

### Strategy

The strategy is designed for investors with a long-term investment horizon seeking a diversified global equity portfolio that excludes energy. LBA has been investing in companies in global equity 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

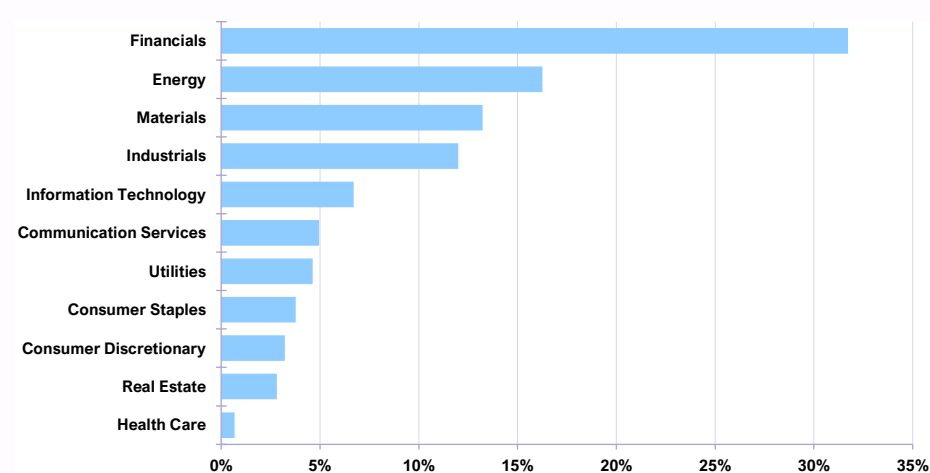
Founded in 1987, Letko, Brosseau & Associates Inc. (LBA) is one of Canada's largest independent investment managers with approximately \$18 billion managed. We offer a select number of broad investment strategies including Global Balanced, Fixed Income, Global Equity, Canadian Equity Income, Fossil Fuel 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** June 1st, 2020

**Category** Equity

**Investment Options** Segregated Account (\$5 million)  
Pooled Fund Account (\$1 million)

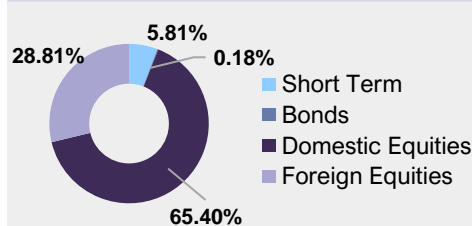
### Sector Weightings<sup>(1)</sup>



### Compounded Annualized Returns<sup>(2)</sup> (in Canadian dollars)

	3 months	1 year	3 years	5 years	10 years	Since Inception
<b>LBA Fossil Fuel Free Global Equity (Canadian Bias) Composite</b>	<b>-1.9%</b>	<b>9.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20.2%</b>

### Asset Allocation<sup>(1)</sup>



### Characteristics<sup>(1)</sup>

**Average Dividend Yield** 3.0%

**Forward P/E Ratio** 11.8

**Average Market Cap** CA\$139.4 bil

**Active Share** 90.5%

**# of Holdings\*** 100

**Turnover Ratio\*** 10.6%

### Country Weightings<sup>(1)</sup> (%)

	Weight(%)
<b>Canada</b>	<b>41.7</b>
<b>United States</b>	<b>30.6</b>
<b>France</b>	<b>8.7</b>
<b>United Kingdom</b>	<b>4.8</b>
<b>Switzerland</b>	<b>3.0</b>
<b>Germany</b>	<b>2.6</b>
<b>Japan</b>	<b>2.3</b>
<b>Spain</b>	<b>1.2</b>
<b>Austria</b>	<b>1.0</b>
<b>Republic Of Korea</b>	<b>0.8</b>
<b>Sum of Remaining Countries</b>	<b>3.3</b>

(1) Information shown is based on the Letko Brosseau Fossil Fuel Free Global Equity (Canadian Bias) Composite.

\*For the # of Holdings and Turnover Ratio the information shown is of a representative account, in this case the Letko Brosseau ESG Fossil Fuel Free Global Equity Fund.

(2) Data is preliminary. This Composite includes all discretionary fossil fuel free equity mandates with bias towards Canadian equities and assets mix targets for fixed income securities of less than 10%. The Composite assets as of March 31, 2022 were \$58 million or 0.3% of assets under management. Performance results reflect the reinvestment of dividends, income and other earnings and are presented net of all foreign 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.



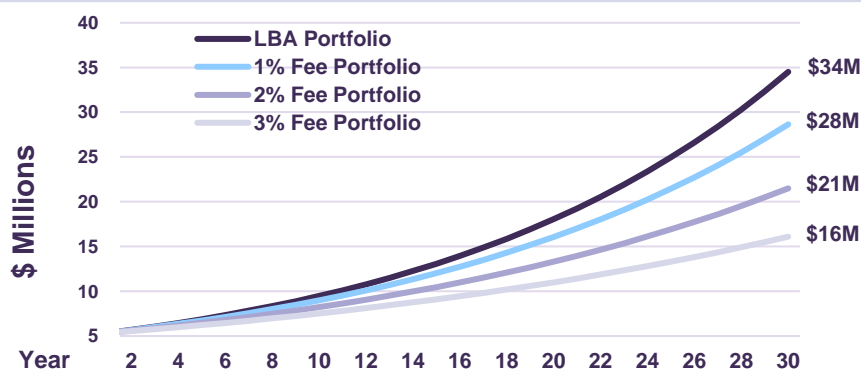
### Portfolio Strategy Commentary<sup>(3)</sup>

During the quarter, the Fund increased its position in Kuraray Co. Based in Japan, Kuraray is a leading chemical company producing highly specialized films for consumer electronics, consumer products and the automotive sector. The company also produces products for the construction industry, as well as the liquid and gas purification industries. We forecast that EPS may reach ¥142 in 2024, compared to ¥110 in 2021, a 9% EPS growth per year between 2021 and 2024. This growth is driven by the continuous increase in the size of televisions (poyal film product), continuing penetration of single-use detergent pods, increased use of their packaging materials, and increased penetration of their Genestar polymer, as a replacement for metal, in the automobile segment. In the long term, Kuraray's activated carbon business (liquid and gas purification segment) should become another important growth pillar. Kuraray trades at 8x 2022 expected earnings and pays a 4% dividend yield.

During the quarter, the Fund increased its position in Skyworks Solutions, the leading producer of analog chips used to connect to wireless networks. These chips are highly differentiated and benefit from the fact that content per phone is growing rapidly while phone makers adopt 5G and introduce the ability to connect on more new frequencies. Skyworks also benefits from new devices specific to the 'Internet of Things', an area generating 30% of its sales. Skyworks grew revenue 52% last year, because of Apple's adoption of 5G, strong unit sales of smartphones, and the effects of lapping the loss of Huawei as a client due to U.S. sanctions. The industry has been benefiting from strong sales of smartphones and, therefore, we forecast a modest contraction in smartphone sales next year. Even with this contraction, we forecast ~3% organic growth next year due to double digit content gains. Longer term, we expect ~10% organic growth per year. Despite this very strong longterm outlook, the stock is trading at a modest 11.5x P/E.

During the quarter, the Fund crystalized gains by decreasing its position in Nutrien, the largest agricultural retailer in the world, providing farmers with solutions including precision agriculture, seeds, fertilizers, and chemical protection. Nutrient holds a 20% market share in mining potash fertilizer and is a major player in producing nitrogen fertilizers in North America. In the environment of possibly restricted supply of potash fertilizers from Russia and Belarus (combined global market share is estimated at 35%), Nutrien can increase potash products at their Canadian mine and at least partially offset the effect of reduced supply. The company services 500,000 growers, with 1,700 retail facilities, 400 warehouses and 15,000 rail cars across North America, South America and Australia. Nutrien pays a US\$1.92 annual dividend and trades at forward adjusted P/E multiple of 7.5x. We expect 2022 earnings to be substantially above normal as global agricultural commodities are affected by possible supply interruption from Russia and Ukraine. As agricultural commodity prices rise, farmers around the world are attempting to increase yields of their farmlands in order to supply the tight food market. Fertilizers, Nutrien's main product, are one of the main factors used to increase crop yields.

### Value of \$5 million invested with LBA over 30 years compared to 1%, 2%, and 3% fee portfolios <sup>(1) (2)</sup>



<sup>(1)</sup> Assuming a 7% annual compound return.

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

### Top 10 Holdings<sup>(4)</sup> (%)

	Weight(%)
Bank Of Nova Scotia	3.42
Manulife Fin Corp	3.02
Power Corp Of Canada	2.87
Td Bank	2.48
Rogers Communication Cl	2.23
Telus Corporation	2.10
Abbvie Inc	2.02
Carrefour Sa	1.96
Verizon Communications	1.85
Veolia Environnement	1.85

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%

(3) The transactions mentioned in the Portfolio Strategy Commentary section are of a representative account, in this case the Letko Brosseau ESG Fossil Fuel Free Global 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 Brosseau Fossil Fuel Free Global Equity (Canadian Bias) Composite.

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