MAY 5, 2025

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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

Berkshire Hathaway Inc. (Berkshire) – Warren Buffett announced he will step down as Chief Executive Officer (CEO) of Berkshire at the end of 2025, and hand over the reins to Vice Chairman Greg Abel. The move caps an era for Berkshire after Buffett's extraordinary 60 years at the helm, which made him a multi-billionaire and an American success story. "I think the time has arrived where Greg should become the Chief Executive Officer of the company at year end," Buffett, 94, said on Saturday as he wrapped up Berkshire's annual meeting in Omaha, adding he would still "hang around and conceivably be useful in a few cases" but that the "final word" would be Abel's. Buffett also said he had "zero" intention of selling any of his Berkshire stock, nearly all of which will be donated after his death. Asked during the meeting how his oversight of Berkshire's 189 operating businesses would differ from Buffett's, Abel said: "More active, but hopefully in a very positive way." Berkshire stock rose 5,502,284% from 1965 to 2024. Buffett was a disciple of Benjamin Graham, the economist and his former professor, stressing the importance of company fundamentals and not overpaying for assets. That approach often made it hard to deploy Berkshire's ever-growing cash hoard, which reached US$347.7 billion at the end of March. Abel joined the former MidAmerican Energy Company, now known as Berkshire Hathaway Energy, in 1992, eight years before Berkshire took it over.

Berkshire reported its cash stake with its first-quarter results, where insurance losses from January's wildfires in southern California contributed to a 14% decline in operating profit to $9.64 billion. Insurance businesses including Government Employees Insurance Company (Geico) had a very strong year in 2024, and Buffett said that won't be replicated in 2025. "Prices are down this year, risks are up," he said. Quarterly net income fell 64% to $4.6 billion, reflecting unrealized losses on stocks such as Apple Inc. Berkshire's cash stake grew from $334.2 billion at year-end. The company has repurchased no stock since last May and has been a net seller of stocks for 10 straight quarters. Buffett downplayed concern about Berkshire's cash, saying the company "came close" to spending $10 billion recently, but that buying opportunities don't come in an orderly fashion. Abel made clear he shares Buffett's philosophy toward building up cash, and spending it wisely on businesses that fit Berkshire's culture. A large amount of cash is "a strategic asset, and it allows us to weather the difficult times and not be dependent on anybody," Abel said.

LVMH Moët Hennessy Louis Vuitton SE (LVMH)– Moet Hennessy SAS, the wine and spirits division of LVMH, planned to cut over 10% of its workforce, around 1,200 positions, to return staffing to 2019 levels. The move follows a 9% drop in first quarter (Q1) organic sales amid weakened demand in key U.S. and Chinese markets.

Reliance Industries Limited (Reliance) – Anant Ambani has assumed the role of Executive Director at Reliance on May 1, following his appointment by the Reliance Board of Directors last Friday for a five-year term. This move comes as part of Ambanis' succession planning at India's largest conglomerate. Anant Ambani, currently serving as a Non-Executive Director, will now take on executive responsibilities as part of the leadership team at Reliance, as per a statement from the company. He has been involved in the group's energy, sustainability, where Reliance aims to become a net-zero carbon company by 2035. This includes scaling up production of clean fuels and materials, developing advanced carbon capture technologies, promoting circular materials, and enhancing crude-to-chemicals conversion. He has served on the Board of Jio Platforms Limited since March 2020, Reliance Retail Ventures Limited since May 2022, and both Reliance New Energy Limit. During 2024-25, Mukesh Ambani said Reliance has laid a strong foundation for its projects in renewable energy and battery operations, securing a strong position in various sectors.

Reliance - has started solar module manufacturing after commissioning the first gigawatt-scale (GW-scale) portion of a factory with an annual capacity of 10 gigawatt (GW). Reliance is developing the Ambani Green Energy Giga Complex, a complex of renewable energy manufacturing facilities in Jamnagar, Gujarat. While presenting its results for the year through March 2025 on Friday, the company pointed out that its solar manufacturing is fully integrated, from polysilicon to panels. The modules use heterojunction technology and are 720 Watt-peak (Wp) in size. Production will be ramped up gradually with a potential to quickly double the planned annual capacity to 20 GW, if needed. The company is also developing 30 GW of battery manufacturing, with construction already underway. Reliance plans to use the module to build power generation capacity on land it has secured in Gujarat's Kutch region. Solar power generation is expected by 2027-2028 and is intended to be used captively. Work has already started on a dedicated transmission line from Jamnagar.

DIVIDEND PAYERS

GO TO PORTLAND CANADIAN BALANCED FUND[1]

Magna International Inc. (Magna) – posted sales of US$10.1 billion for Q1 of 2025, a decrease of 8% from Q1 of 2024. The lower sales largely reflects a 3% decrease in global light vehicle production, including 8% and 5% lower production in Europe and North America, respectively, partially offset by 2% higher production in China. In addition, sales were negatively impacted by lower complete vehicle assembly volumes, including as a result of the end of production of the Jaguar I-Pace and E-Pace, the end of production of certain programs and the net weakening of foreign currencies against the U.S. dollar. These were partially offset by the launch of new programs.

Adjusted Earnings Before Interest and Taxes (EBIT) decreased to $354 million in Q1 of 2025 compared to $469 million in Q1 of 2024. This mainly reflects:

- reduced earnings on lower sales; and
- higher net warranty costs associated with our seating business.

These were partially offset by:

- higher net favourable commercial items;
- continued productivity and efficiency improvements; and
- lower net engineering costs, including spending related to our electrification and active safety businesses.

During Q1 of 2025, Other expense, net and Amortization of acquired intangibles totaled $79 million (2023 - $384 million) and on an after-tax basis $73 million (2023 - $302 million).

Income from operations before income taxes increased to $225 million for the first quarter of 2025 compared to $34 million in Q1 of 2024. Excluding Other expense, net and Amortization of acquired intangibles from both periods, income from operations before income taxes decreased $114 million in Q1 of 2025 compared to Q1 of 2024, largely reflecting the decrease in Adjusted EBIT.

Net income attributable to Magna was $146 million for Q1 of 2025 compared to $9 million in Q1 of 2024. Excluding Other expense, net, after tax and Amortization of acquired intangibles from both periods, net income attributable to Magna decreased $92 million in Q1 of 2025 compared to Q1 of 2024.

Diluted earnings per share were $0.52 in Q1 of 2025, compared to $0.03 in the comparable period. Adjusted diluted earnings per share were $0.78, compared to $1.08 for Q1 of 2024.

In Q1 of 2025, Magna generated cash from operations before changes in operating assets and liabilities of $547 million and used $470 million in operating assets and liabilities. Investment activities for the first quarter of 2025 included $268 million in fixed asset additions, $148 million in investments, other assets and intangible assets, $4 million for business combinations and $1 million in private equity investments.

Return of Capital to Shareholders

During the three months ended March 31, 2025, Magna returned $187 million to shareholders, including $136 million in dividends and $51 million in share repurchases.

Magna's Board of Directors declared a Q1 dividend of $0.485 per Common Share, payable on May 30, 2025 to shareholders of record as of the close of business on May 16, 2025.

The Cigna Group (Cigna) - Global health company, Cigna, reported strong Q1 2025 results, reflecting growth and focused execution across its diversified portfolio of businesses. "We are building a more sustainable health care model by successfully delivering on our series of commitments and actions to improve transparency and support for our customers and patients," said David M. Cordani, chairman and CEO of Cigna. "Our strong first quarter results and increase in outlook for full-year earnings reflects the strength of our Evernorth Health Services and Cigna Healthcare growth platforms in a dynamic environment." Shareholders' net income for Q1 2025 was US$1.3 billion, or $4.85 per share, and compares with a net loss of $0.3 billion, or $0.97 per share, for Q1 of 2024. Cigna's adjusted income from operations for Q1 of 2025 was $1.8 billion, or $6.74 per share, compared with $1.9 billion, or $6.47 per share, for Q1 of 2024. Cigna completed the divestiture of its Medicare businesses to Health Care Service Corporation (HCSC) on March 19th, 2025. Total revenues for Q1 of 2025 increased 14% relative to Q1 of 2024, reflecting growth of existing client relationships and strong specialty pharmacy growth in Evernorth Health Services. The Selling, General, and Administrative (SG&A) expense ratio and adjusted SG&A expense ratio were 6.4% and 5.8%, respectively, for Q1 of 2025, compared to 6.5% and 6.4%, respectively, in Q1 of 2024, reflecting strong revenue growth and business mix shift. Year to date through May 1, 2025, the company repurchased 8.2 million shares of common stock for approximately $2.6 billion. Total customer relationships at March 31, 2025 were 182.2 million. Excluding the impact of the HCSC transaction, total customer relationships increased 1% from December 31, 2024. Total pharmacy customers at March 31, 2025 increased 3% from December 31, 2024 to 122.3 million due to new sales and the continued expansion of relationships. Total medical customers at March 31, 2025 decreased 6% from December 31, 2024 to 18.0 million, primarily reflecting the impact of the HCSC transaction. Excluding the impact of the HCSC transaction, total medical customers as of March 31, 2025 were consistent relative to December 31, 2024.

United Parcel Service Inc. (UPS) – announced Q1 2025 consolidated revenues of US$21.5 billion, a 0.7% decrease from Q1 of 2024. Consolidated operating profit was $1.7 billion, up 3.3% compared to Q1 of 2024, and up 0.9% on a non-GAAP adjusted basis. Diluted earnings per share were $1.40 for the quarter; non-GAAP adjusted diluted earnings per share were $1.49, 4.2% above the same period in 2024. For Q1 of 2025, GAAP results include a net charge of $83 million, or $0.09 per diluted share, comprised of after-tax transformation strategy costs of $44 million and a non-cash, after-tax impairment charge of $49 million, primarily related to asset and investment impairments. These charges were partially offset by a $10 million benefit for the partial reversal of an income tax valuation allowance. "I want to thank all UPSers for their hard work and efforts in this very dynamic environment," said Carol Tomé, UPS CEO. "As a trusted leader in global logistics, we will leverage our integrated network and trade expertise to assist our customers as they adapt to a changing trade environment. Further, the actions we are taking to reconfigure our network and reduce cost across our business could not be timelier. The macro environment may be uncertain, but with our actions, we will emerge as an even stronger, more nimble UPS."

U.S. Domestic Segment: Revenue grew 1.4%, driven by increases in air cargo and a 4.5% improvement in revenue per piece, which partially offset a decline in volume. Operating margin was 6.8%; non-GAAP adjusted operating margin was 7.0%.

International Segment: Revenue increased 2.7%, driven by a 7.1% increase in average daily volume. Operating margin was 14.7%; non-GAAP adjusted operating margin was 15.0%.

Supply Chain Solutions: Revenue declined 14.8%, primarily due to the divestiture of Coyote Logistics, a subsidiary of UPS. Operating margin was 1.7%; non-GAAP adjusted operating margin was 3.6%.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Amgen Inc. (Amgen) – reported Q1 2025 results, with total revenue rising 9% to US$8.1 billion and product sales up 11%, driven by 14% volume growth. Multiple products showed double-digit growth. Amgen expects biosimilar competition to impact sales of some products later in the year but remains confident in its long-term growth.

Arvinas, Inc. (Arvinas) - reported Q1 2025 progress, highlighted by positive topline results from its Phase 3 VERITAC-2 trial for vepdegestrant in a type of metastatic breast cancer, positioning it for potential regulatory filings later this year. The company has further announced reprioritization of vepdegestrant development plan.

Bicycle Therapeutics. Inc. (Bicycle) – reported solid progress in Q1 2025, highlighting the launch of its Phase 1/2 Duravelo-3 trial for zelenectide pevedotin in a type of breast cancer and continued momentum in its Duravelo-2 trial for metastatic urothelial cancer. Bicycle ended the quarter with US$793 million in cash and a net loss of $60.8 million, supporting a runway into the second half of 2027.

ICON plc (ICON) – reported mixed results for Q1 2025, with revenue of US$2.0 billion — down 4.3% year-over-year (y/y) — and adjusted EBITDA of $390.7 million. Despite trial delays and macro uncertainty, ICON maintained profitability through cost controls. Full-year revenue guidance was lowered to $7.75–$8.15 billion, excluding two paused COVID vaccine trials.

Lantheus Holdings, Inc. (Lantheus)– announced that its Alzheimer's disease Positron Emission Tomography (PET) imaging agent, MK-6240 (F18-florquinitau), met co-primary endpoints for sensitivity and specificity in two pivotal studies, supporting its potential as a next-generation diagnostic tool targeting tau protein. The company plans to file a New Drug Application (NDA) with the Food and Drug Administration (FDA) in Q3 2025. MK-6240 could significantly enhance early and accurate diagnosis, staging, and monitoring of Alzheimer's, complementing Lantheus' other imaging agent, NAV-4694, which targets beta amyloid.

Telix Pharmaceuticals Limited (Telix) – Prostate-Specific Membrane Antigen-Positron Emission Tomography (PSMA-PET) imaging agent, Illuccix®, has received marketing authorization in France for use in detecting and locating PSMA-positive prostate cancer lesions. The approval enables French hospitals to prepare scans on-site using gallium-68, supporting faster and more accessible diagnostics.

NUCLEAR ENERGY

Cameco Corporation (Cameco) – reported its financial results for Q1 2025, Cameco reported its unaudited financial results for Q1 2025, with revenue of US$789 million, up 24% y/y, and adjusted EBITDA of $353 million, a 5% increase. Growth was driven by strong performance in the Fuel Services segment. Uranium segment revenue rose 10% with higher realized prices offsetting a 5% decline in sales volume, and the company's share of Westinghouse Electric Company contributed $92 million in adjusted EBITDA, up 19% y/y. Cameco CEO Tim Gitzel is urging investors to focus on the strong long-term outlook for nuclear power rather than being distracted by geopolitical tensions and trade disruptions during the earning call. He highlights growing global momentum for nuclear energy, with the U.S. extending reactor licenses, China approving new builds, and Poland signing on for its first commercial plant. Despite this growth, approximately 70% of the uranium required globally through 2045 remains uncontracted, reflecting persistent supply uncertainty amid rising demand.

ECONOMIC CONDITIONS

U.S. Employment - U.S. nonfarm payrolls rose 177 thousand (K) in April, more than the +138K print expected by consensus. The positive surprise was offset by a -58K cumulative revision to the prior month's results. Employment in the goods sector rose 11K as gains in construction (11K) and mining/logging (+1K) were only partially compensated by a 1K decline in manufacturing. Jobs in services-producing industries, meanwhile, advanced 156K, reflecting increased in health/social assistance (+58K), transportation/warehousing (+29K), leisure/hospitality (+24K), professional/business services (+17K) and finance/insurance (+14K). Alternatively, payrolls shrank in the retail (-2K) and utilities (-1K) segments. Following three consecutive declines, headcounts in the closely-followed temporary help services category rose 4K. In total 167K jobs were created in the private sector, while 10K were added in the public sector, the latter concentrated at the state/local level (+19K). Federal government employment contracted 9K. Average hourly earnings rose 3.8% y/y in April, unchanged from the prior month and one tick below consensus expectations (3.9%). Month on month, earnings progressed 0.2%.

Released at the same time, the household survey painted a more upbeat picture of the situation prevailing in the labour market, with a reported 436K increase in employment. As this gain was accompanied by a one-tick increase in the participation rate (to 62.6%), it left the unemployment rate unchanged at 4.2%. Full-time employment surged 305K in April, while the ranks of part-timers expanded a more subdued 56K.

U.S. Manufacturing - The ISM Manufacturing Index fell deeper in contractionary terrain, down 0.3 points (pts) to 48.7 in April.

Production plunged more than 4 pts to 44.0—the lowest level since May 2020. Meanwhile, new orders and employment shrank for a third straight month. A measure of prices paid edged up to 69.8 after surging in the prior two months, suggesting cost pressures are flaring. It's a double whammy for factories as they grapple with both slowing demand and higher prices. The imports index fell to the lowest level since December 2023, suggesting tariff front-running may be fading.

Australian Inflation - Aussie inflation came in at or below the Reserve Bank of Australia's implied forecasts and should lock in a cut at the Board's meeting next month. Headline rose 0.9% quarter-over-quarter (q/q) (market (mkt) 0.8%, Reserve Bank of Australia 1%) to remain at 2.4% year-over-year (y/y). Given the distortions from government subsidies and administered price changes the Reserve Bank of Australia's focus will be on the trimmed mean measure. This came in at 0.7% q/q, in line with the Reserve Bank of Australia's forecast but above 0.6% analyst consensus. Annual trimmed mean slowed from 3.3% in Q4'24 to 2.9% in Q1'25, the first time below 3% since Q4'21. That said, the uptick in trimmed mean from 0.5% q/q in Q4'24 to 0.7% q/q in Q1'25 and the jump in non tradeable CPI from 0.3% q/q in Q4'24 to 1.6% q/q in Q1'25 suggests the Reserve Bank of Australia should be easing at a cautious pace and not as fast as the market has priced for the Reserve Bank of Australia. We expect the Reserve Bank of Australia to cut 25 basis points (bps) at next month's meeting with another 25bps cut in August taking the Reserve Bank of Australia cash rate to 3.60%.

U.S. GDP - Data released by the Bureau of Economic Analysis showed a 0.3% annualized decline in real GDP in the United States in Q1. This contraction, the first recorded in three years (2022Q1), was roughly in line with consensus expectations (-0.2%). And as the Q1 result was significantly weaker than potential, the output gap narrowed from +1.9% to +1.2%. On a 12-month basis, GDP was up 2.0%.

Domestic demand grew at a healthy pace in the three months to March, supported by household consumption (+1.8% q/q annualized) as well as business spending on equipment (+22.5%), intellectual property products (+4.1%) and non-residential structures (+0.4%). Investment in the residential sector rose as well, albeit to a lesser extent (+1.3%). Government spending (-1.4%), meanwhile, fell for the first time in nearly three years, hampered by a rather steep decline at the Federal level (-5.1%).

Looking further into the details, consumer spending on goods rose an annualized 0.5%, as a 2.7% increase in the non-durable segment was partially offset by a 3.4% decline for durables, the latter led by an 11.1% drop in the automobiles sub-segment. Expenditure on services expanded 2.4%, a good result, but still the weakest recorded in a year and a half.

International trade had a major impact on today's GDP release, subtracting no less than 4.84 percentage points from the headline growth figure, the largest negative contribution since the data began being compiled in 1947. Exports advanced by 1.8%, but this gain was dwarfed by a 41.3% jump on the import side, with the latter gain driven by the goods segment (+50.9%). Inventories added 2.25 percentage points to GDP growth.

U.S. Personal Consumption - Despite contending with strong headwinds, the mighty American consumer managed to move forward in March. Thanks to tariff front-running, personal spending rose 0.7% following an upwardly revised 0.5% advance in February. Real spending increased 0.7%, much stronger than the 0.1% gain in the prior month, resulting in a 1.8% annualized increase in Q1 (we saw that earlier this morning). The monthly increase in inflation-adjusted spending was driven by broad-based gains in both goods and services. And, it was supported by a better-than-expected 0.5% advance in personal income, as wage growth picked up.

Meantime, the core Personal Consumption Expenditures (PCE) price index (the Fed's preferred measure of inflation) was actually flat in March and the tamest in nearly five years. That was enough to trim the annual rate to 2.6%, a nice step down from the prior month's 'hot' 3.0% pace. The GDP report showed that the core PCE deflator popped 3.5% annual rate in Q1, which raised a few eyebrows. But, its now known that was a result of upward revisions to the prior month. The stall in March suggests that price pressures were muted at the end of the quarter, providing a welcome but temporary reprieve… before tariffs kicked into high gear.

FINANCIAL CONDITIONS

The U.S. 2 year/10 year treasury spread is now 0.50% and the U.K.'s 2 year/10 year treasury spread is 0.67%. 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 6.76%. 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 23.19 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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