

LetkoBrosseau

EMERGING MARKETS STRATEGY

As at June 30, 2022

Strategy

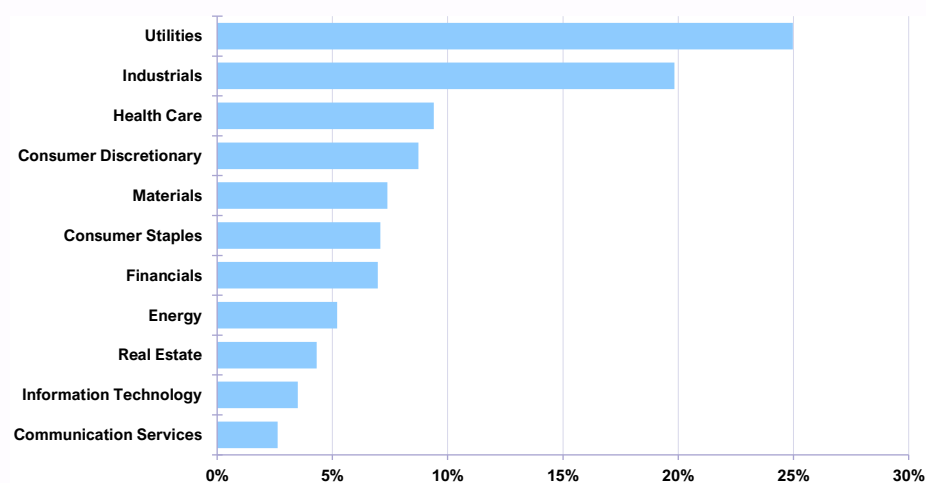
The strategy is designed for investors with a long-term investment horizon seeking a diversified emerging markets equity portfolio. LBA has been investing in emerging markets since 1988. We offer a compelling value proposition based on our knowledge-based investing approach, collaborative team structure,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

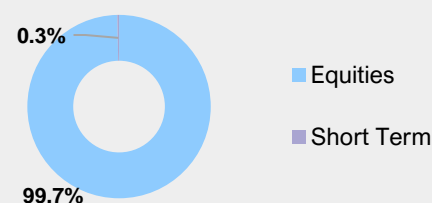
	1 year	3 years	5 years	10 years	Since Inception
LBA Emerging Markets Composite	-3.49%	4.24%	5.05%	9.33%	6.80%

(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 June 30, 2022 were \$1.2 billion or 7.9% 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	8.9
Average Market Cap	CA\$33 bil
Active Share	95%
# of Holdings*	57
Turnover Ratio*	26.3%

Country Weightings⁽¹⁾ (%)

Country	Weight(%)
China	26.13
India	17.73
Brazil	16.72
Mexico	12.39
Philippines	6.16
Indonesia	5.10
Peru	3.54
United Arab Emirates	1.90
Republic Of Korea	1.88
Japan	1.69
Sum of Remaining Countries	6.75



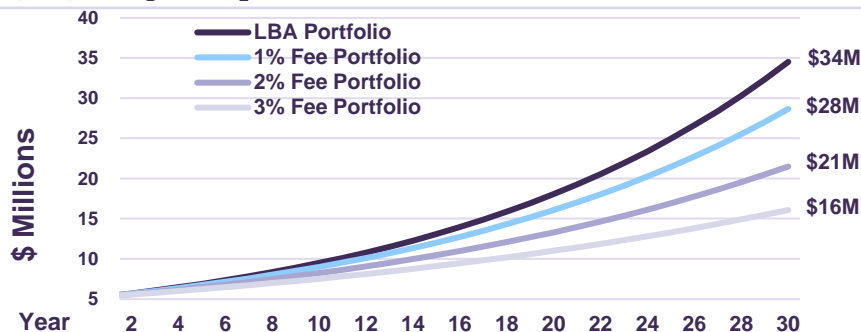
Portfolio Strategy Commentary⁽³⁾

During the quarter, the Fund (re-)initiated a position in Geely Automobile Holdings, a leading Chinese automotive equipment manufacturer, with 6% market share in China. Through the years, we have witnessed Geely's evolution from a small car manufacturer in China to the largest Chinese OEM by volume. It has since grown its portfolio, focusing on electric vehicle sales (accounting for over 20% of its total sales volume), international sales, and its premium brand, Lynk. Although we have owned Geely shares for over ten years, we sold our position in 2021 when the share price was peaking. In April 2022, following China's COVID-19 lockdowns and the subsequent decline in Geely's share price, we took the opportunity to partially buy back our Geely position at RMB 12 per share. The company was trading at an attractive 11x earnings with a solid balance sheet. We expect the company to grow revenue and earnings by approximately 10%-15% annualized over the next three to five years.

During the quarter, the Fund increased its position in Alibaba Group Holding Limited, the world's largest e-commerce company based on gross merchandise value, with over 1.3 billion annual active global customers, and the third-largest cloud vendor globally. The company recently expanded its stock buyback program from \$15 to \$25 billion which is effective until March 2024. We anticipate more aggressive stock buybacks in the future as we believe the company will generate \$15 to \$20 billion in annualized free cash flow over the next three to five years. Alibaba offers interesting growth opportunities, has a very strong balance sheet, and trades at 13.6x 2023 forecast earnings net of cash.

During the quarter, the Fund decreased its position in PTT Exploration and Production (PTTEP), an oil and gas exploration and production company headquartered in Thailand. The company's production is predominantly gas-weighted, at about 70% of total production, and it produces over one-half of Thailand's natural gas. PTTEP also has operations abroad, such as in Oman, Malaysia and Vietnam. PTTEP plans to grow its overall production at a 5% annual rate through 2026 through a combination of organic and inorganic means, helping support net income growth. The company has a policy to pay out at least 30% of net income to shareholders in the form of dividends. PTTEP's share price has increased almost 40% YTD and almost 80% over the last two years, providing an opportunity for us to trim our position and lock in gains. Still, the company trades at 7.5x 2022 P/E, assuming \$100 oil, with an attractive 5% dividend yield.

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.

This document has been prepared by Letko, Brousseau & Associates Inc. for informational purposes only and is not intended to provide, and should not be relied upon for, accounting, legal or tax advice or investment recommendations. It should not be considered a solicitation to buy or an offer to sell a security. There is no representation or warranty as to the current accuracy of, nor liability for, decisions based on such information. Past performance is not a guarantee of future returns. All investments pose the risk of loss and there is no guarantee that any of the benefits expressed herein will be achieved or realized.

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	4.26
Sinopharm Group Co	3.80
Cia Saneamento Basico	3.70
Reliance Industries	3.69
Power Grid Corp Of India	3.61
China Water Affairs	3.49
Grupo Aeroportuario Del Centro	3.17
First Pacific	3.08
Manila Water	3.08
Concentradora Fibra Danhos Reit	2.87

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%

