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

NEWS HIGHLIGHTS

EST. 2007

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

OCTOBER 20, 2025

OWNER OPERATED COMPANIES

GO TO PORTLAND 15 OF 15 ALTERNATIVE FUND[1]

PORTLAND 15 OF 15 ALTERNATIVE FUND[1] COMPANY NEWS

LVMH Moët Hennessy Louis Vuitton SE (LVMH) returned to organic revenue growth in third quarter 2025, rising 1% year-over-year to EUR 18.3 billion, marking a key inflection after a soft first half. The rebound was driven primarily by a stronger-than-expected recovery in Asia, where mainland China turned positive after several quarters of decline, helping lift Asia ex-Japan into growth territory. The United States also posted solid performance, improving sequentially versus second quarter, while Europe was stable overall. Selective Retailing was the standout segment, growing 7% organically, led by Sephora SA (Sephora)'s strong momentum and improving trends in DFS Group Limited (DFS)'s Asian duty-free hubs like Hong Kong and Macao. Watches & Jewelry rose 2% organically, with Tiffany & Company (Tiffany & Co.) posting record high jewelry sales and Bulgari S.p.A. (Bvlgari) benefiting from strong Serpenti demand. LVMH acknowledged rising gold and precious metal prices, noting that Tiffany & Co. has absorbed these through design-led pricing power, though the broader margin impact remains to be seen. Perfumes & Cosmetics grew 2% as new launches from Christian Dior SE (Dior) drove sales in a mixed category environment. The critical Fashion & Leather Goods segment declined 2% but showed sequential improvement from second quarter 's 9% drop, helped by resilient local demand and softer prior-year comparisons. Wines & Spirits remained challenged, with only 1% growth as Jas Hennessy & Co. (Hennessy) Cognac volumes stayed weak amid trade tensions and demand softness in China and the United States. Management struck a cautiously optimistic tone on profitability, citing tight cost control and stable pricing strategy, but emphasized that sustained revenue recovery is needed to drive margin re-expansion.

Reliance Industries Limited (RIL) delivered robust second quarter results with consolidated Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) rising 15% to over Rupees (INR) 50,000 crores and profit after tax increasing 14% to INR 22,100 crores. Jio Platforms Limited (Jio Platforms) saw 18% EBITDA growth, with 5G users reaching 234 million. RIL achieved 18% revenue growth, expanding its omnichannel presence. The Oil-to-Chemicals segment reported a 20.9% increase in EBITDA. Jiostar India Private Limited (JioStar) recorded significant EBITDA improvement with 400 million monthly active users. The New Energy business is progressing with solar cell production lines set to start next month. RIL also announced the formation of Reliance Intelligence Limited (Reliance Intelligence), a new Artificial Intelligence (AI) - focused subsidiary. RIL's second quarter of financial year 2026 results were ahead of consensus expectations with consolidated EBITDA coming 3% ahead of consensus. The beat was largely driven by the retail segment where revenue growth accelerated to 18% Year on Year (YoY) driven by across-the-board strength. Digital segment also came ahead of expectations with 8.3mn net adds and 4% Quarter on Quarter growth in revenues. O2C was largely in-line. Key highlights from retail segment: 1) second quarter of financial year 2026 marked the return of growth momentum with retail revenue up 18% YoY, which was significantly ahead of expectations; 2) The strong performance was driven by all segments: grocery grew 23%, fashion grew 22% and electronics grew 18%, all above expectations; 3) having completed store rationalization, total retail area grew to 77.8m sq ft (from 77.6m sq ft in 1st quarter of financial year 2026); 4) EBITDA grew by 16.5% YoY, which was also above expectations, largely led by revenue growth momentum; 5) Consumer brands delivered second quarter revenue of INR 54 billion.

Reliance Industries Limited (RIL) is set to kick off solar power generation from its renewable energy project in Kutch, Gujarat, in the first half of the next financial year. This project, sprawling over an area nearly three times the size of Singapore, is a crucial part of the company's transition towards clean energy as it aims to achieve net-zero carbon emissions by 2035. During its recent second-quarter earnings announcement, RIL shared an update on the progress of its 5,50,000-acre renewable energy project in Kutch. The company revealed that development activities are advancing smoothly, with engineering and feasibility studies completed. The site is now in various stages of land development, and solar generation is expected to begin in the first half of financial year 2026. The energy generated will be used for captive requirements as well as green fuels production. This development marks a significant milestone in the company's journey toward becoming a key player in the global clean energy sector. The Giga Complex in Jamnagar, the heart of RIL's refining and petrochemical operations, will manufacture components for solar energy generation, as well as the battery value chain. Meanwhile, in Kutch, RIL is developing one of the largest single-site solar projects in the world, spanning 550,000 acres, three times the size of Singapore. RIL's clean energy plans include a broad spectrum of projects, such as solar photovoltaic, battery storage, green hydrogen, and sustainable aviation fuel. The company is on track to build 20 GWp of solar PV manufacturing capacity and a 100 GWh battery gigafactory. Furthermore, it aims to produce 3 million tonnes per annum of green hydrogen by 2032, alongside in-house production of essential equipment like electrolysers, battery storage, and solar panels.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

Clarity Pharmaceuticals Ltd (Clarity Pharmaceuticals) has signed a Supply Agreement with Nusano, Inc. (Nusano) for the provision of copper-67, a key isotope for their clinical trials and future commercial use. Nusano, set to begin operations in late 2025 at its state-of-the-art facility in Utah, will supply copper-67 starting in mid-2026. The company's proprietary accelerator-based technology allows for high-volume, reliable production, minimizing supply chain risks.

Olema Pharmaceuticals, Inc. (Olema Pharmaceuticals) presented updated data from its Phase 1b/2 study of palazestrant combined with ribociclib in patients with a type of metastatic breast cancer. The combination demonstrated promising progression-free survival (PFS), with a median PFS of 15.5 months for all patients in the 120 milligram palazestrant cohort. Notably, among patients who had prior Cyclin-Dependent Kinase (CDK) 4/6 inhibitor treatment, PFS was 9.2 months for those with Estrogen Receptor (ESR) 1 wild-type tumors and 13.8 months for those with ESR1 mutations. These encouraging results support the ongoing Phase 3 OPERA-02 trial, which is evaluating the regimen in a frontline setting.

NUCLEAR ENERGY

GE Vernova Inc. (GE Vernova) secured a major contract with Greenvolt International Power, S.A. (Greenvolt) to supply 42 onshore wind turbines for the Ialomița Wind Farm in Romania. The project will deploy GE Vernova's 6.1 Mega Watt(MW) –158 m "workhorse" turbines, providing a total of 252 MW, with deliveries beginning in 2026 following its third quarter 2025 booking. The Romania deal adds to a growing string of onshore wins across Europe in 2024–2025, underscoring renewed momentum in GE Vernova's Wind segment after a challenging stretch for the industry. Earlier in 2025, GE Vernova booked 12 turbines (73 MW) for the Zatriq I & II projects in Kosovo, 14 turbines (~59 MW) for the Iwaya and Shitsukari projects in Aomori, Japan, and additional orders totaling 67 MW in Spain and Germany with developers Forestalia and BBWind. The company's "workhorse" platform strategy, centered on standardized 6-MW-class machines built for local conditions, continues to gain customer adoption across Europe. GE Vernova said the Ialomița project reflects both product competitiveness and deeper collaboration with repeat clients like Greenvolt, who are scaling wind investments ahead of Europe's 2030 renewable-energy targets.

Oklo Inc. (Oklo) and Newcleo Ltd (Newcleo) have announced a strategic partnership to develop advanced nuclear fuel fabrication and manufacturing infrastructure in the U.S. The partnership includes up to US $2 billion in investment from Newcleo, with potential co-investment from Blykalla AB (Blykalla), Sweden's advanced nuclear tech developer. The initiative aims to create a resilient U.S. nuclear fuel ecosystem, support energy security, and promote transatlantic cooperation. The collaboration could involve repurposing surplus plutonium for fuel, accelerating advanced reactor deployment.

Plug Power Inc. (Plug Power) CEO Andy Marsh joined U.S. Senator Bill Cassidy at the Louisiana Energy Security Summit on October 16, 2025, to discuss strengthening U.S. energy independence and competitiveness through clean hydrogen and domestic manufacturing. Marsh participated in a panel focused on addressing risks to American energy and supply chain security, emphasizing how U.S. companies can compete globally by prioritizing productivity, reliability, and clean energy.

ECONOMIC CONDITIONS

Canada sees a bounce back in housing starts, and a slight decline in existing home sales in September. Housing starts increased 14% month-over-month in September, up to 279.2k units. This almost makes up for the 17% month-over-month drop in August. The gain was driven by rentals, which now top the combined starts for homes and condos. Though up in September, housing starts were down 3% in third quarter 2025, which could weigh on the residential investment portion of Gross Domestic Product (GDP). Existing home sales were down 1.7% month-over-month, but up 5.2% from September last year. Sales are back into the lower end of pre-pandemic "normal" range. New listings dropped 0.8% in September but remained up 8.0% from last year. This dip brought the sales-to-new listings ratio to 50.7, reflecting balanced market conditions. Affordability remains an issue, but the benchmark price is down 0.1% in September and remains 3.4% below the benchmark from this time last year.

The US government has now been shut down for over 2 weeks, leading to gaps in the reporting of US economic data. Markets have shifted emphasis towards alternative data sources such as the Fed's economic summary colloquially known as the "Beige Book", a publication put out twice per quarter, with the most recent publication produced on October 15, 2025. The most salient points from October publication include:

- Consumer spending eased in September especially on retail goods. Auto sales were an exception but this likely comes down to September being the last month for a federal tax incentive on the purchase of electric vehicles.
- Price pressures on manufacturers from tariffs seemed to drive up inflation, although still less than many feared initially.
- Employment remained largely flat compared to the previous period, however, the report noted more employers lowering employment counts through layoffs, and labour demand remained subdued. Leading indicators for job demand show the worst may be yet to come, September saw another 2% decline in US job postings on Indeed, now down 36% since May 2022. The decline is led by white collar jobs excluding health care, though blue-collar jobs also saw a lesser decline. The Beige Book aligns with private sector reporting we have seen highlighting the lack of hiring since the government shutdown.

The lack of official data likely implies the Federal Open Market Committee (FOMC) will have to rely on alternative data sources for their next interest rate decision on October 29th.

China's economy shows mixed signals in September. GDP growth slowed to 4.8% in Q3, in line with expectations. Industrial output was above expectations of 5.0%, increasing at 6.5% year-over-year. Fixed asset investment at (0.5%) and property investment of (13.9%) both shrunk more than expected, which limited GDP growth and kept it below the 5% official target. The GDP number met expectations, but domestic investment remained weak and the country's reliance on overseas demand for manufacturing leaves it vulnerable to external shocks. The urban unemployment rate in China fell from 5.3% in August to 5.2% in September. This decrease likely stems from the stabilization of the manufacturing industry, and an increase in government led infrastructure projects. Retail sales were slightly above the 2.9% forecasts at an increase of 3.0% year-over-year, the slowest pace since November 2024. Growth was supported by goods retail, which increased 3.3%, and by online sales of physical goods, up 6.5% year-to-date to represent roughly 25% of total retail sales. In contrast, catering services rose only 0.9%, automobile sales gained 1.6%, and petroleum and related products declined 7.1%, leading to the overall moderation in consumption growth despite resilient online and goods spending.

China's Consumer Price Index (CPI) fell 0.3% in September from the same time last year, a sharper decline than the (0.2%) consensus projection, but easing from the 0.4% drop in August. The core CPI, which strips out food and energy prices, was up 1.0%—the highest growth since February 2024. The Producer Price Index (PPI) dropped by 2.3% from last September, in line with forecasts. This marks the second straight month that PPI deflation eased. Despite these somewhat positive signs, the heightened levels of trade uncertainty make it too soon to declare that deflationary pressures are easing.

China consumer prices drop more than expected in September.

FINANCIAL CONDITIONS

The U.S. 2 year/10 year treasury spread is now 0.53% 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 6.27%. Existing U.S. housing inventory is at 4.6 months supply of existing houses as of October 6, 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 CBOE Volatility Index (VIX) is 18.47, and while, by its nature, the VIX will remain volatile, a VIX level below 25 is generally viewed as supportive 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.

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

PIC25-054-E(10/25)