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NEWS HIGHLIGHTS

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

MARCH 31, 2025

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OWNER OPERATED COMPANIES



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ALTERNATIVE FUND



PORTLAND 15 OF 15
ALTERNATIVE FUND
COMPANY NEWS

Reliance Industries Limited (Reliance) – Reliance has paused further purchases of Venezuelan crude after US President Donald Trump authorized a 25% tariff on countries buying the South American country's oil. India's largest privately owned refiner is expected to take delivery of a cargo of Merey crude oil that's currently en route from Venezuela, but additional buying has been put on hold, according to people familiar with the situation, who asked not to be identified because the matter is sensitive. Reliance secured waivers from the US last year to resume importing crude from Venezuela, and Kpler estimates the refiner has taken 6.5 million barrels since the start of the year. Trump's executive order on Monday, however, will target any nation taking Venezuelan oil with "secondary" tariffs, with effect from April 2. A Reliance spokesman didn't immediately reply to messages seeking comment. Other Indian refiners at times last year purchased Venezuelan oil from traders rather than the nation directly, but cheap and more accessible Russian crude has long been a more attractive source of supply. Reliance also buys Russian oil. China has been the single largest buyer of Venezuela's crude, taking more than 40% of its oil exports in February. The nation's private refiners, which process most of the crude, may temporarily pause purchases as scrutiny increases but the flow of sanctioned oil is unlikely to stop.

Reliance – Reliance is eyeing a potential bid for a controlling stake in Nayara Energy Ltd. (Nayara Energy), which is a PJSC Rosneft Oil Company-backed (Rosneft) company. The Indian's group is also trying to include its refining assets on India's west coast in the deal, reported Energy Intelligence. According to The Economic Times report, Rosneft and UCP Investment Group, which are Nayara Energy's stakeholders, have reportedly engaged in talks with Indian businesses like Reliance, Adani Group, and JSW Group. Senior Rosneft executives visited Delhi in March to discuss the matter with officials. Saudi Aramco has also been involved in discussions. The Saudi oil group has previously shown interest in India's refining sector. Rosneft, Russia's largest oil company, is reportedly looking to sell its 49.13% stake in Nayara Energy, which was acquired in 2017 for US\$12.9 billion. Sanctions imposed by the US and EU since 2014 have impacted Rosneft's earnings from Nayara Energy. The valuation of Nayara Energy is around \$20 billion, though discussions with Indian corporates are in early stages, and a deal is uncertain. UCP Investment Group, which owns 24.5% of Nayara Energy, is also looking to divest its stake. The group's valuation is at over \$5 billion, as reported by The Economic Times. Following the 2017 acquisition, Rosneft held 49.13% ownership, while Trafigura Group Pte. Ltd. and UCP each retained 24.5%. While Nayara Energy has attracted interest, some Indian firms have reportedly declined to pursue the acquisition due to low returns on investment, significant capital infusion requirements and over complexities arising from sanctions on Russian entities. Nayara Energy handles India's second-largest refinery in Gujarat, and is the country's largest private fuel retailer, with over 6,500 outlets nationwide.

Ares Management Corporation (Ares) – ENGIE North America Inc. (ENGIE) has expanded its partnership with Ares's Infrastructure Opportunities funds by adding a nearly 1 gigawatt (GW) portfolio of renewable energy assets. ENGIE will maintain a controlling interest

and continue operating the projects, which include three solar facilities across Electric Reliability Council of Texas (ERCOT) and Midcontinent Independent System Operator (MISO), as well as a co-located battery storage site in ERCOT. Dave Carroll, ENGIE North America's Chief Renewables Officer, highlighted the move as a testament to ENGIE's proven track record in clean energy development and its commitment to meeting rising U.S. energy demand. This deal further strengthens ENGIE's North American presence, where it now operates or is building over 11 GW of renewables. Globally, ENGIE has 51 GW in operation and is targeting 95 GW by 2030. The partnership with Ares enables ENGIE to recycle capital to fuel further expansion. Ares Partner Steve Porto praised ENGIE's operational strength and sees the portfolio as a strong investment in the growing infrastructure sector.

LVMH Moët Hennessy Louis Vuitton SE (LVMH) – has named Jean-Christophe Babin as Chief Executive Officer (CEO) of its watches division, replacing Frédéric Arnault. This leadership shift comes amid a broader management reshuffle within the luxury group, as Bernard Arnault's children continue to take on more prominent roles. Frédéric Arnault was recently appointed head of the fast-growing Italian cashmere brand Loro Piana S.p.A. Babin, a seasoned executive with 12 years each at Bulgari S.p.A (Bulgari) and Tag Heuer S.A., will continue to serve as CEO of Bulgari while taking on his new role effective April 1. The change comes as LVMH's watches and jewellery division faces softer demand, with sales down 2% last year due to inflation-weary consumers pulling back on luxury spending.

LVMH – French luxury group LVMH, which acquired a 10% stake last year in Double R S.r.l. (Double R)—the top shareholder of Italian outerwear brand Moncler S.p.A. (Moncler)—has proposed Alexandre Arnault for a seat on Moncler's board. Moncler shareholders are set to meet on April 16 to vote on expanding the board from 12 to 15 members and appointing new directors. Alexandre Arnault, one of LVMH CEO Bernard Arnault's five children taking on greater roles within the family-run empire, was recently named deputy CEO of LVMH's \$6-billion wine and spirits division. The board nomination follows the terms of LVMH's deal with Double R, which granted it the right to appoint two members to Double R's board and one to Moncler's.

LIFE SCIENCES



Arvinas, Inc – announced that the company will present first-in-human data from its Phase 1 study of ARV-102, an investigational drug, at the 2025 International Conference on Alzheimer's and Parkinson's Diseases (AD/PD™) in Vienna, Austria, from April 1-5, 2025. The data highlights the safety, pharmacokinetics, and pharmacodynamics of ARV-102.

BeOne Medicines Ltd. – (formerly BeiGene, Ltd.) announced that the European Medicines Agency's Committee for Medicinal Products for Human Use (CHMP) issued a positive opinion recommending approval

for TEVIMBRA® (tislelizumab) as a first-line treatment for extensive-stage small cell lung cancer (ES-SCLC). This recommendation is based on the results of the RATIONALE-312 study, which demonstrated a statistically significant improvement in overall survival when TEVIMBRA was combined with chemotherapy compared to chemotherapy alone.

Bicycle Therapeutics plc – announced several key leadership changes, including Felix J. Baker, Ph.D., who will succeed Pierre Legault as chairman of the Board of Directors. Additionally, Alessandro Riva, M.D., joins the Board, and Fabrice André, M.D., Ph.D., joins the Clinical Advisory Board. Eric Westin, M.D., has been promoted to chief medical officer, and Jim MacDonald-Clink to senior vice president, head of business development. These appointments follow the retirement of several board members and transitions of key executives to advisory roles. CEO Kevin Lee highlighted that these changes enhance the company's oncology expertise and its commitment to advancing cancer therapies.

Perspective Therapeutics, Inc. (Perspective) – provided an update on its business and 2024 financial results, highlighting progress on multiple clinical programs. The company is advancing its next-generation targeted radiopharmaceutical platform, with ongoing enrollment in a Phase 1/2a trial for VMT-α-NET in neuroendocrine tumors, and successful first-in-human combination dosing of VMT01 with nivolumab. The Investigational New Drug (IND) for PSV359, targeting FAP- in solid tumors, was cleared, with patient dosing expected in mid-2025. Perspective is also expanding its manufacturing capabilities and has a cash position to fund milestones through late 2026.

NUCLEAR ENERGY

ITM Power plc – has signed a collaboration agreement with Deutsche Bahn AG (DB) to support sustainable transportation and infrastructure, focusing on green hydrogen and its derivatives. DB, aiming for climate neutrality by 2040, plans to convert its fleet to low and zero-emission vehicles and develop the necessary infrastructure.

Oklo Inc. (Oklo) – Oklo reported a fourth-quarter (Q4) 2024 net loss of US\$12.34 million (\$0.09 per share), widening from a \$2.58 million loss in Q4 2023. Full-year 2024 operating losses reached \$52.8 million, driven by higher research and development (R&D) and general and administrative (G&A) expenses. R&D costs rose 44% quarter-over-quarter to \$7.28 million, while G&A expenses grew 12% to \$8.1 million, reflecting expanded engineering, payroll, and professional services. Despite the increased spending, Oklo ended the year with \$97.1 million in cash and equivalents, up from \$91.8 million in Q3. Operating cash burn rose to \$13.47 million in Q4. Strategically, Oklo is progressing toward commercial deployment, initiating a Pre-Application Readiness Assessment with the U.S. Nuclear Regulatory Commission ahead of its full combined license application (COLA) for the Aurora Powerhouse at Idaho National Laboratory. The company also introduced a new 75-megawatt reactor design targeting data centre customers, and completed its acquisition of radioisotope producer Atomic Alchemy Inc., expected to contribute to revenue by early 2026. CEO Jacob DeWitte reaffirmed Oklo's goal to begin delivering commercial power by late

2027. The company is focused on generating recurring revenue through long-term power purchase agreements (PPAs) rather than selling reactor units.

Oklo Inc. added Daniel Poneman and Michael Thompson to its Board of Directors following the departure of Chris Wright, who was confirmed as the new U.S. Secretary of Energy. The appointments bring valuable experience in the nuclear, technology, and financial sectors. Poneman, a former U.S. Deputy Secretary of Energy and past CEO of Centrus Energy Corp, will serve on the Nominating & Governance Committee. Thompson, a seasoned investor and CEO of Reinvent Capital, will join the Audit Committee. Oklo's leadership sees these additions as a strategic step in accelerating the deployment of its Aurora powerhouses, advancing nuclear fuel recycling, and expanding radioisotope production capabilities. Co-founders Jacob DeWitte and Caroline Cochran emphasized the importance of nuclear energy in meeting global energy needs and highlighted the new board members' alignment with the company's long-term vision.

Oklo Inc. is entering the next phase of regulatory engagement with the U.S. Nuclear Regulatory Commission (NRC) through a Pre-Application Readiness Assessment for its combined license application (COLA) tied to the Aurora Powerhouse project at Idaho National Laboratory. The NRC will begin the readiness review in late March 2025, focusing on siting and environmental aspects of Oklo's initial COLA submission. The process is designed to streamline the formal application review by allowing early feedback and refinements, setting the stage for a more efficient regulatory pathway. Oklo has been working with the NRC since 2016 and has already cleared key licensing milestones, including an approved quality assurance program and progress in safety analysis, environmental considerations, and component classification. CEO Jacob DeWitte noted the company's continued momentum toward securing commercial licenses for its next-generation reactors. The effort aligns with recent regulatory modernization under the 2024 ADVANCE Act, which includes a proposed 55% reduction in licensing fees for advanced reactor applicants, effective October 1, 2025. Oklo plans to file its formal COLA later this year, with additional applications to follow in support of its order pipeline, which exceeds 14 GW of planned capacity.

ECONOMIC CONDITIONS

UK Economic Forecasts - UK's Office for Budget Responsibility published its spring forecast, tapering growth for 2025 to 1%, compared to its projection of 2% in autumn 2024. Inflation is projected to remain elevated at 3.2% in 2025, before it drops to 2.1% in 2026 and meets the target of 2.0% in 2027. Chancellor Reeves responded to the adjusted forecasts in her Spring Statement by assuring ongoing compliance with fiscal rules and restoring the buffer against spending rule to £9.9 billion (bn). This was a widely expected move, with additional revenue being obtained largely through reforms to welfare yielding £4.8bn in savings. Other measures include a crackdown on tax evasion, which adds an extra £1bn compared to October's numbers, as well as £2bn of "efficiency savings" in running the government by end of the decade.

It was confirmed in the statement that there will be no tax hikes in this iteration.

UK Retail Sales - UK retail sales surprised significantly to the upside in February (yet again), rising 1.0% month-over-month (m/m) after a slightly downward-revised 1.4% gain in January (market (mkt): -0.4%). All major categories outside of food saw gains in the month, with household goods and online retailing in particular seeing the sharpest gains. The Office for National Statistics noted strong demand for gold jewellery on the back of higher economic uncertainty as one driver. February's gains follow on the strength seen in January retail sales, though it was noted at the time (and subsequently confirmed in the Jan GDP data) that a shift from restaurants toward eating at home was largely the driver of that month's strength. Latest data cements the upward trend, though, and suggests that real incomes are giving a sizeable boost to retail sales, which has broken above its trend.

FINANCIAL CONDITIONS

The U.S. 2-year/10-year treasury spread is now 0.33% and the U.K.'s 2-year/10-year treasury spread is 0.48%. 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 6.65%. Existing U.S. housing inventory is at 3.5 months supply of existing houses as of March 20, 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 22.65 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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