



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

NEWS HIGHLIGHTS

EST. 2007

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

JULY 7, 2025

The views of the Portfolio Management Team contained in this report are as of July 7, 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**



**PORTLAND 15 OF 15
ALTERNATIVE FUND
COMPANY NEWS**

Brookfield Asset Management Ltd. (Brookfield)- Selenta Hospitality Group (Selenta), owned by a fund managed by Brookfield has finalized the sale of the Mare Nostrum Resort in Tenerife to Spring Hotels for €430 million. The resort underwent a €56 million transformation over the past two years, including refurbishment, rebranding, and operational improvements, leading to a 91% increase in Revenue Per Available Room (RevPAR). Brookfield first invested in Selenta in 2021, supporting over €200 million in asset upgrades and partnerships with brands like Marriott International, Inc, Hyatt Hotels Corporation, and Hard Rock International. Selenta will now expand its asset management business by managing hotels for other investors in addition to Brookfield.

LVMH Moët Hennessy Louis Vuitton SE (LVMH) - China has concluded its anti-dumping investigation into EU brandy imports and decided to impose duties of up to 34.9% for five years, but major French cognac producers including LVMH Pernod Ricard S.A. (Martell), and Rémy Cointreau S.A. will be exempt, provided they adhere to undisclosed minimum import prices. This outcome follows months of negotiations and is seen as a relatively favorable resolution for the industry, especially as China will refund deposits collected since provisional duties began in October 2024. While the deal offers relief, particularly for premium brands whose sales in China had dropped as much as 70%, the BNIC (Bureau National Interprofessionnel du Cognac) emphasized that the new arrangement is still less favorable than pre-investigation norms and

called for broader EU-China trade cooperation. Chinese Foreign Minister Wang Yi, in talks with French President Emmanuel Macron, framed the resolution as a product of “friendly consultations,” though tensions remain, particularly over EU tariffs on Chinese Electric Vehicles (EVs).

Reliance Industries Limited (RIL) – RIL is transferring all its consumer goods brands to a new wholly-owned subsidiary as the company readies for an initial public offering for its retail business. The brands which span apparel, fashion, food, personal care and beverage, currently housed under Reliance Retail Ltd., Reliance Retail Ventures Limited (RRVL), and Reliance Consumer Products Limited (RCPL), will be moved to the so-called New Reliance Consumer Products Limited, or RCPL, a National Company Law Tribunal (NCLT) order dated June 25 said. In a filing with NCLT, the RIL firms stated that this is a large business by itself requiring specialized and focused attention, expertise and different skill sets as compared to retail business. The move will allow the capital-intensive consumer goods business to attract a different set of investors, the filing added. It will also give a sharper focus to the retail business which is preparing for a public offering. Under the arrangement, New RCPL will manufacture, distribute, sell and market consumer goods. It will also invest in subsidiaries and joint ventures related to this business, the NCLT filing said. The development comes as analysts flag signs of improvement in RIL's retail business. RIL's beverage brand Campa Cola achieved double-digit market share in key regions, barely two years after it was relaunched in India. Its beauty care chain Tira offers brands from American Smashbox Cosmetics, Inc. and The Estée Lauder Companies Inc. to Korea's Sulwhasoo Co., Ltd. and homegrown Re'equil India Private Limited.

RIL – RRVL announced on Thursday a strategic minority investment in UK-based FaceGym Ltd. (FACEGYM), a global innovator in facial fitness and skincare. This marks a pivotal step in RRVL's continued expansion in the high-growth beauty and wellness space. Founded by

renowned beauty and wellness entrepreneur Inge Theron, FACEGYM has pioneered a transformative approach to skincare by combining non-invasive facial workouts with advanced skincare formulations. With a cult following across several global markets, FACEGYM is widely recognized for creating a new category at the intersection of beauty, wellness, and fitness. Through this partnership, RIL Retail's Tira will spearhead FACEGYM's India foray, leading its local operations and market development, bringing the brand's innovative concept to the Indian consumer. Reliance will establish and scale FACEGYM's presence in India over the next five years, through a mix of standalone studios and curated spaces within select Tira stores across key cities. This expansion will leverage RIL's robust retail ecosystem, market expertise, and deep consumer insights to introduce and scale FACEGYM's unique offering in a rapidly growing beauty space. The partnership reinforces RIL Retail's broader strategy to scale its presence in the beauty and personal care vertical, anchored by Tira, India's fastest growing omnichannel beauty destination, and a growing portfolio of first brands.

LIFE SCIENCES



Amgen Inc. – has announced that its Phase 3 FORTITUDE-101 clinical trial of becharituzumab plus chemotherapy (mFOLFOX6) met its primary endpoint of overall survival (OS) at an interim analysis. The combination treatment showed a significant improvement in OS compared to chemotherapy alone in patients with a specific type of gastric or gastroesophageal junction (G/GEJ) cancer.

NUCLEAR ENERGY

Constellation Energy Corporation (Constellation) – The former Three Mile Island nuclear power plant in Pennsylvania may reportedly restart in 2027, about a year ahead of schedule after being put on a fast track to connect to the regional grid. Constellation struck a deal last September to power Microsoft Corporation (Microsoft) data centers, paving the way to reopen Three Mile Island, widely known as the site of a partial meltdown in 1979 that chilled the nuclear industry. Constellation's 20-year power purchase agreement with Microsoft is emblematic of the efforts Big Tech has been willing to undertake to fuel its artificial intelligence expansion, which began to intensify a year-and-a-half ago. The reactor re-entering service at Three Mile Island, which is being renamed the Crane Clean Energy Center, was not part of the 1979 accident, and shut in 2019 for economic reasons.

ECONOMIC CONDITIONS

The Canadian trade deficit edged lower to \$5.9 billion (bn) in May from \$7.6bn the prior month (market: -\$6.0bn), as exports rose by 1.1% month over month (m/m) and imports fell 1.6% m/m. The May trade report did see a significant impact from a sharp move in imports/

exports of precious metals (gold), with exports of metal products rising by 15.1% m/m as imports fell by a similar 16.8% m/m. Total exports would have declined without the 2.1percentage points (pp) contribution from metal products, but gains were still registered across 6 of the other 10 subcomponents including aircraft (+5.6%) and industrial machinery (2.9%), as energy products (-5.6%) provided the key offset with a headwind from lower oil prices. Meanwhile, a rebound in consumer goods imports (+4.3%) contributed 0.9pp to total imports to help offset the headwind from precious metals.

U.S. Nonfarm payrolls (June) increased a better-than-expected 147 thousand (k) last month, above the consensus 106k, while the unemployment rate fell to 4.1% versus consensus forecasts looking for 4.3%. There was also a net upward revision of 16k jobs over the past two months. The 3-month average gain improved to 150k from 141k in May. One important caveat was government payrolls increasing 73k, the biggest monthly increase since March 2024, offsetting some of the Federal government Department of Government Efficiency (DOGE) cuts. Household employment increased a more modest 93k in June even as the labor force shrank by another 130k following a 625k decline in May. Stepped up immigration enforcement and an aging workforce may be weighing more heavily on labor market participation than expected. This sent the unemployment rate down to 4.1% from 4.2% in May. With the unemployment rate still at or somewhat below the full-employment level, there is little urgency for the Federal Reserve (the Fed) to react to other labor market evidence pointing to moderating labor demand. Employment fell for manufacturers, professional and business services, and the Federal government last month. But we saw improved job gains coming from construction and state and local governments. Decent job gains continued for education and health care, leisure and hospitality, information, financial services, and trade and transportation. No sign yet of the labor market faltering into a downturn.

Eurozone Inflation (Jun)- Euro area inflation for June was as the market expected, with headline inflation rising a tick to 2.0% year over year (y/y), while core inflation remained unchanged at 2.3% y/y. Details showed core goods easing off a tick to 0.5% y/y, while services inflation rose a tick to 3.3% y/y (but still well below April's recent high of 4.0%).

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 0.72%. 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 6.67%. Existing U.S. housing inventory is at 4.6 months supply of existing houses as of June 23, 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 17.74 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



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

PIC25-040-E(07/25)