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

JUNE 17, 2024

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OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND[1]

PORTLAND 15 OF 15 ALTERNATIVE FUND[1] COMPANY NEWS

Brookfield Asset Management Inc. (Brookfield)– and Alterra Management Limited (Alterra) have launched the Catalytic Transition Fund (CTF) to invest in clean energy and transition assets in emerging economies. With a US$1 billion commitment from ALTÉRRA funds, the CTF aims to catalyze up to $5 billion in total capital. Announced at the 28th meeting of the Conference of the Parties (COP28) in Dubai, ALTÉRRA is the largest private investment vehicle for climate finance, committed to deploying $30 billion to catalyze $250 billion by 2030. The CTF will focus on regions like South and Central America, South and Southeast Asia, the Middle East, and Eastern Europe, with Brookfield contributing at least 10% of the total capital. The first close is expected by the end of 2024.

LVMH Moët Hennessy Louis Vuitton(LVMH) – Accor and LVMH have formed a strategic partnership to develop the Orient Express, known for over a century for luxurious travel experiences. Acquired by Accor in 2022, Orient Express is launching new ventures, including historic trains, hotels, and sailing ships. The first sailing ship will debut in 2026, alongside the opening of hotels in Rome and Venice. LVMH will invest in the Orient Express brand, future hotels, trains, and sailing ships, bringing its expertise in high-quality travel experiences. Accor will leverage its luxury brand heritage to enhance the Orient Express project, aiming to deliver exceptional and distinctive travel experiences.

Alphabet Inc (GOOGL), Amazon.com Inc. (AMZN) Microsoft Corporation (MSFT): A proposed cybersecurity certification scheme (EUCS) for cloud services should not discriminate against the companies, 26 industry groups across Europe warned. The European Commission, European Union (EU) cybersecurity agency The European Union Agency for Cybersecurity (ENISA) and EU countries will meet this week to discuss the scheme which has undergone several changes since ENISA unveiled a draft in 2020

Amazon.com Inc (Amazon) is investing US$230 million in the form of Amazon Web Service (AWS) credits in artificial intelligence startups, the latest example of cloud providers trying to capture artificial intelligence (AI) clients from nascent stages. The credits will provide early-stage generative AI startups free access to computing power, a variety of AI models, and infrastructure, if they build their companies on AWS

Reliance Industries Ltd. (Reliance) – A joint venture between Reliance Jio Platforms and Luxembourg-based SES S.A. (SES) to provide gigabit fibre internet has won approval from the Indian space regulator to operate satellites there, a government executive said. The three approvals issued to Orbit Connect India, which aims to provide satellite-based high-speed internet access, come as companies from Amazon.com to Elon Musk's Starlink have been vying for the go-ahead to launch satellite communication services in the world's most populous nation. The authorisations have not been previously reported. They were granted in April and June from the Indian National Space Promotion and Authorisation Centre, known as IN-SPACe. These allow Orbit Connect to operate satellites above India, but further approvals are needed by the country's department of telecoms to begin operations. Reliance, which owns Jio, did not respond to an email seeking further details. Inmarsat, another company hoping to provide high-speed satellite-based internet, has also gotten approval to operate satellites over India, IN-SPACe chairman Pawan Goenka told Reuters. Two other companies, Elon Musk's Starlink and Amazon.com Inc.'s Kuiper, have applied. Eutelsat's Bharti Enterprises-backed OneWeb was given all of its approvals late last year. India's satellite broadband service market is expected to grow 36% per year over the next five years and reach $1.9 billion by 2030, according to the consultancy Deloitte. Globally, the race to connect rural areas of the world via space-based internet is accelerating. Amazon plans to invest $10 billion in Kuiper, which was announced in 2019, the year SpaceX began deploying its first operational Starlink satellites. Last week, Sri Lanka gave Starlink preliminary approval to provide internet services there. IN-SPACe will also soon authorise private companies to operate ground stations which would enable satellite operators to download data as they pass over India. Prime Minister Modi's government, which just won a rare third term, has been pushing the development of India's space industry. This year, it opened the gates for foreign direct investment in the sector, saying outside companies could invest in the manufacture of components and systems or sub-systems for satellites up to 100% without approval.

Samsung Electronics Co. (Samsung)- unveiled a number of forthcoming advancements to its technology aimed at luring makers of artificial intelligence (AI) chips to its manufacturing business. Though Samsung is the world's number 1 memory-chip maker, it has been trying to catch up with rival Taiwan Semiconductor Manufacturing Company Limited (TSCM). in the foundry market, where companies manufacture customer-designed chips. Samsung laid out its chipmaking road map and outlined its vision for the artificial intelligence era at its annual foundry forum Wednesday at its US chip headquarters in San Jose, California. The South Korean chipmaker's earnings are recovering, helped by demand for components used in AI computing systems. That's bolstering its main memory chip division and also providing opportunities to win outsourcing orders. Advances in production technology, usually signified by smaller and smaller transistor dimensions, helps improve the performance of the electronic components. The race to smaller dimensions is key to winning orders for AI processors, some of the highest performing and most expensive chips in use. The advanced process introduced by Samsung uses so-called backside power delivery network technology, which places power rails on the backside of a silicon wafer. Such technology enhances power, performance and area while significantly reducing the drop in voltage, compared with its first-generation 2-nanometer process, the company said. The company predicted on Wednesday that its AI-related customer list will expand fivefold and revenue will increase by nine times over current levels by 2028. The company announced several new types of production technology and a layout for future AI-related chips that it said will help it win customers. Samsung executives declined to comment on the status of its attempts to supply the latest advanced memory chips to Nvidia. Samsung also touted its gate-all-around technology, which is key for AI products. The company plans to mass produce its second-generation 3-nanometer process in the second half of this year and deliver Gate-All-Around (GAA) on its upcoming 2-nanometer process. In 2022, Samsung became the first in the industry to begin GAA-based 3-nanometer mass production. The chipmaker affirmed that its preparations for 1.4-nanometer are progressing smoothly, with performance and yield targets on track for mass production in 2027.

Samsung -. is combining two North American research centers focused on artificial intelligence technology and hiring an ex-Apple Inc. (Apple) executive to run the new group, according to people with knowledge of the matter. The company made the announcement internally this week, around the same time Apple kicked off a much-anticipated expansion into AI, said the people, who asked not to be identified because the changes haven't been announced. Samsung is creating a new operation called the North America AI Center, combining its teams in Toronto and Mountain View, California. Samsung's research arm "centralized" the two centers to improve operations and increase efficiency, according to an internal memo. The company didn't specify what would happen to the two offices. The move is the latest sign that the world's biggest technology companies are getting more aggressive in AI. For device makers like Samsung and Apple, such features are seen as a way to get consumers to upgrade their technology more frequently. Former Apple executive Murat Akbacak will head up the division. At the iPhone maker, Akbacak was "responsible for defining and executing the strategy for Siri, Apple's personal digital assistant, focusing on personalization, contextualization, and advancements in conversational and multimodal AI," according to the memo. Representatives for Samsung and Apple declined to comment. A key aspect of Apple's AI announcement on Monday was making Siri more personalized and able to understand the context of requests. The company also unveiled features that help users organize their notifications across its iPhone, iPad and Mac operating systems, part of a system it calls Apple Intelligence. Earlier in his career, Akbacak was an AI researcher and worked on voice assistants at Microsoft Though Apple Intelligence uses OpenAI technology to power a chatbot, the majority of the features were designed in-house. Samsung, on the other hand, primarily uses Alphabet Inc.'s Google Gemini technology to support its AI capabilities. Toronto has been a hotbed of AI research, and a source of talent for major tech companies. Technologies created in Canadian research centers became part of Meta Platforms Inc.'s (Meta) facial recognition algorithms, Google's Photos app and smartphone voice recognition.

Altice USA Inc. (Altice) - It's been almost three months since Altice France warned its €24 billion of debt holders to prepare for haircuts. Prices tumbled, dragging down Patrick Drahi's other two units, Altice USA and International, and threatening to wreak havoc in pockets of the leveraged finance world that had been considered safe. But what came as a sudden shock was followed by silence, so much so that in the most recent earnings call management didn't want to take any questions from investors. For many involved, the battle between the French telco billionaire and his creditors now resembles a game of chicken in which no one wants to make the first move. Creditors have been waiting for Altice to tell them exactly what it wants, but they got very few hints so far and trust is running low. The company had said last year it wanted to sell assets to bring down the debt. Altice was running several sales processes when it announced it was seeking "discounted transactions" on March 20. On their side, lenders and bondholders have kept mum. Making the first move to indicate an acceptable haircut figure would mean setting for themselves a ceiling of how much they can recover when the company doesn't seem to have an immediate cash problem. Most creditors organized in two separate groups and signed cooperation agreements to protect themselves from bad outcomes and reduce the possibility of infighting. Under those agreements, debtholders can't decide to accept a deal on their own but instead need to stick to what the majority of the creditors have agreed to do. Those cooperation pacts, almost a novelty for European creditors but rather common in the US, are in place for a number of months, with the possibility of being extended. With bondholders and lenders joining forces, Altice has a further incentive to wait. After the co-op pact agreements expire, it could try to break their ranks and lure some of the investors into an advantageous deal at the expense of the rest of the pack. If worse comes to worst, the company could always brandish the threat of a restructuring, which promises to be more painful for everyone involved. But while things are looking quiet on the surface, there is some movement underneath. JPMorgan Chase & Co. (JPMorgan), which is advising Altice, has been reaching out to investors individually to discuss options to illustrate how a 20% haircut for secured creditors could still be a positive outcome compared to where the debt is trading now.

DIVIDEND PAYERS

GO TO PORTLAND GLOBAL BALANCED FUND[1]

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Amgen Inc. (Amgen) – has received US Food and Drug Administration (FDA) approval for BLINCYTO® (blinatumomab) in the consolidation phase treatment of CD19-positive Philadelphia chromosome-negative B-cell precursor acute lymphoblastic leukemia (B-ALL). This approval marks BLINCYTO® as the first and only bispecific T-cell engager (BiTE®) therapy approved for consolidation treatment, independent of measurable residual disease (MRD) status. Clinical data demonstrated that adding BLINCYTO® to multiphase consolidation chemotherapy reduced the risk of death by 58% and showed superior overall survival compared to chemotherapy alone.

Arvinas Inc. (Arvinas) – has announced the promotions of Ian Taylor, Ph.D., and Angela Cacace, Ph.D. Dr. Ian Taylor has been promoted to the position of President of Research and Development, while Dr. Angela Cacace will succeed Dr. Taylor as Chief Scientific Officer of the company. Both appointments are effective immediately, and they will report directly to John Houston, Ph.D., who serves as Chairperson, President, and Chief Executive Officer of Arvinas.

BeigeneLtd (Beigene)– presented new data from the SEQUOIA study at EHA2024, evaluating the combination of BRUKINSA® (zanubrutinib) with venetoclax in treatment-naïve patients with high-risk chronic lymphocytic leukemia (CLL) and/or small lymphocytic lymphoma (SLL) carrying del(17p) and/or TP53 mutation. The preliminary findings from arm D of the study showed promising efficacy, with an overall response rate (ORR) of 100% among 65 response-evaluable patients. Additionally, 48% achieved a complete response (CR) or CR with incomplete hematopoietic recovery. The safety profile of the combination was consistent with prior studies of BRUKINSA, with no new safety concerns identified.

Perspective Therapeutics Inc. (Perspective) – has announced a 1-for-10 reverse stock split. This action means that beginning June 17, 2024, Perspective's common stock will trade on the New York Stock Exchange (NYSE) American under the existing symbol "CATX" but with a new CUSIP number 46489V302, adjusted for the split.

Perspective. has announced its inclusion in the Russell 3000 Index. This milestone will take effect during the annual reconstitution of the Russell US Indexes, starting with the opening of US equity markets on July 1, 2024.

Telix Pharmaceuticals Limited (Telix)– has decided to withdraw its proposed initial public offering (IPO) in the United States, citing market conditions that did not align with the company's valuation expectations. Despite this decision, Telix has achieved significant milestones since announcing its intention to file (ITF) in January 2024. These include positive therapeutic pipeline data, strategic acquisitions, and submissions to the FDA. The company's strong performance has been reflected in its share price, which has risen from AUD $9.53 at ITF to AUD $16.46 at the latest trading close, reaching highs of AUD $19.06.

NUCLEAR ENERGY

Bloom Energy Corp. (Bloom) – has appointed Gary Pinkus, Chairman of McKinsey & Company Inc. (McKinsey) in North America, to the Board of Directors. With nearly 40 years at McKinsey, Mr. Pinkus has built extensive governance and leadership experience, particularly in the energy sector. He co-founded and led McKinsey's global Private Equity & Principal Investors practice and advises a range of energy companies from major corporations to startups, helping them navigate towards net-zero emissions. Pinkus's appointment is expected to leverage his deep industry knowledge to support Bloom Energy's growth and profitability strategies.

BWX Technologies, Inc. (BWXT)– announced a significant contract award from the U.S. Department of Energy's National Nuclear Security Administration (NNSA) for the management and operations of the Pantex Plant. The contract, initially spanning five years with the potential for three additional five-year option periods, could extend to a total of 20 years and is valued at approximately $30 billion. The contract was awarded to PanTeXas Deterrence LLC (PXD), a joint venture led by BWXT, along with partners Fluor Corporation, SOC (A Day & Zimmermann Company), and The Texas Agriculture and Mechanical (A&M) University System. Located near Amarillo, Texas, Pantex plays a critical role in the nation's Nuclear Security Enterprise by ensuring the safety, security, and effectiveness of the U.S. nuclear weapons stockpile. Activities at Pantex include life extension programs, nuclear weapons assembly and dismantlement, high explosive component development and testing, and interim storage and surveillance of plutonium pits.

Cameco Corporation (Cameco) – Westinghouse Electric Company (Westinghouse) has launched a new global engineering hub in Kitchener, Ontario, demonstrating its commitment to Canada. The 13,000-square-foot facility will house design engineering teams to support the CANDU operating fleet, international projects, and new technologies like the AP1000 reactor, AP300 small modular reactor, and eVinci microreactor. The hub will feature high-tech training and a fire protection engineering lab. The new Kitchener site is part of Westinghouse's global network of engineering hubs and will add approximately 100 engineers by 2025, expanding its current 250 Canadian employees. This expansion leverages Ontario's significant tech talent, particularly in the Kitchener-Waterloo region, and the proximity to the University of Waterloo. Westinghouse aims to support Canada's clean energy goals, highlighted by a PricewaterhouseCoopers(PwC) report on the economic impact of deploying AP1000 reactors in Ontario and the development of the first Canadian eVinci microreactor in Saskatchewan with the Saskatchewan Research Council.

Constellation Energy Corp. (Constellation) – is considering restarting the non-damaged reactor at the Three Mile Island nuclear plant in

Pennsylvania. Chief Executive Officer (CEO) Joe Dominguez stated that an engineering analysis has been completed, marking a preliminary step toward potentially bringing the reactor back online to meet increasing electricity demand. The reactor in question, Unit 1, initially began operations in 1974 but was shut down in 2019 due to competition from natural gas-fired plants. Constellation aims to assess the commercial viability of restarting the reactor amidst a growing demand for carbon-free power sources, driven by trends like data center expansion and electrification in manufacturing and transportation sectors.

Johnson Matthey PLC – and Transform Materials have formed a strategic partnership to innovate in the production of vinyl chloride monomer (VCM), a key component in Polyvinyl Chloride (PVC) manufacturing. By leveraging Transform's advanced acetylene production technology and Johnson Matthey's mercury-free catalyst expertise, the collaboration aims to offer a cleaner, more sustainable alternative to traditional VCM production methods. This approach not only reduces carbon emissions associated with VCM manufacturing but also aligns with global efforts to eliminate mercury use in industrial processes.

ECONOMIC CONDITIONS

U.S. Consumer Price Index remained unchanged in May instead of rising 0.1% as per consensus. This followed a 0.3% gain the prior month. Prices in the energy segment fell 2.0% on declines for gasoline (-3.6%), fuel oil (-0.4%) and utility gas services (-0.8%). Electricity prices were unchanged. The cost of food, meanwhile, edged up 0.1%. The core Consumer Price Index (CPI), which excludes food and energy, rose 0.2%, less than the +0.3% print expected by consensus and the smallest increase recorded in 33 months (since 2021M08). The price of core goods was flat month on month as increases for tobacco/smoking products (+1.6%), medical care commodities (+1.3%) and used vehicles (+0.6%) were compensated by declines for new vehicles (-0.5%) and apparel (-0.3%). The price of alcoholic beverages crept up 0.1%. Prices in the ex-energy segment, for their part, advanced just 0.2%, the least since September 2021. The shelter component recorded yet another healthy progression (+0.4%) but it was offset in part by a steep decline in the transportation category (-0.5%), the latter driven by a 3.6% drop in airline fares. Meanwhile motor vehicle insurance (-0.1%) saw its first monthly decline in 29 months. Year on year, headline inflation came in at 3.3%, down from 3.4% the prior month and one tick below consensus expectations. The 12-month core measure, meanwhile, eased from 3.6% to a 3-year low of 3.4%. This was also one tenth below the median economist forecast. If sustained, this inflation trend will in our view keep Fed rate-cut expectations for September and December. Restrictive monetary policy has more work to do, and the Fed will remain patient and watchful. However, this softer CPI report will go a long way in making the case that it can soon safely ease off the monetary brake pedal without risking another inflation episode.

UK Gross Domestic Product (GDP) surprised a touch to the upside in April, coming in flat month over month (m/m) (market (mkt): -0.1%). In terms of the sectoral drivers, services output surprised quite a bit to the upside, improving 0.2% m/m (mkt: -0.1%), and thus expanding on the 0.5% m/m gain in March. The more than 2% m/m decline, as expected, was a big negative driver, but accommodation and food services also added some softness to the print—in part due to the unusually wet weather. In general, though, the increase in services output was broad based, though most of the decline was driven by information & communication and professional, scientific & technical activities. In contrast, there was plenty of weakness in manufacturing and construction though, with both dropping 1.4% m/m.

FINANCIAL CONDITIONS

US Federal Reserve (the Fed) Open Markets Committee left policy rates unchanged for the seventh straight meeting with the Fed funds target range at 5.25%-to-5.50%. In the statement, the inflation assessment shifted slightly from there being "a lack of" further progress to there being "modest" further progress towards the 2% target. This follows the morning's better-than-expected CPI report for May. While this is slightly more encouraging for potential rate cuts this year, the Summary of Economic Projections (SEP) and the 'dot plot' showed the median Federal Open Market Committee (FOMC) call now at one cut for this year, down from three in March. Note that 8 participants had two cuts for this year (the modal view), but 7 had one and 4 had none. For next year, the cumulative easing action was upped to 100 basis points (bps) from 75 bps, and this was the same for 2026, ending up where we were before. However, the longer-run level was raised slightly to 2.75% from the midpoint of the 2.625%-to-2.75% range.

Bank of Japan kept policy unchanged overnight. The target rate remained at "around 0%-to-0.1%", where it has been since March. And it will continue buying Japanese Government Bonds (JGBs) at around ¥6 trillion per month. However, as Governor Ueda hinted at when they tightened policy in March, the Bank of Japan (BoJ) will "reduce its purchase amount of JGBs thereafter to ensure that long-term interest rates would be formed more freely in financial markets." According to Governor Ueda, the reduction in buying Japan Credit Bureau (JCB) "will be significant" although "a detailed plan for the reduction of its purchase amount during the next one to two years or so." And note that the Bank "wants to proceed carefully". And so, in our view these are small steps towards normalizing policy noting the Governor said during his press conference that it is "possible to raise rates in July, depending on the data".

The U.S. 2 year/10 year treasury spread is now -0.48% and the U.K.'s 2 year/10 year treasury spread is -0.10%. 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 6.95%. Existing U.S. housing inventory is at 3.5 months supply of existing houses as of December 31, 2023 - 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 12.55 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

And Finally: Will Rogers *"Too many people spend money they earned to buy things they don't want to impress people that they don't like."*

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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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