

LetkoBrosseau

EMERGING MARKETS STRATEGY

As at March 31, 2022

Strategy

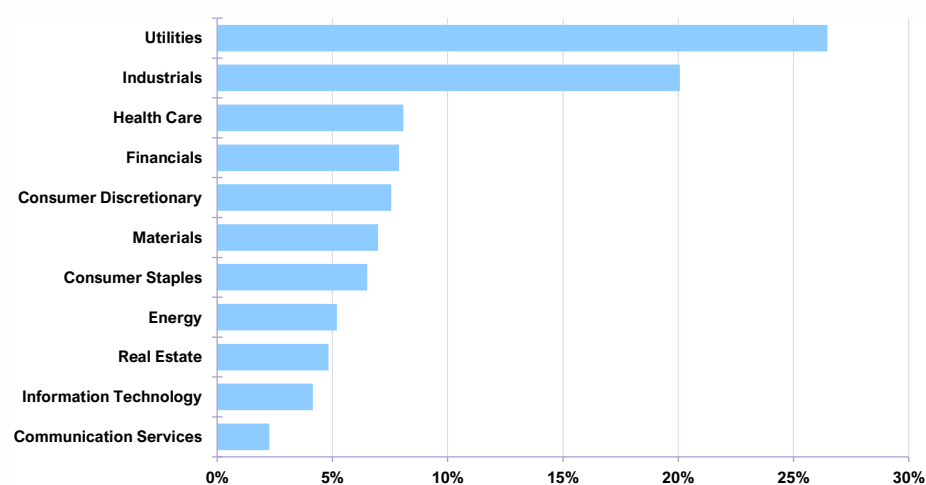
The strategy is designed for investors with a long-term investment horizon seeking a diversified emerging markets equity portfolio. LBA has been investing in emerging markets since 1988. We offer a compelling value proposition based on our knowledge-based investing approach, collaborative team structure, price discipline, and low fees.

Firm Profile

Founded in 1987, Letko, Brosseau & Associates Inc. (LBA) is one of Canada's largest independent investment managers with approximately \$18 billion managed. We offer a select number of broad investment strategies including Global Balanced, Fixed Income, Global Equity, Canadian Equity Income, Fossil Fuel Free Equity, Emerging Markets Equity, Canadian Equity, EAFE Equity and Infrastructure Equity where we feel we can add value through our disciplined knowledge-based investment approach.

Inception Date	July 1, 2011
Category	Equity
Investment Options	Segregated Account (\$5 million) Pooled Fund Account (\$1 million)

Sector Weightings⁽¹⁾



Compounded Annualized Returns⁽²⁾ (in Canadian dollars)

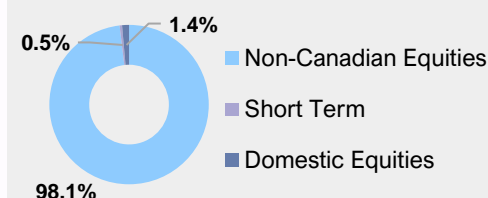
	3 months	1 year	3 years	5 years	10 years	Since Inception
LBA Emerging Markets Composite	-1.0%	8.3%	6.2%	6.6%	9.0%	7.7%

(1) Information shown is based on the Letko Brosseau Emerging Markets Composite.

*For the # of Holdings and Turnover Ratio the information shown is of a representative account, in this case the Letko Brosseau Emerging Markets Equity Fund.

(2) Data is preliminary. This Composite includes all discretionary emerging markets equity mandates with asset mix targets for fixed income securities of less than 10%. The Composite assets as of March 31, 2022 were \$1.3 billion or 7.5% of total assets under management. Performance results reflect the reinvestment of dividends, income and other earnings and are presented net of all withholding taxes. Reclaimable withholding tax refunds are recognized when received. Performance results are presented before management and custodial fees but after trading commissions. Custody/administration costs may vary depending on client's custody arrangement and account.

Asset Allocation⁽¹⁾



Characteristics⁽¹⁾

Average Dividend Yield	4.5%
Forward P/E Ratio	9.6
Average Market Cap	CA\$35 bil
Active Share	95%
# of Holdings*	57
Turnover Ratio*	28.8%

Country Weightings⁽¹⁾ (%)

Country	Weight(%)
China	22.5
Brazil	18.9
India	17.8
Mexico	13.1
Philippines	6.4
Indonesia	4.2
Peru	4.1
Republic Of Korea	2.2
Japan	1.9
Thailand	1.7
Sum of Remaining Countries	7.2



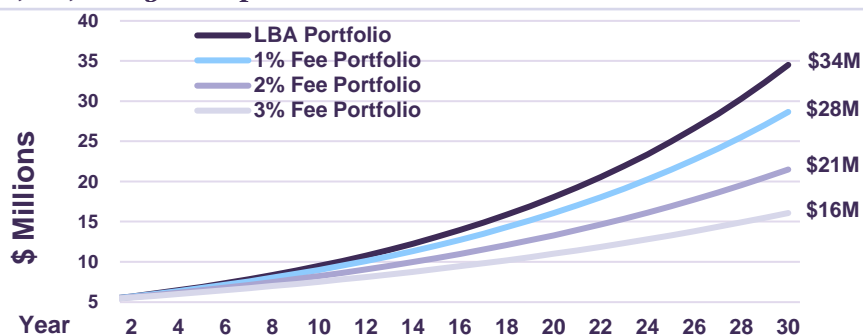
Portfolio Strategy Commentary⁽³⁾

During the quarter, the Fund increased its position in Fleury SA, the second-largest private medical diagnostics company in Brazil, offering more than 3,500 tests, and working with 2,800 physicians and 11,200 employees. The company's activities are divided into three main segments: Patient Service Centers (PSC), B2B and Dental Diagnosis. The PSC division offers private medical diagnostics. The B2B division is responsible for clinical analysis and diagnostic imaging in partner hospitals, as well as tests for laboratories, hospitals and clinics throughout Brazil. The Dental Diagnosis division provides dental diagnostic imaging. Fleury trades at 14x earnings and offers a 6% dividend yield.

During the quarter, the Fund increased its position in Sinopharm Group, China's largest medical distribution company. We believe Sinopharm is well-positioned to benefit from China's growing demand for drugs and medical devices in a consolidating industry. The company increased its distribution market share from 4.4% in 2003 to about 17.6% in 2019. Over the last seven years, revenues have grown consistently between 12-22%. The stock is trading at 5x P/E 2022E, with a 5.6% dividend yield. We expect an 18% EPS CAGR between 2021 and 2025E.

During the quarter, the Fund took the opportunity to crystallize its gains by fully exiting its position in Atrium European Real Estate (Atrium), an Eastern European commercial real estate business. Gazit Globe offered to privatize Atrium at an offer price of €3.15 per share. We publicly opposed this offer and, after a successful engagement with the company, the offer price was increased to €3.63 per share. The accepted price represents a 13% discount to the company's NAV of €4.15 per share, as of Q2 2021, and a 23% discount to our NAV of €4.70 using a 6% cap rate. P/FFO 2023 is 14x. This price does not consider a full recovery from COVID-19 or the major residential opportunities that the company is pursuing in Poland. Gazit Globe holds 75% of Atrium shares. We realized a profit on the sale of our holdings. Atrium generally paid attractive dividend yields averaging ~8%.

Value of \$5 million invested with LBA over 30 years compared to 1%, 2%, and 3% fee portfolios ^{(1) (2)}



(1) Assuming a 7% annual compound return.

(2) LBA Portfolio is net of management fees, based on our sliding scale fee schedule.

(3) The transactions mentioned in the Portfolio Strategy Commentary section are of a representative account, in this case the Letko Brousseau Emerging Markets Equity Fund and do not represent all the securities bought or sold in the fund during the quarter. A list of all purchases and sales made during the past year can be provided on request. It should not be assumed that an investment in these securities was or will be profitable.

(4) Information shown is based on the Letko Brousseau Emerging Markets Composite.

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This presentation may contain certain forward-looking statements which reflect our current expectations or forecasts of future events concerning the economy, market changes and trends. Forward-looking statements are inherently subject to, among other things, risks, uncertainties and assumptions regarding currencies, economic growth, current and expected conditions, and other factors that are believed to be appropriate in the circumstances which could cause actual events, results, performance or prospects to differ materially from those expressed in, or implied by, these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Top 10 Holdings⁽⁴⁾ (%)

	Weight(%)
Copel - Cia Paranaense De Energia	5.23
Cia Saneamento Basico Adr	4.50
China Water Affairs Group	4.15
Power Grid Corp Of India	4.04
Reliance Industries	3.68
Manila Water Company	3.48
Grupo Aeroportuario Del Centro Norte S.A.B.	3.43
Sinopharm Group	3.23
Ccr Sa	3.18
First Pacific C	2.73

Fee Schedule	Amount	Fee
First	\$300,000	1.00%
Next	\$700,000	0.75%
Next	\$2,000,000	0.50%
Remaining Account balance		0.25%

