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NEWS HIGHLIGHTS

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

MARCH 10, 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

Ares Management Corporation (Ares) – has acquired GLP Capital Partners Limited (GCP International), boosting its Real Assets business to over US$115 billion assets under management (AUM) and total assets to $525 billion as of December 31, 2024. The deal strengthens Ares' global logistics presence across Asia, Brazil, Vietnam, Europe, and the U.S., making it a top-three global logistics owner with 570M+ square feet of properties. Ares also expands into digital infrastructure, with 1 gigawatt (GW) of IT capacity, including 500 megawatts (MW) in development, enhancing its position in new economy sectors like logistics, data centres, and self-storage. Key GCP International leaders, including Michael Steele and Ming Mei, join Ares to support growth. Chief Executive Officer (CEO) Michael Arougheti highlighted the move as a step toward scaling global operations and diversifying asset offerings.

Brookfield Asset Management (Brookfield) – has sold 1.6 GW of solar and wind assets in India to Gentari Renewables India Management Private Limited in a US$900 million deal, structured in two phases. The first phase, involving 1 GW of operating assets, has been completed. Brookfield's 40 GW Indian renewable portfolio underscores its long-term commitment to the country's energy transition. The sale follows a surge in renewable energy deals, including ONGC Green Limited's $2.3 billion acquisition of Ayana Renewable Power Private Limited and JSW Energy Limited's $1.5 billion purchase of O2 Power Private Limited. Globally, Brookfield manages 46 GW of installed renewable capacity and a 200 GW development pipeline, with assets across North & South America, Europe, and Asia-Pacific. With $1 trillion in AUM, it remains a major force in renewables, infrastructure, private equity, and real estate.

Brookfield Wealth Solutions (Brookfield Wealth)– is set to enter the UK pension insurance market under the Blumont Annuity UK (Blumont) brand, pending regulatory approval. The move taps into growing demand for bulk annuities, where companies offload pension liabilities to insurers. Brookfield Wealth Solutions, spun out from Brookfield Corporation in 2021, brings deep financial backing and experience from the U.S. and Canadian markets. UK pension insurance deals hit £45 billion (US$57.1 billion) in 2024, with up to £50 billion expected this year. Blumont will be the first new bulk annuity issuer since 2007 and joins recent entrants M&G plc, Royal London Mutual Insurance Society Limited, and Utmost Group plc. CEO Sachin Shah emphasized Brookfield Wealth's $140 billion in assets and commitment to long-term retirement solutions for UK pensioners, entering a market led by Aviva plc, Legal & General plc, and Phoenix Group Holdings plc.

Reliance Industries Limited (Reliance) – Mukesh Ambani is overhauling his retail empire as he seeks to reassure investors antsy for an exit option in the form of a public listing. The chairman of Reliance acknowledged to investors in recent discussions that the retail entity had grown too big too quickly as a result of expanding across formats and geographies, according to people familiar with the matter. To fix things, Ambani, together with daughter Isha Ambani, is overseeing job and cost cuts, the people said, asking not to be named because the discussions are private. That entails limiting physical store expansion, slashing marketing budgets, merging unit Reliance Brands Ltd. with the umbrella retail entity and reviewing global brand partnerships. The hiring of employees above a certain pay scale also now requires approval from the chairman's office, they added. A Reliance representative didn't respond to an email seeking comments on the restructuring efforts underway. The decisions are meant to signal progress to investors seeking better valuation, with a target of US$125 billion valuation which Reliance is hoping for in an initial public offering, the people said. Financiers from Qatar Investment Authority to General Atlantic collectively invested $8.24 billion between 2020 and 2023 for a 11.9% stake in the firm, according to an analysis by Stanford C. Bernstein. With initial talks of Reliance Retail buying back shares from private equity firms yielding little result, and marquee investors uncertain about the timeline for an eventual retail unit listing, a revamp could serve as a first step toward bringing them visibility of an exit strategy. That said, a public offering, should it happen, is expected to be at a modest dilution of around 5%, offering little room for early backers to fully exit, the people said. The retail operations' overhaul will also help Reliance fend off competition from the likes of Tata Group, Amazon.com Inc. and quick commerce platforms that have gained an upper hand in India's cut-throat consumer landscape. The firm is also betting on slimmer operations to help weather a broader consumption slowdown in the economy. Reliance Retail Limited (Reliance Retail) operates via a complex structure of about 60 units that include its mass-market and luxury superstores, beauty and clothes apps, and quick grocery delivery platform JioMart. The firm clocked 2.73 trillion rupees (US$31 billion) in revenue and 111 billion rupees in profit in the fiscal year ended March 2024. It had about 340 million registered customers across 19,102 stores and four apps as of December 31. There is a renewed focus on scaling up the quick commerce business, according to the people, especially as it poses a growing threat to traditional retailers. Isha Ambani has been actively engaging with senior management across Reliance Retail's units and, since November, has met with key executives or founders of all global brands the group retails in India, they said. While the group exited underperforming joint ventures such as G-Star RAW and Replay last year, she is reviewing more such closures, the people said.

Reliance - JioStar, a joint venture formed by Reliance's Viacom18 Media Private Limited (Viacom18) and Disney's Star India Private Limited (Star India), is reportedly laying off more than 1,000 employees as part of a major restructuring. According to Mint, the job cuts, which began about a month ago, could continue until June 2025. These layoffs affect workers across various departments, including distribution, finance, commercial, and legal teams, and aim to remove overlapping positions after the merger. Viacom18 and Star India joined forces in November 2024 to form JioStar, which is now India's largest media and entertainment company. This restructuring is meant to streamline the merged entity, reduce expenses, and focus on fast-growing areas such as sports broadcasting and online streaming. The company is offering what it calls a generous severance deal, which includes a payout of six to 12 months' salary, depending on how long an employee has been with the firm. Affected employees also receive one month of full salary for each year of service. The notice period ranges from one to three months. JioStar may offer new roles within Reliance Group companies, particularly to those with technology and digital services skills, the report said. JioStar plans to expand its sports offerings with new channels and is committed to covering major events such as the Champions Trophy, Women's Premier League (WPL), and Indian Premier League (IPL). The decision to keep the sports segment intact suggests the company sees sports as a critical area for future growth. Nita Ambani serves as chairperson and Uday Shankar is vice chairperson of the new venture.

DIVIDEND PAYERS

GO TO PORTLAND CANADIAN BALANCED FUND[1]

C.K Hutchison Holdings Limited (CK Hutchison) - The BlackRock-Global Infrastructure Partners-Terminal Investment Limited Consortium (BlackRock-TiL Consortium) and CK Hutchison announced that they have reached in principle agreements whereby the BlackRock-TiL Consortium will acquire:

1. Hutchison Port Holdings Limited's (HPH) 90% interests in Panama Ports Company (the "PPC Transaction"), which owns and operates the ports of Balboa and Cristobal in Panama (the "Panama Terminals"); and
2. CK Hutchison's 80% effective and controlling interest in subsidiary and associated companies (the "HPH Transaction") owning, operating and developing a total of 43 ports comprising 199 berths in 23 countries, together with all HPH's management resources, operations, terminal operating systems, IT and other systems, and other assets appertaining to control and operations of those ports (the "HPH Ports Sale Perimeter"). The HPH Ports Sale Perimeter does not include any interest in the HPH Trust, which operates ports in Hong Kong, Shenzhen and South China, or any other ports in China.

South Bow Corporation (South Bow) - reported its fourth-quarter (Q4) and year-end 2024 financial and operational results and provides its 2025 outlook. The company delivered strong financial performance in 2024, underscored by the highly contracted nature of South Bow's assets. Revenue and normalized earnings before interest, income taxes, depreciation, and amortization (normalized EBITDA) increased relative to 2023 due to significant demand for uncommitted capacity on the Keystone Pipeline in the first quarter (Q1) of 2024, and strong demand for capacity on the U.S. Gulf Coast segment of the Keystone Pipeline System throughout the year. The company exited 2024 with total long-term debt and net debt outstanding of US$5.7 billion and $4.9 billion, respectively. South Bow's net debt-to-normalized EBITDA ratio1 was 4.5 times at December 31, 2024, supported by the Company's starting working capital balances and strong normalized EBITDA generated in 2024.

LIFE SCIENCES

GO TO PORTLAND LIFE SCIENCES ALTERNATIVE FUND[1]

BeOne Medicines Ltd.– (formerly BeiGene, Ltd.) announced that the U.S. Food and Drug Administration (FDA) has approved TEVIMBRA® (tislelizumab-jsgr), in combination with platinum-containing chemotherapy, for the first-line treatment of adults with certain types of esophageal squamous cell carcinoma (ESCC). This approval is based on the positive results from the RATIONALE-306 Phase 3 trial, which demonstrated that TEVIMBRA combined with chemotherapy significantly improved overall survival (OS) in patients with PD-L1 positive tumors.

Clarity Pharmaceuticals – announced that the SECuRE trial has successfully completed its Dose Escalation Phase and transitioned to the Cohort Expansion Phase (Phase II). A Safety Review Committee (SRC) confirmed that the trial would expand at the 8 gigabecquerel (GBq) dose level and increase the number of treatment cycles from 4 to 6. Notably, 92% of pre-chemotherapy participants in the trial experienced a greater than 35% drop in prostate-specific antigen (PSA) levels. A complete response was also observed in one participant after two doses. The trial has demonstrated a favorable safety profile, with mostly mild adverse events, though one dose-limiting toxicity was noted. Based on these promising results, the trial protocol has been amended to bring 67Cu-SAR-bisPSMA to earlier stages of disease, particularly pre-chemotherapy.

Schrödinger, Inc. – announced the appointment of Bridget van Kralingen to its Board of Directors, effective March 7, 2025. With over 35 years of experience in global technology and software businesses, she is currently a senior partner at Motive Partners LLC. and has previously held leadership roles at International Business Machines Corporation (IBM). In addition to her role at Schrödinger, van Kralingen serves on the boards of several companies, including Teradyne, Inc., IEX Group, Inc., and The Travelers Companies, Inc..

NUCLEAR ENERGY

Oklo Inc. (Oklo) – has acquired Atomic Alchemy Inc. (Atomic Alchemy) for US$25 million in an all-stock deal, enhancing its U.S.-based radioisotope production for healthcare, defense, semiconductors, and space. Atomic Alchemy will operate as a subsidiary, supporting Oklo's fuel recycling and nuclear energy businesses while expanding into biotech, pharmaceuticals, and advanced manufacturing. The acquisition strengthens domestic radioisotope supply, reducing reliance on aging global infrastructure and unlocking new revenue streams. Atomic Alchemy's Versatile Isotope Production Reactor (VIPR®) and Neutron Transmutation Doping (NTD) technologies bolster semiconductor capabilities and nuclear fuel applications. With the radioisotope market projected to reach $55.7B by 2026, Oklo is positioning itself as a key U.S. supplier. CEO Jacob DeWitte emphasized Oklo's commitment to meeting rising demand for radioisotopes and nuclear innovation.

Plug Power Inc. (Plug Power) – announced progress on its path to profitability, reporting improved cash flow and reduced cash burn in 2024. The company made strategic moves, including optimizing operations, streamlining its workforce, and consolidating facilities, which helped improve margins. As part of its ongoing efforts, Plug Power launched "Project Quantum Leap," aiming to reduce annual expenses by US$150 million to $200 million through further workforce reductions, consolidations, and cutbacks in discretionary spending and capital expenditures.

ECONOMIC CONDITIONS

Canada - Former central banker Mark Carney claimed a landslide victory on Sunday to lead Canada's Liberal Party and to become the country's next prime minister.

Canadian employment edged up by 1.1 thousand (K) in February, below consensus expectations for a 20K increase. The participation rate, meanwhile, fell by two ticks to 65.3%. Together this produced an unchanged unemployment rate (6.6%), compared to the consensus expectation for a one tick increase. The net employment gain was driven by part-time positions, which rose 20.8K in the month. That was just barely enough to offset the full-time employment decline (-19.7K). Meanwhile, the number of jobs in the private sector advanced 10.2K, while the public sector also posted a slight gain of 7.6K. Self-employment was the counterweight which fell by 16.8K. Hiring was led by services-producing industries (+20.6K), driven by wholesale and retail trade (+50.8K), which more than offset the decline in professional, scientific, and technical services (-32.9K). On the goods-producing front, employment fell by 19.5K, with larger declines coming from utilities (-7.8K) and construction (-5.0K). Note that the eye-popping 33K advance in manufacturing employment reported in January was only partially reversed as 4.8K jobs were shed this month. Regionally, employment fell in Nova Scotia (-4.3K, or -0.8%) while Ontario posted a 16.9K gain. Quebec employment dipped by 3.4K. It's not obvious how much of February's hiring deceleration is due to trade uncertainty weighing on the economy. Manufacturing employment fell in February but that comes after a 33K advance in January. More broadly, it was a bad month for goods-producing industries but here too, employment declines were not enough to offset strong net hiring in January. One must also consider the impact of weather in February, which clearly impacted hours worked and could've contributed to less hiring and job-seeking activity in the month. Ultimately, the impact of the Canada-US trade war should become clearer in coming months, but we would expect to see continued sluggishness ahead (assuming the trade war rages on).

U.S., nonfarm payrolls rose 151K in February, a bit less than the 160K print expected by consensus. The negative surprise was accompanied by a -2K cumulative revision to the prior months' results. Employment in the goods sector rose a solid 34K on gains for construction (+19K), manufacturing (+10K) and mining/logging (+5K). Jobs in services-producing industries, meanwhile, advanced 106K, reflecting increases in the health/social assistance (+63K), financial activities (+21K) and transportation/warehousing (+18K) categories. Alternatively, payrolls shrank in the leisure/hospitality (-16K) and retail trade (-6K) segments. Headcounts in the temporary help services category fell 12K in February. In total, 140K jobs were created in the private sector, while 11K were added in the public sector, the latter concentrated at the state/local level (+21K). Federal government employment shrank 10K. Average hourly earnings rose 4.0% year on year (y/y) in February, up from 3.9% the prior month but still one tick below consensus expectations (4.1%). Month on month (m/m), earnings progressed 0.3%. After a January marked by wildfires in the Los Angeles area and unseasonably cold temperatures across most of the United States, we had every right to expect a rebound in employment in February. And bad weather may still have played a role in February judging by the still-elevated number of people having missed work because of it.

US ISM services index registered a firmer than expected increase in February, rising to 53.5 after falling to 52.8 in the last report (consensus: 52.5). The gain only partly walks back the index's January drop. The main driver of the upside gain was the employment component, which continued to build momentum for a third straight month, rising to 53.9. This is the highest level for the component since December 2021. Moreover, new orders also rose by close to 1 point to 52.2 while business activity fell slightly to 54.4. According to the report, "slightly slower growth in the Business Activity Index was more than offset by growth in the other three subindexes. Anxiety continues; however, over the potential impact of tariffs. Some respondents indicated that federal spending cuts are having negative impacts on their business forecasts."

FINANCIAL CONDITIONS

European Central Bank (ECB) cut -25 basis points (bps) to 2.5% as expected – with the accompanying statement switching from the "monetary policy remains restrictive" to "rates becoming meaningfully less restrictive" i.e. more hawkish as the ECB gets closer to end their easing cycle. Meantime German yields have moved significantly higher on the German/EU €500 billion defense/infrastructure spending plans.

The U.S. 2 year/10 year treasury spread is now 0.30% and the U.K.'s 2 year/10 year treasury spread is 0.45%. 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 has decreased to 6.63%. Existing U.S. housing inventory is at 3.5 months supply of existing houses as of February 21, 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 Volatility Index (VIX) is 26.71 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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