

### 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

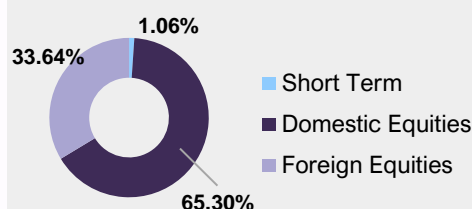
Founded in 1987, Letko, Brosseau & Associates Inc. (LBA) is one of Canada's largest independent investment managers with approximately \$18 billion managed. We offer a select number of broad investment strategies including Global Balanced, Fixed Income, Global Equity, Canadian Equity Income, Fossil Fuel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

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



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

**Average Dividend Yield** 3.5%

**Forward P/E Ratio** 8.58

**Average Market Cap** CA\$119.6 bil

**Active Share** 90.5%

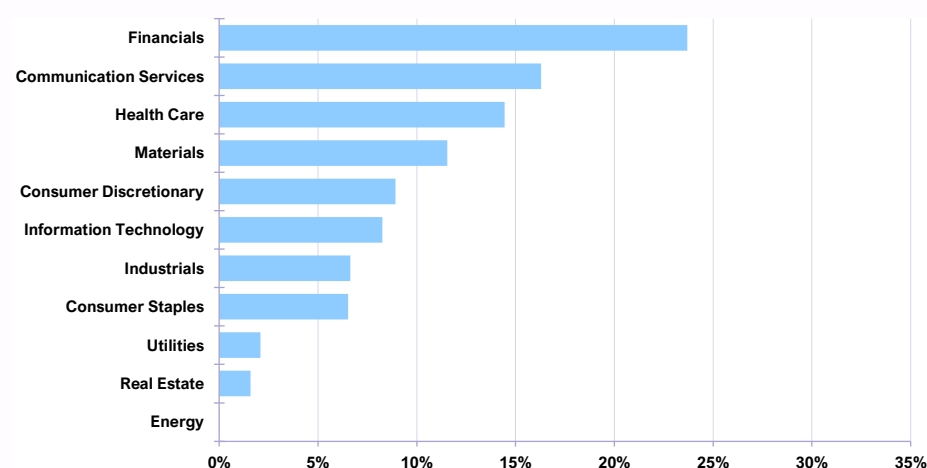
**# of Holdings\*** 158

**Turnover Ratio\*** 11.5%

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

	Weight(%)
Canada	38.48
United States	32.62
France	9.60
United Kingdom	5.24
Switzerland	2.90
Japan	2.57
Germany	2.27
Spain	1.40
Mexico	0.73
Republic Of Korea	0.73
Sum of Remaining Countries	3.47

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



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

	1 year	3 years	5 years	10 years	Since Inception
<b>LBA Fossil Fuel Free Global Equity (Canadian Bias) Composite</b>	<b>-8.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.6%</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 June 30, 2022 were \$53 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.



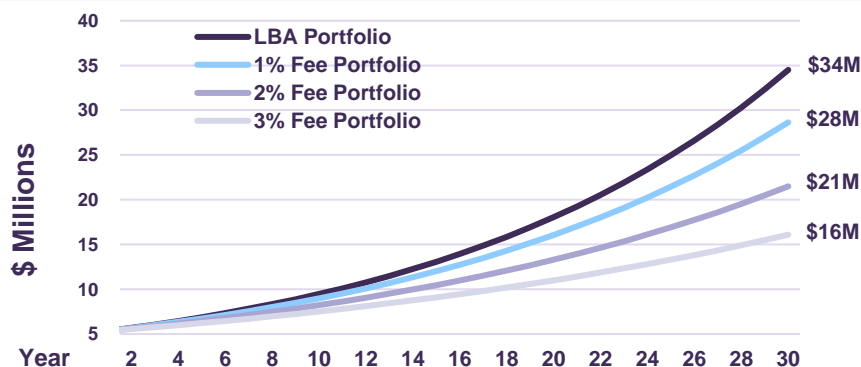
### Portfolio Strategy Commentary<sup>(3)</sup>

During the quarter, the Fund increased its position in BNP Paribas (BNP), a leading financial institution providing banking and financial services to retail and corporate clients. BNP serves over 30 million customers in 68 countries with over 193,000 employees. With a diversified business model including three major segments: (1) Domestic markets, (2) International financial services for retail banking and specialized financial services (i.e., wealth management), and (3) Corporate and Institutional banking for serving non-retail clients. Retail banking contributes ~68% of revenue with the balance from corporate and institutional banking, with €44 bn in annualized revenue and over €7 bn in net profit. We expect EPS to grow by mid- to high- single digits in the next five years. BNP is trading at 6x P/E with an 8% dividend yield.

During the quarter, the Fund initiated a position in Warner Bros. Discovery (WBD-US), a leading global Media and Entertainment company. WBD's key assets include Warner Bros. Film and TV studio, HBO, TNT, TBS, Discovery, HGTV, Food and Travel Network. WBD has the highest traditional viewership share (19.7%) in the US. Its TV studio is a leader in terms of revenue and volume while its Film studio is second by box office grosses. The company is well positioned to be a top three global direct-to-consumer platform as it leverages its best-in-class scripted (HBO) content with its best-in-class unscripted/lifestyle (Discovery/HGTV/Travel/Food) content. The combination of Warner Media and Discovery enables merger synergies and greater scale, driving operating and financial flexibility. While near-term visibility towards the advertising market and the direct-to-consumer pivot remains low, given an attractive valuation (7x 2023E P/E) and our view that WBD has the right assets to drive long-term earnings and free cash flow growth, we view the asset as an attractive long-term investment with significant upside potential (\$30 2026 target price – implied 9x P/E).

During the quarter, the Fund crystalized gains by reducing its position in Nutrien Ltd., the world's largest agricultural retailer, providing farmers with solutions including precision agriculture, seeds, fertilizers and chemical protection. Nutrient holds a 20% market share in the mining of 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 (whose combined global market share is estimated at 35%), Nutrien can increase potash products at their Canadian mine to partially offset the effect of this 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 an annual dividend of US\$1.92 and trades at 4.7x 2022 earnings. 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 the yields of their farmlands 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 Com	3.16
Manulife Fin Corp Com	2.74
Power Corp Of Canada Sv Com	2.67
Td Bank Com	2.28
Abbvie Inc Com	2.15
Rogers Communication Cl B Nv	2.10
Verizon Communications Com	2.06
Telus Corporation Com	2.00
Gilead Sciences Inc Com	1.82
Merck & Co Inc Com	1.81

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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