has not changed significantly since our January projection," despite global shocks. It noted that higher oil prices alter the composition of growth but have only a small net effect on the total. The Monetary Policy Report projects that GDP growth will be "1.2% in 2026 and 1.6% in 2027," with inflation returning to target as oil prices ease. Governing Council judged that "a policy rate close to current settings looks appropriate" if oil prices decline and tariffs remain unchanged. However, risks are elevated, noting that should "significant new trade restrictions" be imposed on Canada by the U.S., more cuts may be needed. Conversely, if oil prices continue to rise, and remain elevated, "the risk that higher energy prices become ongoing generalized inflation increases" raising the prospect for "consecutive increases in the policy rate".

The Federal Open Market Committee (FOMC) held the policy rate steady at the target range of 3.5%-3.75% for a third consecutive meeting. There were only a few minor changes to the policy statement. While the Committee still views economic activity as expanding at a solid pace, it was noted that the "developments in the Middle East are

contributing to a high level of uncertainty about the economic outlook". The wording on inflation was also tweaked, with the Committee now seeing it as "elevated" as opposed to "somewhat elevated". Eleven of the twelve FOMC members voted in favor of today's decision, though three of those participants voted against maintaining an easing bias in the statement. Only Stephen Miran dissented in favor of a 25-basis points (bps) cut.

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 0.55%. 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 6.3%. Existing U.S. housing inventory is at 4.1 months supply of existing houses as of May 4, 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 Cboe Volatility Index (VIX) is at 18.73 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

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.

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