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NEWS HIGHLIGHTS

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

NOVEMBER 28, 2022

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OWNER OPERATED COMPANIES



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ALTERNATIVE FUND
COMPANY NEWS

Brookfield Asset Management Inc. (“Brookfield”)– Brookfield announced a distribution record date of December 2, 2022 for the previously announced transaction for the public listing and distribution of a 25% interest in Brookfield’s asset management business, through the Manager, by way of a plan of arrangement (“Arrangement”). The transaction will result in the division of Brookfield into two publicly traded companies the Corporation (Brookfield will be renamed Brookfield Corporation) and the Manager (Brookfield Asset Management Ltd.). Brookfield has now received board, shareholder and court approval, as well as all material regulatory approvals. Subject to the satisfaction or waiver of the remaining conditions to the Arrangement, it is expected the Arrangement will become effective at the close of business on December 9, 2022. The New York Stock Exchange (“NYSE”) and the Toronto Stock Exchange (“TSX”) will both implement if, as and when-issued and due bill trading commencing December 1, 2022 and ending at the close of business on December 9, 2022. During this period, these designations will impact how the Class A limited voting shares of the Corporation and the Manager trade on both exchanges. The Corporation Class A shares and the Manager Class A Shares are expected to commence trading on the NYSE and the TSX under the symbols BN and BAM, respectively, on December 12, 2022. The transaction will enable Shareholders to access a leading pure-play global alternative asset management business, through the Manager. Brookfield Corporation will continue focusing on deploying capital across its operating businesses, growing its cash flows and compounding capital over the long term.

Amazon Web Services (“AWS”) – AWS announced that it has launched a second AWS infrastructure region in India – the AWS Asia Pacific (Hyderabad) Region – providing businesses with greater choice for running their applications. “The launch of the AWS Asia Pacific (Hyderabad) Region supports India’s digital transformation and is part of our long-term investment in the country since opening our first office in 2011. Customers and partners in India will now have additional regional infrastructure to deploy applications with greater resilience, availability, and even lower latency,” said Prasad Kalyanaram, Vice President of Infrastructure Services at AWS. “We are proud to invest in the future of the Indian technology community and workforce, and we are committed to helping organizations across industries increase agility and drive innovation.” AWS now has 96 Availability Zones across 30 geographic regions, and it plans to launch 15 more Availability Zones and five more AWS Regions.

Alphabet Inc. (“Google”) - The UK’s Competition and Markets Authority (“CMA”) recently launched an investigation into the mobile browser market, specifically Apple Inc. (“Apple”) and Google’s competitive positioning. The regulatory entity indicated that it would delve into the companies’ “stranglehold” over browsing as well as Apple’s control of the cloud gaming sector via its App Store, and the agency also added that Google and Apple supported 97% of all web browsing in the UK in 2021. Sarah Cardell, interim chief executive of the CMA, commented, “Many UK businesses and web developers tell us they feel that they are being held back by restrictions set by Apple and Google,” she said. “We plan to investigate whether the concerns we have heard are justified and, if so, identify steps to improve competition and innovation in these sectors.”

SoftBank Group Corp. (“SoftBank”)– Global travel-tech firm OYO Rooms (“OYO”) has reported eight times rise in adjusted earnings before interest, taxes, depreciation, and amortization (“EBITDA”) at ₹56 crore in its second quarter financial results. The EBITDA was at ₹7 crore in the first quarter. The primary driver for the EBITDA rise is a 23% monthly rise in

in monthly revenue per hotel, also called Gross Booking Value (“GBV”) per hotel per month, during the second quarter to around ₹4 lakh. The monthly increase in GBV per hotel is due to improved occupancy and higher average room rents as travel returns, the company said. The markets regulator had given OYO the permission to submit updated financials before it examined and finally processed the company’s initial public offering (“IPO”) application. OYO, which pushed its plans to go public to next year, facilitates hotels, homestays and lodging bookings. The results come after OYO’s valuation in the private market last month dipped to around US\$6.5 billion, following reports that suggested that its investor SoftBank has slashed the valuation of OYO Hotels on its books by more than 20%. The company aims to launch its initial public offering in the first quarter of 2023 looking at a valuation of around \$7-8 billion, down from its initial estimates of around \$10 billion when it first filed the draft papers. During the second quarter of this fiscal year, OYO has reduced its marketing, administrative and employee costs. Employee expenses net of share-based payment expenses constituted the largest component on the cost side, at 18% of the revenues, followed by marketing expenses at 14% and general and admin expenses at 7% of the revenues for the first half of fiscal year 2023 the company said. For the first half of fiscal year 2023, OYO’s revenues increased by 24% year-on-year to ₹2,905 crore while the adjusted EBITDA improved to ₹63 crore profit from a loss of ₹280 crore in the first half of the previous financial year ending March 2022. The firm says it now focuses on four main regions: India, Malaysia, Indonesia and Europe, where it manages vacation homes and has cut down operations in markets it previously considered crucial, such as the U.S. and China. Besides SoftBank, OYO’s other shareholders include Singapore’s Grab Holdings Limited, China’s Huazhu Hotels Group and the family office of Sunil Munjal of India’s Hero Group.

Reliance Industries Limited (“Reliance”)– On November 23, Reliance Jio Infocomm Limited (“Jio”) announced that Jio 5G will now be available in Pune, India thereby providing unlimited 5G Data at up to 1 Gbps speeds. Jio begins beta testing of its 5G network in a city only when a large part of the city is covered by its standalone true 5G network, so that Jio customers get good coverage and experience the most advanced Jio 5G network. As expected, the data usage on Jio’s True 5G network is many-a-times higher than the current data consumed on Jio’s 4G network. What stands out is that this data experience is being delivered at speeds ranging anywhere between 500 Mbps to 1 Gbps and at extremely low latency that enables use-cases across various verticals that only a 5G network can bring to life. Pune has a large student population and is regarded as a leading information technology (“IT”) hub, as well as one of the most important automobile and manufacturing hubs in India.

Samsung Electronics Co., Ltd. (“Samsung”) - Yoon Suk Yeol, South Korean President, and Mark Rutte, Dutch Prime Minister, discussed ways to enhance economic security ties, seeking cooperation in the chip industry after U.S. export curbs to China rattled the global semiconductor market. The two underscored the significance of further strengthening existing collaboration between the two countries’ semiconductor industries and expressed their intention to support the private sector in order to sustain a resilient supply chain in that sector, according to a joint statement released after their summit in Seoul Thursday. The U.S. has been pressuring allies and partners including South Korea and the Netherlands to comply with the sweeping curbs on the sale of advanced chips in a policy aimed at preventing China’s

advance in a range of cutting-edge technologies that could threaten America’s status as the world’s pre-eminent power.

Xi Jinping, Chinese President, this week urged the Dutch leader to avoid decoupling as the U.S. pressures the Netherlands. In the Netherlands, home of ASML Holding N.V. (“ASML”), which has a virtual monopoly on a type of machine needed to make the most advanced chips, people familiar with the talks with the Biden administration described the U.S. as applying a great deal of pressure.

ASML holds a role as a linchpin of the US\$580 billion global chip industry. It’s also a key supplier to Samsung, which hosts one of the two centers outside the Netherlands that train semiconductor engineers to fabricate cutting-edge chips on ASML machines.

The meeting comes a day after Peter Wennink, ASML’s Chief Executive Officer attended a groundbreaking ceremony of its maintenance and training centers in South Korea, in which the company invested 240 billion won (US\$181 million). Yoon and Rutte met in June to discuss cooperation in semiconductor and nuclear power sectors on the sidelines of the North Atlantic Treaty Organization (“NATO”) summit in Madrid. Ahead of the bilateral meeting, the two leaders and Wennink also met Jay Y. Lee, Samsung Executive Chairman and Chey Tae-won, SK Group Chairman and discussed additional investment from the Dutch manufacturer.

LIFE SCIENCES

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PORTLAND LIFE SCIENCES ALTERNATIVE FUND¹

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ITM AG INVESTMENT LP¹

Lantheus Holdings, Inc. (“Lantheus”) – Lantheus announced that the Center for Drug Evaluation (“CDE”) of China’s National Medical Products Administration (“NMPA”) has approved the Import Drug License (“IDL”) for Perflutren Lipid Microsphere Injectable Suspension (marketed as DEFINITY in the U.S.), the company’s diagnostic ultrasound enhancing agent for patients with suboptimal echocardiograms. The company’s partner, China Resources Double-Crane Pharmaceutical Co., Ltd (“CR Double-Crane”), will be responsible for commercializing DEFINITY in China under a local brand name. Under the distribution agreement, Lantheus will supply DEFINITY to CR Double-Crane for a launch in China. With this approval, DEFINITY is indicated in China for use in patients with suboptimal conventional echocardiography and to better identify the left ventricular endocardial border. Lantheus entered into a development and distribution arrangement with CR Double-Crane for the commercialization of DEFINITY in China, Hong Kong and Macau. As part of the agreement with Lantheus, CR Double-Crane conducted confirmatory clinical trials with DEFINITY on Lantheus’ behalf in pursuit of cardiac, liver and kidney imaging indications, as well as a pharmacokinetic study.

RadNet, Inc. (“Radnet”) – Radnet reported that its lung artificial intelligence subsidiary, Aidence, and Google Health, a division of Alphabet, Inc. announce an agreement to license Google Health’s artificial intelligence (“AI”) research model for lung nodule malignancy prediction on computed tomography (“CT”) imaging. Aidence will develop, validate and bring this model to the market to support the early and accurate diagnosis of lung cancer and the reduction of unnecessary procedures in screening programs. Lung cancer screening with low-dose CT has been shown to significantly reduce lung cancer mortality by as high as 24% for men and 33% for women, according to the 2020 NELSON trial. Screening initiatives are increasingly being implemented in Europe, such as the UK’s Targeted Lung Health Checks. In the U.S., eligibility criteria have recently been broadened, further reflecting the benefit of lung cancer screening. A major difficulty in lung cancer screening is establishing the nature of detected lung nodules. Most of these nodules are not cancerous. However, properly identifying and diagnosing such nodules can be time-consuming, costly, anxiety-inducing for patients and their families and sometimes invasive, requiring follow-up CTs or surgical interventions. Aidence and Google Health intend to complete an AI application for lung nodule malignancy prediction. In this collaboration, Google Health will provide its scientific expertise. Aidence will further develop the model into a solution for clinical practice and bring it to market, complying with relevant data privacy requirements and regulatory standards. The development of this AI application is a statement of intent and no regulatory market applications have been made and no orders for sale are being taken. Mark-Jan Harte, Aidence co-founder and CEO, said, “Our mission at Aidence is to give lung cancer patients a fighting chance. This strategic partnership with Google Health allows us to accelerate and expand our efforts toward achieving it”.

Telix Pharmaceuticals Limited (“Telix”)– Telix announced that a first patient has been dosed in a Phase II investigator-initiated study of TLX101 in combination with external beam radiation therapy (“EBRT”) in patients with recurrent high-grade gliomas (“HGG”), including glioblastoma multiforme (“GBM”). TLX101 (4-L-[131I] iodo-phenylalanine, or 131I-IPA) is one of Telix’s lead therapeutic clinical programs and has been granted orphan drug designation in the U.S. and Europe. TLX101 targets L-type amino acid transporter 1 (“LAT-1”), typically over-expressed in many malignant tumours, including HGG/GBM. The IPAX-Linz study, which is being led by Professor Josef Pichler at Kepler University Hospital in Linz, Austria, builds on data generated in the IPAX-1 study. The final results of the IPAX-1 study, reported in September 2022, demonstrated a favourable safety profile and encouraging preliminary therapeutic effect. IPAX-Linz will continue to study the benefit of TLX101 to patients in the second line (refractory) setting at this leading neuro-oncology site in Europe. Targeting recruitment of 10 patients, the goal of this study is to gather additional data on clinical utility. IPAX-Linz will run concurrently with IPAX-2, which is evaluating TLX101 in combination with post-surgical standard of care comprised of EBRT and temozolomide in newly diagnosed (first line) GBM patients. Dr. Colin Hayward, Chief Medical Officer of Telix added, “We are pleased to have commenced the IPAX-Linz study, which alongside IPAX-2 supports Telix’s goal to expedite the development of a potential new therapy in an aggressive cancer with poor prognosis. We would like to thank Professor Josef Pichler and his clinical team at Kepler University Hospital, as well as the patients who will contribute to this important study”.

OncoBeta GmbH (“OncoBeta”) – OncoBeta has launched The Spot Detective campaign to rally Australians in the fight against skin cancer this summer. With two out of three Australians diagnosed with skin cancer before the age of 70, it is vital for all Australians to have regular skin checks. The Spot Detective campaign is encouraging Australians to visit a Spot Detective – their general practitioner, dermatologist or skin health specialist – to have their spots assessed and to learn about the various treatments available for those diagnosed with non-melanoma skin cancer. The Spot Detective campaign is asking Australians to take action: if they see a skin spot that is suspicious, new, oddly shaped or has changed in colour then it is time to get it checked. The campaign includes a series of LIVE reads across 2GB and WSFM in Sydney and 3AW and Gold 104.3 in Melbourne, as well as a social media and digital marketing campaign, and free skin check pop-ups at various locations. Another health initiative from OncoBeta, this public awareness campaign also encourages anyone diagnosed with non-melanoma skin cancer to be well informed about all treatments and discuss their most suitable options with a healthcare professional. OncoBeta’s skin cancer therapy which utilizes the rhenium-188 isotope is now available at private clinics at Melbourne and Sydney. Patients with difficult anatomic localizations of a tumour, such as the ear, nose or anywhere on the face, and those with larger lesions problematic for plastic surgery, may benefit from this non-invasive solution. “With one of the highest incidences of skin cancer in the world, Australians need to be vigilant with their skin. The Spot Detective campaign is a timely reminder to make sure you are protecting yourself from the sun, and if you notice any changes to your skin, check in with a skin health specialist,” added Dr. Sam Vohra, OncoBeta’s Medical Director.



ECONOMIC CONDITIONS

The French Services Purchasing Managers’ Index (“PMI”)

surprised sharply to the downside in November, falling to a 20-month low of 49.4 (market: 50.6). This marks the first time the index found itself below the 50-point level since March 2021. The weak print was in part driven by a further deterioration in demand conditions, another drop in business confidence, which fell to its lowest in two years, and an increase in uncertainty. However, both input costs and output price inflation, while remaining high, slowed to its lowest in nine months.

The German Manufacturing PMI surprised to the upside in November, increasing to 46.7 following five consecutive declines (market: 45.0). Driving the increase was in part improved material availability, easing price pressures, with the rate of input price inflation fell to a 23-month low, and a shortening of supplier delivery times. Expectations, while still at historically low levels, improved further. Despite the better than expected print, today’s notable increase in the manufacturing index does little to offset the negative trend in the series and still leaves it more than 13 points below its level in January of this year.

The UK flash PMIs surprised to the upside in November, with the manufacturing index coming in at 46.2 (market: 45.8) and the services index at 48.8 (market: 48.0)— both unchanged on the month. While new orders decreased at the fastest pace in almost two years, due to a further deterioration in manufacturing and services sector demand, an improvement in supply shortages and a lower rate of inflationary pressures supported both the manufacturing and services indices.

Moreover, the report saw an improvement in business confidence as political uncertainty dropped following recent changes in the government.

UK revised its Producer Price Index (“PPI”) data after it found some discrepancies. New numbers show that factory gate inflation in the UK is higher than previously thought. Annual PPI output inflation for January to October 2022 saw a revised higher average of 1.8%.

China against COVID-19 lockdowns have intensified. The protests mark a shift from those seen in recent years, which were against local governments. This time around, the communist party is the focus, with protesters reportedly calling for Xi to step down. Despite the protests, state media continued to defend the country’s COVID-19 policy over the weekend while cases continue to break daily records, reaching close to 40,000. In our view mass vaccination with Pfizer Inc. or Moderna, Inc. doses would work a lot better than locking people in their apartment complex.

Australia retail sales for October disappointed expectations and fell by 0.2% month over month (consensus: 0.5%), revealing a more cautious consumer spending mood after 9 straight months of increase. However, sales are still robust on an annual basis at 12.5% year over year.

FINANCIAL CONDITIONS

The European Central Bank (“ECB”) will keep raising interest rates until it brings inflation down to around its 2% mid-term goal even though the euro zone economy is heading towards recession, Luis de Guindos, ECB Vice-President said. De Guindos did not elaborate on the magnitude of the potential next interest rate rise in December but said it would depend on upcoming ECB projections and inflation readings in November.

The Bank of England must continue raising interest rates to bring inflation back to 2% despite the economic hardship facing households, two policymakers said.

The Reserve Bank of New Zealand delivered a 75 basis points hike and surpassed hawkish expectations. The Reserve Bank of England is signaling that higher interest rates are necessary and an eagerness to quickly reach the OCR peak. Thus, the Reserve Bank of England is likely leaning towards a 75 basis points hike at the February meeting, contrary to our call for a 50 basis points hike. However, there are two key data prints before the February meeting- the fourth quarter inflation and labour reports. Given that the Reserve Bank of England appears to be reactive to data related to its remit (i.e., labour and inflation), a downside miss may nudge the committee to opt for a 50 basis points hike instead.

The Riksbank raised borrowing costs by 0.75 points and signaled more tightening is needed to tame inflation even as it predicted a worsening slump for Sweden’s economy.

The U.S. 2 year over 10 year treasury spread is now -0.77% and the UK’s 2 year over 10 year treasury spread is -0.16%. 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 has increased to 6.54%. Existing U.S. housing inventory is at 2.6 months supply of existing houses - well off its peak during the Great Recession of 9.4 months and we consider a more normal range of 4-7 months.

The volatility index (“VIX:”) is 21.99 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

And Finally: *“It isn’t the mountains ahead to climb that wear you out; it’s the pebble in your shoe.” ~ Muhammad Ali*

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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, '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.

1. Not all of the funds shown are necessarily invested in the companies listed

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