

Despite facing challenges from faltering real estate activity and sluggish export demand, a slew of economic readings improved in China toward year-end. Consumer spending accelerated in November as retail sales jumped 10.1% year-on-year compared to 7.6% a month earlier. This marked the eleventh consecutive month of sales growth and the fastest expansion in retail activity since May.

China's broadening stimulus campaign is reason for cautious optimism. However, we believe the property market will continue to weigh on activity and growth is expected to remain subdued by historical standards in the year ahead. The IMF forecasts real GDP growth in China will slow to 4.2% year-on-year in 2024.

Following a strong 7.8% year-on-year expansion in real GDP in Q2, India's output increased by 7.6% in the third quarter. Investment rose 11.0% in the same period and government spending surged 12.4%. We expect fiscal policy will remain accommodative in the coming months given 2024 is an election year.

The outlook for India's domestic consumption and investment remains positive. The country is well positioned to retain its status as the fastest growing major economy in the year ahead. Real GDP growth is expected to remain stable at 6.3% year-on-year in 2024, per IMF estimates.

The lagged effect of extensive interest rate hikes remains the main factor behind weaker economic outlooks for Brazil and Mexico. After a strong 2023 that saw several upward revisions to growth, the IMF forecasts real GDP growth will moderate to 1.5% in Brazil and 2.1% in Mexico in 2024.

Slowing developed market growth and tight global financial conditions continue to present dual headwinds to emerging markets. Apart from China, however, most large emerging market economies have fared better than predicted and the region is expected to avoid a broad-based downturn. The IMF forecasts developing economies will grow by 4.0% in 2024, unchanged from 2023, but below the long-term average growth rate of 4.5%.

FOURTH QUARTER

From 01-OCT-2023 to 31-DEC-2023

	Total Return (%)			Ending Weight (%)			Selection Effect (%)	Allocation Effect (%)*	Total Attribution (%)
	Port	Bmk	Diff	Port	Bmk	Diff			
Industrials	14.7	6.3	8.5	21.6	6.8	14.8	1.9	-0.3	1.6
Utilities	14.2	12.8	1.5	23.5	2.7	20.8	0.3	1.0	1.3
Real Estate	16.6	-0.2	16.8	5.8	1.6	4.2	1.0	-0.3	0.6
Financials	14.0	8.3	5.8	10.1	22.3	-12.2	0.6	0.0	0.5
Energy	16.6	6.7	9.9	3.7	5.1	-1.4	0.3	0.0	0.3
Communication Services	-15.0	0.0	-15.0	1.9	8.8	-6.9	-0.5	0.7	0.1
Health Care	7.6	7.3	0.3	8.4	3.8	4.7	0.1	-0.1	0.0
Consumer Staples	6.0	6.1	-0.2	7.0	6.0	1.0	0.0	0.0	0.0
Materials	6.1	6.8	-0.7	6.3	7.9	-1.6	-0.1	0.0	-0.1
Consumer Discretionary	-3.8	0.8	-4.7	8.2	12.8	-4.6	-0.5	0.3	-0.2
Information Technology	20.0	17.8	2.2	3.4	22.2	-18.8	0.0	-1.7	-1.7
	10.4	7.9	2.6	100.0	100.0		3.0	-0.4	2.6

* Includes interaction: a mathematical consequence of the allocation and selection effects rather than an actively made investment decision.

The performance of the Letko Brosseau Emerging Markets Equity Fund (the “Fund”) in the 4th quarter was 10.4%, while the MSCI Emerging Markets Total Return Net Index returned 7.9%.

Industrials

During the quarter, the Industrials sector sustained robust performance, with our holdings outperforming the sector benchmark by a significant 8.5%. GMR Infrastructure, currently the largest holding in the fund, contributed notably with a strong return of 35.0% over the quarter. As the largest private airport operator in Asia and among the global leaders, GMR Infrastructure manages airports catering to over 100 million passengers annually. This portfolio includes key hubs like Delhi International Airport, the largest and fastest-growing airport in India, Hyderabad International Airport, and Mactan Cebu International Airport in the Philippines. GMR's regulated airport assets provide assured returns, operating under a low-risk cost-plus model in India, with the current traffic framework offering substantial protection to regulated revenues against disruptions.

Utilities

The Fund's Utilities holdings delivered a positive return of 14.2% and outperformed the benchmark by 1.5%. Notably, a significant contribution to the positive return came from a substantial holding in Cia De Saneamento Basico (“Sabesp”), which yielded an impressive return of 25.6%. The Company holds the distinction of being the third-largest sanitation company globally in terms of revenue. Operating in 374 out of 645 municipalities in the State of São Paulo, it serves approximately 67% of the State's urban population - totaling 28.5 million people. The City of São Paulo stands as its largest concession, contributing 44% to the total revenue. Residential users play a crucial role, accounting for 86% of the water/sewage volume and approximately 70% of the revenue.

Real estate

The most notable sector outperformance relative to the benchmark was the Real Estate sector, where the fund had a 16.8% outperformance. The largest contributor to the fund's outperformance was Aliansce Sonae (Allos), which provided 21.1% return over the quarter. The Company is one of the largest shopping mall owner/developers in Brazil. The Company owns a diversified portfolio that includes malls located in all regions of the country, with target



customers in all income segments. Allos has benefited greatly from top-line revenue growth with an upsurge in rents, while maintaining healthy occupancy costs versus competitors within the region.

LAST TWELVE MONTHS

From 01-JAN-2023 to 31-DEC-2023

	Total Return (%)			Ending Weight (%)			Selection Effect (%)	Allocation Effect (%)*	Total Attribution (%)
	Port	Bmk	Diff	Port	Bmk	Diff			
Industrials	46.7	5.4	41.3	21.6	6.8	14.8	8.1	-0.8	7.3
Utilities	27.4	1.9	25.4	23.5	2.7	20.8	5.8	-1.8	3.9
Real Estate	37.1	-7.1	44.2	5.8	1.6	4.2	2.5	-0.7	1.8
Financials	27.3	11.5	15.8	10.1	22.3	-12.2	1.4	-0.1	1.2
Communication Services	-2.4	-1.1	-1.3	1.9	8.8	-6.9	-0.2	1.0	0.8
Consumer Discretionary	-4.1	-3.4	-0.7	8.2	12.8	-4.6	-0.2	0.7	0.6
Materials	5.7	1.5	4.2	6.3	7.9	-1.6	0.3	0.1	0.4
Consumer Staples	7.2	4.2	3.0	7.0	6.0	1.0	0.1	-0.1	0.0
Health Care	-0.7	-1.3	0.6	8.4	3.8	4.7	0.3	-0.7	-0.4
Energy	6.0	26.8	-20.9	3.7	5.1	-1.4	-0.8	-0.2	-1.1
Information Technology	15.5	32.3	-16.8	3.4	22.2	-18.8	-0.7	-3.3	-3.9
	20.5	9.8	10.7	100.0	100.0		16.7	-6.0	10.7

* Includes interaction: a mathematical consequence of the allocation and selection effects rather than an actively made investment decision.

In 2023, amid market volatility, our emerging markets fund posted a robust one-year return of 20.5%, outshining the MSCI Emerging Markets Total Return Net Index, which had a 9.5% return. Notably, our outperformance in 2023 was propelled by strong showings in the Industrials, Utilities, and Real Estate sectors.

Industrials

The Industrials sector, constituting the second-largest allocation in the fund, exhibited robust performance throughout 2023, notably outperforming the sector benchmark by a substantial margin of 41.3%. This exceptional performance was largely attributed to two standout performers within the fund's industrial holdings: J. Kumar Infra Projects (112.2%) and GMR Infrastructure (101.6%). GMR Infrastructure, recognized as the largest private airport operator in Asia and one of the largest globally, has played a pivotal role in this success. Managing an annual passenger volume exceeding 100 million, GMR's airport portfolio includes key hubs such as Delhi International Airport (India's largest and fastest-growing airport), Hyderabad International Airport, and Mactan Cebu International Airport in the Philippines (in collaboration with Megawide). This robust performance underscores GMR Infrastructure's significant impact on the fund's overall success within the industrials sector.

Utilities

With the Utilities sector holding the heaviest allocation weight in the fund at 23.5%, it delivered a robust outperformance of 25.4% during the year. Notably, the fund's positive performance in this sector was driven by strong returns from two Brazilian companies, with Companhia de Saneamento Básico ("Sabesp") yielding an impressive 46.4%, and Copel providing a substantial return of 45.6%. Copel, as the portfolio's second-largest holding, plays a vital role in Brazil's initiative to provide reliable energy to a broader population segment. The company showcased notable growth with a 3.4% increase in distribution volume and a 4.5% rise in power generation volume year-over-year, propelled by a significant 38% increase from wind power plants.



Real Estate

Real estate emerged as the third most notable outperformer, surpassing the benchmark by an impressive 44.2%. The primary catalyst behind this substantial outperformance was Aliansce Sonae Shopping Centers Sa, Brazil's foremost developer and operator of shopping malls with a robust portfolio comprising 62 malls spread across all five geographic regions of Brazil. The Company generated a substantial return of 74.2% over the last twelve months. Throughout 2023, Aliansce Sonae navigated headwinds vacancy headwinds with offsetting rental price increases. Looking forward, the company has ambitious plans, including the construction of 43 new mixed-use towers and 9 malls, with an anticipated cash-generating timeline set for 2033. These initiatives underscore Aliansce Sonae's commitment to sustained growth and innovation in the dynamic real estate landscape.

The information and opinions expressed herein are provided for informational purposes only, are subject to change and are not intended to provide, and should not be relied upon for, accounting, legal or tax advice or investment recommendations. Any companies mentioned herein are for illustrative purposes only and are not considered to be a recommendation to buy or sell. It should not be assumed that an investment in these companies was or would be profitable. Unless otherwise indicated, information included herein is presented as of the dates indicated. While the information presented herein is believed to be accurate at the time it is prepared, Letko, Brosseau & Associates Inc. cannot give any assurance that it is accurate, complete and current at all times.

Where the information contained in this presentation has been obtained or derived from third-party sources, the information is from sources believed to be reliable, but the firm has not independently verified such information. No representation or warranty is provided in relation to the accuracy, correctness, completeness or reliability of such information. Any opinions or estimates contained herein constitute our judgment as of this date and are subject to change without notice.

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.

The information provided herein does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor's particular investment objectives, strategies, tax status or investment horizon. There is no representation or warranty as to the current accuracy of, nor liability for, decisions based on such information.

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.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com).

