Portland Investment Counsel®
Buy. Hold. And Prosper.®

NEWS HIGHLIGHTS

EST. 2007

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

APRIL 28, 2025

The views of the Portfolio Management Team contained in this report are as of April 28, 2025, and this report is not intended to provide legal, accounting, tax or specific investment advice. Views, portfolio holdings and allocations may have changed subsequent to this date. This research and information, including any opinion, is compiled from various sources believed to be reliable but it cannot be guaranteed to be current, accurate or complete. It is for information only, and is subject to change without notice. The contents of this Newsletter reflect the different assumptions, views and analytical methods of the analysts who prepared them. For Advisor Use Only.

OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND[1]

PORTLAND 15 OF 15 ALTERNATIVE FUND[1] COMPANY NEWS

Reliance Industries Limited (Reliance)– Reliance reported a better-than-expected quarterly profit, as a recovery in its businesses added to a strong show by consumer-facing units. Net income rose 2.4% to 194.1 billion rupees (US$2.3 billion) in the three months ended March 31, according to an exchange filing Friday. That beat the 184.71 billion rupees average of analyst estimates compiled by Bloomberg L.P. (Bloomberg). The company reported a 10% surge in revenue to 2.65 trillion rupees with total costs also climbing by as much to 2.4 trillion rupees. More than half of the revenue came from the oil and chemicals business, which rose 15% compared with the same quarter last year. Retail revenue rose 16% and digital services advanced 18%. The board also approved raising as much as 250 billion rupees via bonds, the filing said. A dividend of 5.5 rupees per share was also announced. The energy business posted a resilient performance despite considerable volatility in energy markets, Reliance said in a statement. Projects in renewable energy and battery operations were moving from incubation to operationalization in the coming quarters. The US tariff action could provide opportunities, though there will be near-term disruptions, Reliance said in a post-earnings presentation. The tariffs will increase availability of US oil and gas in the market while also providing an opportunity for Indian textile industry if US demand is diverted away from China. US's decision to exempt refined product imports from the recent round of tariff announcement is a positive for Reliance. The company has commissioned first line of solar photovoltaic module, V Srikanth, Reliance Chief Financial Officer (CFO) told reporters in a post-earnings call. Reliance has now exciting portfolio of emerging businesses including media, new energy and Artificial Intelligence (AI) ready data centers, the CFO said. Reliance Retail Limited (Reliance Retail) posted a robust performance on the back of better product mix and formats. It's an early sign that India's year-long consumption slump may be easing. Jio Platforms Limited announced an agreement in March with Space Exploration Technologies Corporation (SpaceX) to offer Starlink Inc.'s satellite internet services in India.

Reliance - Haier Appliances (India) Private Limited (Haier Appliances India) has attracted an initial bid from Reliance Retail for the sale of a controlling stake, according to two sources familiar with the situation. The Chinese consumer appliances firm is seeking to divest more than a 50% stake in its Indian unit and localise the business, in response to India's increasing regulatory curbs on investments from bordering nations, said the sources. The process is still in its early stages and remains fluid, involving the Indian retail giant, alongside multiple Indian family offices, they added. Major Indian family offices have partnered with private equity firms vying to acquire a stake in Haier Appliances India for about US$1 billion, previous media reports said. Bharti Enterprises Limited founder Sunil Mittal's office partnered with Warburg Pincus LLC, Dabur India Limited's Burman family teamed up with TPG Inc, while Welspun Group's Goenka family bid along with GIC Private Limited, as reported. Bain Capital, LP, which also reportedly partnered with Puneet Dalmia's family office from the Dalmia Bharat Group and placed a bid, is reconsidering whether to pursue the deal or not, the first source said. Haier Appliances India is expected to have over US$2 billion in enterprise valuation, and the potential deal for a controlling stake could exceed US$1 billion, the second source added. In 2024, the company reported a revenue of 89 billion rupees (US$ 1.04 billion). It expects to cross a topline of 115 billion rupees in 2025, a media report said, citing

Haier Appliances India President NS Satish. Haier Appliances India's product portfolio includes refrigerators, washing machines, TVs, air conditioners, water heaters, microwave ovens, kitchen appliances and home gadgets, according to its website. Bain Capital, LP declined to comment. Haier Group, Haier Appliances India, and Reliance Retail did not respond to requests seeking comments.

Danaher Corporation (Danaher) – reported its first quarter (Q1) 2025 results, with net earnings of US$1.0 billion, or $1.32 per diluted common share, and non-GAAP adjusted diluted net earnings per common share of $1.88. Revenues decreased by 1.0% to $5.7 billion, while non-GAAP core revenue remained flat year-over-year (y/y). Operating cash flow was $1.3 billion, and non-GAAP free cash flow was $1.1 billion. Despite a dynamic macroeconomic environment, the company saw continued momentum in bioprocessing and higher-than-expected respiratory demand in molecular diagnostics.

DIVIDEND PAYERS

GO TO PORTLAND CANADIAN BALANCED FUND[1]

Elevance Health Inc. (Elevance Health) -

Consolidated Enterprise Highlights

Operating revenue was US$48.8 billion in Q1 2025, an increase of $6.5 billion, or 15 percent compared to the prior year quarter. This was driven by higher premium yields in our Health Benefits segment, acquisitions completed in the past year, growth in the Medicare Advantage and Individual Affordable Care Act (ACA) membership, and CarelonRx, Inc. (CarelonRx) product revenue, partially offset by membership attrition in our Medicaid business. The benefit expense ratio was 86.4 percent, an increase of 80 basis points (bps) y/y, reflecting higher Medicaid medical cost trend, partially offset by out of period premium taxes. Days in Claims Payable stood at 44.0 days as of March 31, 2025, when adjusted for our acquisition of CareBridge Health Inc. (CareBridge). This represents an increase of 0.5 days sequentially on a comparable basis. The operating expense ratio was 10.9 percent, an improvement of 70 bps from the prior year. The adjusted operating expense ratio was 10.7 percent, an improvement of 60 bps, primarily driven by expense leverage associated with growth in operating revenue and ongoing cost management, partially offset by out of period premium tax expense during the quarter.

Cash Flow & Balance Sheet

Operating cash flow was $1.0 billion in the quarter, a decrease of approximately $1.0 billion year over year, reflecting timing-related items that negatively impacted working capital. As of March 31, 2025, cash and investments at the parent company totaled approximately $1.4 billion. During Q1 of 2025, the Elevance Health repurchased 2.2 million shares of its common stock for $880 million, at a weighted average price of $395.78, and paid a quarterly dividend of $1.71 per share, representing a distribution of cash totaling $386 million. As of March 31, 2025, Elevance Health had approximately $8.4 billion of Board approved share repurchase authorization remaining.

Reportable Segment Highlights

Health Benefits is comprised of Individual, Employer Group risk-based, Employer Group fee-based, BlueCard, Medicare, Medicaid, and Federal Employee Program businesses. Health Benefits segment operating revenue was $41.4 billion in Q1 2025, an increase of $4.2 billion, or 11 percent compared to the prior year quarter, driven primarily by higher premium yields and growth in our Medicare Advantage and Individual ACA plan membership. Operating gain totaled $2.2 billion, impacted primarily by higher medical cost trend in our Medicaid business versus the first quarter of 2024, partially offset by premium rate increases and enhanced operating efficiencies. Medical membership totaled approximately 45.8 million as of March 31, 2025, an increase of 99 thousand from year-end 2024, driven by growth in Medicare Advantage and Commercial risk-based members. This growth was partially offset by a decline in Commercial fee-based membership from a known customer transition.

Carelon Healthcare Services (Carelon) is comprised of CarelonRx and Carelon Services. Operating revenue for Carelon was $16.7 billion in Q1 of 2025, an increase of $4.6 billion, or 38 percent compared to the prior year quarter. This was driven by recent acquisitions in home health and pharmacy services, growth in CarelonRx product revenue, and the scaling of innovative risk-based capabilities in Carelon Services. Operating gain for Carelon totaled $1.1 billion, an increase of $0.3 billion, or 34 percent, primarily driven by improved Carelon Health performance and higher CarelonRx product revenue.

Quarterly Dividend

On April 16, 2025, the Audit Committee of the Company's Board of Directors declared a second quarter 2025 dividend to shareholders of $1.71 per share. The second quarter (Q2) dividend is payable on June 25, 2025, to shareholders of record at the close of business on June 10, 2025.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Amgen Inc. (Amgen) – announced a US$900 million expansion of its Ohio manufacturing facility, increasing the total investment in Central Ohio to over $1.4 billion and creating 750 jobs. This expansion reinforces Amgen's commitment to U.S. manufacturing of biologic medicines. The expansion is part of Amgen's broader strategy to build cutting-edge biologics manufacturing capabilities, including a recent $1 billion investment in a second plant in Holly Springs, North Carolina.

Telix Pharmaceuticals Limited (Telix) – reported its financial results for Q1 2025, with unaudited revenue of approximately US$186 million, marking a 62% increase y/y and a 31% increase quarter-over-quarter (q/q). This growth was driven by $151 million in global sales of Illuccix® and $33 million from RLS Radiopharmacies following its recent acquisition. Key developments include the Food and Drug Administration(FDA) approval of Gozellix®, positive trial results for TLX101, and strategic acquisitions to expand the company's therapeutic and precision medicine portfolios.

Telix – announced that it received a Complete Response Letter (CRL) from the U.S. FDA for its New Drug Application (NDA) for TLX101-CDx (Pixclara®), an investigational imaging agent for glioma. The FDA requires additional confirmatory clinical evidence for approval, despite no safety concerns. Telix plans to request a hearing with the FDA and explore clinical strategies to provide the necessary data. The CRL does not affect Telix's financial guidance for 2025, as it excludes revenue from unapproved products.

NUCLEAR ENERGY

Oklo Inc. (OKLO)– announced that Altman would step down as chair, simplifying the process for OKLO to partner with OpenAI on future deals. Altman's position on the board had previously complicated partnership opportunities, his stepping down paves the way for future collaborations between the companies.

ECONOMIC CONDITIONS

Eurozone Composite PMI (Purchasing Managers' Index) slid to 50.1, down from 50.9 in March, as business confidence fell. Services PMI came in at 49.7 (prior: 51; market (mkt): 50.5), while the Manufacturing PMI was roughly unchanged at 48.7 (prior: 48.6; mkt: 47.4). The French Services and German Manufacturing PMIs followed a similar trend with the former sliding to 46.8 in April (mkt: 47.6) and the latter down marginally to 48.0 (mkt: 47.6). Service providers linked lower output to shrinking new business intake, with the volume received by French services firms dropping by its steepest margin since November 2020. Manufacturing, on the other hand, held up across the region, with German production rising for the second month in a row and export orders increasing for the first time since 2022, albeit both at marginal rates.

UK flash Composite PMI slowed down to 48.2 in April (prior: 51.5; mkt: 50.4), driven by the weakest releases since September 2023 for both the Manufacturing and Services indexes. The Manufacturing PMI came down to 44, from 44.9 in March, and in line with consensus. The Services PMI showed a large surprise to the downside, returning to contractionary territory for the first time since late-2023, at 48.9, and down from 52.5 in March (mkt: 51.5). Weaker global demand affected both sectors on the back of tariff uncertainty. Additionally, margins were squeezed due to increased wage costs, largely driven by higher National Insurance contributions and the minimum wage increase.

U.S. durable goods orders exceeded expectations, jumping 9.2% in March, entirely due the increase in transportation equipment orders; Boeing bookings soared to the highest level since 2014; and autos and parts climbed 2.3% following sturdy gains in the prior month—a clear result of tariff front-running. Primary and fabricated metals also rose, though computers and electronics notably fell for a second straight month. Core capital goods orders (ex-defense and aircraft) edged up in the month, pushing Q1 gains to 1.3%, the fastest pace since 2022 Q2. Meanwhile, core shipments (including aircraft)—an input for Gross Domestic Product (GDP)—surged 4.7% in the quarter, suggesting solid Q1 business equipment spending. Despite the mounting uncertainties, firms were clearly tariff front-running. Overall, the report showcases an economy that was on decent footing before eye-watering tariffs were announced in April (and then largely scaled back, for now). Now Manufacturing surveys are pointing to a slowdown ahead.

U.S. housing market remains under pressure. Existing home sales fell 5.9% in March, marking the biggest drop since November 2022. Housing market activity has been in a deep freeze for the past couple of years. Despite some improvement in supply, potential buyers are reluctant to make a purchase amid elevated mortgage rates and the poorest affordability in decades. In addition, many would-be sellers are still unwilling to give up favourable mortgage terms acquired during the pandemic. Looking ahead, conditions are unlikely to improve as tariff uncertainty weighs on consumer confidence.

UK retail sales are up 0.4% month-over-month (m/m) in March (mkt: -0.4%), surprising to the upside for the third month in a row. Non-food stores sales rose by 1.7% m/m, placing volumes at their highest since March 2022, with clothing being the biggest driver, boosted by exceptionally good weather throughout the month. For Q1 as a whole, retail sales were very strong at 1.6% q/q, despite a downward revision of February to 0.7% m/m. This underlies a strong Q1 for UK GDP. However, April's soft indicators, such as PMIs, show that a sharp downturn may be coming.

International Monetary Fund's (IMF) bi-annual economic outlook: The Fund, unsurprisingly, carved its forecast for global GDP both this year and next, while nudging up the inflation call—exemplifying the very conundrum of weaker growth/higher prices that Federal Reserve Powell noted central banks face in a trade war. The IMF decreased 2025 GDP growth about 0.5% to 2.8%, and next year by 0.3% to 3.0%. A 'normal' year for global growth is closer to 3.5%. Key downward revisions were (i) China, cutting it's growth by about 0.5% to 4.0% growth both this year and next; (ii) U.S. growth by 0.9% for this year (to 1.8%); (iii) Canada by 0.6% (to 1.4%) and (iv) Mexico by 1.7% (to -0.3%). The particularly heavy hit to the North American economies is because the U.S. is, of course, the focal point of the tariff actions, and Mexico and Canada are by far the most exposed economies to U.S. trade.

FINANCIAL CONDITIONS

USA: POTUS Donald Trump's comments suggesting he isn't looking to fire Federal Reserve Chairman Powell and that he may be looking to make a deal on tariffs, suggests de-escalation.

The U.S. 2 year/10 year treasury spread is now 0.51% and the U.K.'s 2 year/10 year treasury spread is 0.66%. 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 6.81%. Existing U.S. housing inventory is at 4.0 months supply of existing houses as of April 24, 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 25.04 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 bodes well for quality equities.

Portland Investment Counsel Inc. currently offers Mutual Funds & Private/Alternative Products - visit www.portlandic.com

Individual Discretionary Managed Account Models - SMA

Net Asset Value:

The Net Asset Values (NAV) of our investment funds are published on our Portland website at www.portlandic.com/prices

We want to share our insights with you and welcome your feedback. Our website has the latest, as well as archived videos, company profiles, and press articles. Please visit us at www.portlandic.com

Portland Investment Counsel Inc. **portlandinvestmentcounsel** **Portland Investment Counsel Inc.** **@PortlandCounsel**

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.

This research and information, including any opinion, is based on various sources including corporate press releases, annual reports, public news articles and broker research reports and is believed to be reliable but it cannot be guaranteed to be current accurate or complete. It is for information only, and is subject to change without notice. This Newsletter is not an offer to sell or a solicitation of an offer to buy any security nor is it necessarily an indication of how the portfolio of any Portland Fund is invested. The securities discussed in the Newsletter may not be eligible for sale in some jurisdictions. The views expressed by any external links and subsequent media, including but not limited to videos, are not necessarily those of Portland Investment Counsel Inc. (Portland) and are provided for general information purposes only. Portland Investment Counsel Inc. assumes no responsibility for the information provided by external sources.

Use of any third party quotations does not in any way suggest that person endorses Portland and/or its products. Use of any third party material may not reflect the views and opinions of Portland. Portland makes no representation or warranty, express or implied, in respect thereof, takes no responsibilities for errors and omissions contained herein and accepts no liability whatsoever for any loss arising from any use of, or reliance on this material or its content which is being provided for informational purposes only and should not be construed as investment, tax or financial advice.

Certain statements may contain forward-looking statements which can be identified by the use of words such as "may", "should", "will" "anticipate," "believe," "plan," "estimate," "expect," "intend", "scheduled" or "continue or similar expressions to the extent they relate to a security. The forward-looking statements are not historical facts. These forward-looking statements are subject to a number of significant risks, uncertainties assumptions, contingencies and other factors (many of which are outside the control of, and unknown to Portland Investment Counsel Inc. ("Portland") and its directors, officers, employees, agents or associates), that could cause actual results or performance to be materially different from any future result so performed, expressed or implied by such forward-looking statements. Portland has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise.

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.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. The indicated rates of return are the historical annual compounded total returns including changes in units [share] value and reinvestment of all distributions [dividends] and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. The rates of return are used only to illustrate the effects of the compound growth rate and are not intended to reflect future values of the mutual fund or returns on investment in the mutual fund. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated.

Information presented in this Newsletter should be considered for background information only and should not be construed as investment or financial advice. As each individual's situation is different, you should consult with your own professional investment, accounting, legal and/or tax advisers prior to acting on the basis of the material in the Newsletter. Commissions, management fees and expenses may be associated with investment funds. Investment funds are not guaranteed, their values change frequently, and past performance may not be repeated. Please read the prospectus or offering document before investing.

Consent is required for any reproduction, in whole or in part, of this piece and/or of its images and concepts. Portland Investment Counsel is a registered trademark of Portland Holdings Inc. The Unicorn Design is a trademark of Portland Holdings Inc. Used under license by Portland Investment Counsel Inc. Buy. Hold. And Prosper. is a registered trademark of AIC Global Holdings Inc. used under license by Portland Investment Counsel Inc.

Portland Investment Counsel Inc., 1375 Kerns Road, Suite 100, Burlington, Ontario L7P 4V7 Tel.:1-888-710-4242 • www.portlandic.com • info@portlandic.com

PIC25-028-E(04/25)