



LetkoBrosseau

Letko Brosseau Emerging Markets Equity Fund
Letko Brosseau Fonds d'actions de marchés émergents

ANNUAL FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024
(Expressed in Canadian Dollars)



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Independent Auditor's Report

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To the Unitholders of
Letko Brosseau Emerging Markets Equity Fund /
Letko Brosseau Fonds d'actions de marchés émergents

Opinion

We have audited the financial statements of the Letko Brosseau Emerging Markets Equity Fund / Letko Brosseau Fonds d'actions de marchés émergents (hereafter "the Fund"), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of changes in net assets attributable to holders of redeemable units, the statements of comprehensive income and the statements of cash flows for the years then ended, and notes to financial statements, including material accounting policy information, and the schedule of investment portfolio as at December 31, 2025.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (hereafter "IFRS Accounting Standards").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Raymond Chabot Grant Thornton LLP¹

Montréal
March 27, 2026

¹ CPA auditor, public accountancy permit no. A126944



	2025	2024
	\$	\$
Current assets		
Cash	21,159,248	12,426,042
Investments	2,283,757,853	1,568,767,109
Amounts receivable for investments sold	-	639,888
Amounts receivable on issuance of redeemable units	565,862	180,000
Interest, dividends and other receivables	12,529,261	3,125,254
	2,318,012,224	1,585,138,293
Current liabilities		
Amounts payable on redemptions of redeemable units	2,944	700
Amounts payable for investments purchased	1,868,469	2,433,554
Accrued expenses	71,296	268,571
	1,942,709	2,702,825
Net assets attributable to holders of redeemable units	2,316,069,515	1,582,435,468
Supplementary information		
Net assets attributable to holders of redeemable units		
Series I	2,251,912,511	1,565,983,881
Series F	64,157,004	16,451,587
	2,316,069,515	1,582,435,468
Number of redeemable units in circulation (note 5)		
Series I	135,841,760	122,408,927
Series F	3,896,728	1,289,834
Net assets per unit attributable to holders of redeemable units (note 6)		
Series I	16.5775	12.7931
Series F	16.4644	12.7548

Approved by the Board of Directors of Letko, Brosseau & Associates Inc., Fund Manager

Daniel Brosseau, Director

The accompanying notes are an integral part of the financial statements.



	2025	2024
	\$	\$
Net assets attributable to holders of redeemable units, beginning of year	1,582,435,468	1,540,911,128
Change in net assets attributable to holders of redeemable units	605,144,254	66,900,192
Redeemable unit transactions		
Proceeds from issuance	203,830,879	120,242,323
Reinvestment of distributions	134,374,634	87,996,799
Redemptions	(74,580,122)	(145,144,792)
	263,625,391	63,094,330
Distributions to holders of redeemable units (note 6)		
Net investment income	(79,669,533)	(49,461,997)
Net realized gain on sale of investments	(55,466,065)	(39,008,185)
	(135,135,598)	(88,470,182)
Net assets attributable to holders of redeemable units, end of year	2,316,069,515	1,582,435,468

The accompanying notes are an integral part of the financial statements.



	2025	2024
	\$	\$
Investment income		
Net interest income for distribution purposes	365,316	685,541
Dividend income	92,683,605	58,892,103
Net securities lending income (note 9)	75,528	57,303
Foreign exchange gain (loss) on cash	(857,497)	(674,529)
Net realized gain (loss) on sale of investments	77,443,711	71,521,172
Net changes in unrealized appreciation (depreciation) of investments	447,559,044	(43,979,151)
	617,269,707	86,502,439
Expenses		
Management fees (note 10)	243,847	55,745
Trustee fees (note 10)	2,093,052	1,972,611
Professional fees	37,607	41,231
Filing fees	31,228	15,280
Withholding taxes	8,441,989	15,855,792
Portfolio transaction costs	1,277,730	1,661,588
	12,125,453	19,602,247
Change in net assets attributable to holders of redeemable units	605,144,254	66,900,192
Supplementary information		
Change in net assets attributable to holders of redeemable units		
Series I	597,635,359	67,038,418
Series F	7,508,895	(138,226)
	605,144,254	66,900,192
Change in net assets per unit attributable to holders of redeemable units (note 3)		
Series I	4.8054	0.5645
Series F	4.0860	(0.1299)

The accompanying notes are an integral part of the financial statements.



	2025	2024
	\$	\$
Cash flows from (used in) operating activities		
Change in net assets attributable to holders of redeemable units	605,144,254	66,900,192
Adjustments or variations for:		
Foreign exchange (gain) loss on cash	857,497	674,529
Net realized (gain) loss on sale of investments	(77,443,711)	(71,521,172)
Net changes in unrealized (appreciation) depreciation of investments	(447,559,044)	43,979,151
Interest, dividends and other receivables	(9,404,007)	1,238,285
Accrued expenses	(197,275)	(62,943)
Proceeds from sale or maturity of investments	171,947,576	487,212,253
Investments purchased	(361,860,762)	(493,973,187)
	(118,515,472)	34,447,108
Cash flows from (used in) financing activities		
Proceeds from issuance of redeemable units	203,445,017	120,062,323
Amounts paid on redemptions of redeemable units	(74,577,878)	(145,455,444)
Distributions paid in cash to holders of redeemable units	(760,964)	(473,383)
	128,106,175	(25,866,504)
Change in cash	9,590,703	8,580,604
Cash, beginning of year	12,426,042	4,519,967
Effect of exchange rate changes on foreign cash	(857,497)	(674,529)
Cash, end of year	21,159,248	12,426,042

Supplementary information

Cash flows relating to operating activities:

Interest received	\$ 367,728	\$ 832,414
Dividends received, net of withholding taxes	\$ 76,582,850	\$ 54,009,996
Interest paid	\$ 2,138	\$ 12,917

The accompanying notes are an integral part of the financial statements.



	Quantity	Cost \$	Fair Value \$
Equities			
Energy			
Parex Resources	1,089,525	14,939,859	20,101,735
PTT Exploration & Production	7,362,075	32,251,539	36,195,626
Reliance Industries	638,846	20,543,178	61,246,984
		67,734,576	117,544,345
Materials			
Alpek SAB de CV	7,809,284	4,828,284	5,513,173
Cemex	3,190,586	17,143,120	50,251,303
China Lumena New Materials Corporation	319,500	3,666,663	-
Ivanhoe Mines	368,800	475,211	5,756,968
Lucara Diamond Corporation	17,633,025	20,824,957	3,526,605
Nine Dragons Paper Holdings	35,297,375	31,674,380	36,737,666
		78,612,615	101,785,715
Industrial Products			
Air Arabia	29,712,240	12,765,256	51,673,654
Copa Holdings	168,775	17,209,808	27,902,832
Ferreycorp	42,420,000	28,876,750	67,439,832
Globaltrans Investment	1,432,457	17,349,250	2
GMR Infrastructure	9,041,875	4,283,832	14,392,322
Grupo Aeroportuario del Centro Norte S.A.B. de C.V.	5,211,225	44,840,775	96,754,613
J Kumar Infraprojects	1,976,053	16,224,870	17,562,144
Motiva Infraestrutura de Mobilidade	11,676,875	43,483,889	43,989,388
Sinotrans	37,611,000	19,046,015	32,124,641
		204,080,445	351,839,428
Consumer Discretionary			
Alibaba Group Holding	3,390,100	56,956,651	85,255,495
Geely Automobile Holdings	5,865,650	11,972,367	18,490,593
Minh Group	7,314,825	21,311,570	40,861,922
Mitra Adiperkasa	376,769,375	34,574,526	36,082,159
TravelSky Technology	15,522,500	30,062,485	28,101,950
Yamaha Motor	2,154,025	17,377,204	21,841,610
		172,254,803	230,633,729
Consumer Staples			
Alfa S.A.B. de C.V.	27,305,077	22,246,270	32,766,309
First Pacific	68,496,655	42,177,488	71,894,768
MHP	1,225,478	15,219,643	12,094,693
Puregold Price Club	26,719,125	19,600,394	23,656,223
		99,243,795	140,411,993
Health Care			
Cleopatra Hospital	29,014,618	10,358,022	11,005,994
Fleury	18,023,380	67,811,573	67,627,575
Shandong Weigao Group Medical Polymer	73,856,825	77,835,686	65,294,412
Sinopharm Group	17,395,000	60,134,528	59,552,824
		216,139,809	203,480,805

The accompanying notes are an integral part of the financial statements.



	Quantity	Cost \$	Fair Value \$
Equities (continued)			
Financial Services			
AIA Group	2,001,750	21,215,180	28,166,850
Axis Bank	2,271,195	45,582,845	64,204,567
Bolsa Mexicana de Valores S.A.B de C.V.	31,036,197	77,557,642	87,596,005
Credicorp	89,575	17,511,457	35,239,161
Grupo Financiero Banorte S.A.B. de C.V.	4,864,150	37,951,583	61,907,997
HDFC Bank	4,548,500	59,353,675	68,758,464
ICICI Bank	324,525	2,867,690	13,256,268
Warsaw Stock Exchange	1,334,775	16,121,944	33,079,169
		278,162,016	392,208,481
Real Estate			
Allos SA	9,327,660	52,269,765	66,195,484
Concentradora Fibra Danhos S.A. de C.V.	21,949,307	30,938,323	46,955,651
		83,208,088	113,151,135
Technology			
Kingboard Laminates Holdings	14,384,850	14,235,230	33,414,256
Samsung Electronics Corporation	26,925	29,200,171	76,250,531
		43,435,401	109,664,787
Communication Services			
Baidu	2,219,950	44,606,938	51,410,356
IMAX China Holding	4,141,725	6,549,449	5,944,571
Indosat	238,027,450	41,740,734	45,394,792
		92,897,121	102,749,719
Utilities			
Beijing Enterprises Holdings	7,333,600	41,885,967	41,095,953
China Water Affairs Group	41,501,225	31,639,738	38,005,454
Companhia de Saneamento Básico do Estado de São Paulo	1,869,530	18,765,123	61,119,201
Companhia de Saneamento do Parana	7,976,825	53,307,329	80,174,510
Companhia Paranaense de Energia	5,965,900	58,069,729	77,770,221
Gujarat State Petronet	4,070,026	20,601,679	19,009,468
Manila Water	94,393,250	50,836,796	88,630,983
Power Grid Corporation of India	3,588,722	7,389,915	14,481,926
		282,496,276	420,287,716
Total Equities		1,618,264,945	2,283,757,853
Portfolio Transaction Costs Included in the Securities' Cost		(3,677,223)	
Total Investments		1,614,587,722	2,283,757,853

The accompanying notes are an integral part of the financial statements.



1. Establishment of the fund

The Letko Brosseau Emerging Markets Equity Fund / Letko Brosseau Fonds d'actions de marchés émergents (the "Fund") is a private unit investment trust created under a trust agreement established on November 30, 2004, along with its related amendments, under the laws of the province of Ontario. The registered office is located at 155 Wellington Street West, Toronto, Ontario, Canada, M5V 3L3.

The trust agreement designates RBC Investor Services Trust as the trustee, custodian and accountant of the Fund (the "Trustee") and Letko, Brosseau & Associates Inc. as the manager of the Fund (the "Manager").

2. Basis of presentation

These financial statements, for which the functional and presentation currency is the Canadian dollar, have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards"), as published by the International Accounting Standards Board ("IASB") and comply with the requirements of the Canadian Securities Administrators ("CSA").

The financial statements were authorized for issue by the Manager's Board of Directors on March 27, 2026.

These financial statements have been prepared on a historical cost basis with the exception of investments which are measured at fair value.

3. Material accounting policy information

Financial instruments

Classification

The Fund classifies its financial assets based on both the Fund's business model for managing those financial assets and the associated contractual cash flow characteristics. Based on the Fund's objective of achieving long-term capital appreciation and the management and evaluation of the portfolio's performance on a fair value basis, the Fund applies the business model which requires that its portfolio, which includes investments, be classified at fair value through profit or loss. All other assets and liabilities presented on the statements of financial position are financial assets and financial liabilities and are classified at amortized cost. Redeemable units are classified as financial liabilities given that they include a contractual obligation for the Fund to redeem them for cash or another financial asset at the request of the unitholder. The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount as described in note 6.

Recognition and measurement

The Fund recognizes financial instruments at fair value upon initial recognition. Purchases and sales of investments are recognized on the trade date. Subsequent to initial recognition, investments are measured at fair value and gains and losses arising from changes in the fair value are recognized in the statements of comprehensive income. All other financial assets and financial liabilities are initially recognized on the date on which they originated and are subsequently measured at amortized cost.

Portfolio transaction costs incurred by the Fund for the sale and purchase of investments are expensed as incurred.

Fair value

The fair value of the Fund's investments traded in active markets is determined using the quoted market prices at the close of trading on the date of the financial statements. The closing market price is either obtained from an accredited stock exchange where the security has the highest trading volume or from independent and renowned brokerage houses. In the event where the last closing market price does not fall within the bid-ask spread on the date of the financial statements, the Manager and the Trustee determine the point within the bid-ask spread that is most representative of fair value based on the facts and circumstances. Investment fund units held for trading that are not traded in active markets are measured at fair value based on their net asset value as determined by their trustee.



3. Material accounting policy information (continued)

Financial instruments (continued)

Fair value (continued)

The Fund's accounting policies for measuring the fair value of its investments are consistent with those used to determine the net asset value for transactions with unitholders.

Information on the reliability of the fair value measurement of financial assets is disclosed in note 13. The transfer of a financial asset from one fair value hierarchy level to another is performed at the date of the event or change in circumstances which would justify a change in level.

Impairment of financial assets

The Fund recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. The Fund applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected credit loss provision for all assets at amortized cost. Impairment losses on financial assets at amortized cost, if any, are recognized in the statements of comprehensive income.

Revenue recognition

Investment income is accounted for using the accrual method of accounting. Interest income for distribution purposes is recognized when it is earned. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities, except for zero coupon bonds which are amortized using the effective interest rate method. Dividends are recognized on the ex-dividend date and distributions on investment fund units are recorded at the ex-distribution date. Income from securities lending is recorded when earned. Realized gains and losses upon sale of investments are recognized on the trade date and are calculated using the average cost method.

Foreign currency translation

Foreign currency transactions are translated into Canadian dollars using the exchange rates prevailing at the dates the transactions occur. Assets and liabilities denominated in a foreign currency are translated into Canadian dollars using the exchange rate prevailing at the date of the financial statements. Foreign exchange gains and losses are presented in the statements of comprehensive income.

Change in net assets per unit attributable to holders of redeemable units

This change, presented in the statements of comprehensive income, represents the variation in net assets per unit attributable to holders of redeemable units based on the average number of redeemable units that were in circulation during the year.

Use of estimates, judgments and assumptions

The preparation of these financial statements in accordance with IFRS Accounting Standards requires the Manager to make judgments in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most material accounting judgments and estimates that the Manager has made in preparing the financial statements.

Investment entity

The Manager has determined that the Fund meets the definition of an investment entity in accordance with IFRS 10, Consolidated Financial Statements. As a result, in the event the Fund holds an investment in a subsidiary, the Fund would account for this investment at fair value through profit or loss.



3. Material accounting policy information (continued)

Use of estimates, judgments and assumptions

Classification of redeemable units

The Manager has determined that the Fund's redeemable units must be classified as liabilities given that the conditions for classification as equity in accordance with IAS 32, Financial Instruments: presentation, are not met.

4. Future accounting standards

IFRS 18, Presentation and Disclosure in Financial Statements

The IASB issued IFRS 18, Presentation and Disclosure in Financial Statements on April 9, 2024, which will replace IAS 1, Presentation of Financial Statements. This new standard, effective for annual periods beginning on or after January 1, 2027 aims to improve financial statement comparability and transparency by introducing a more structured statement of comprehensive income. The Manager is in the process of assessing the implications of IFRS 18 and its impact on the Fund's financial statements and disclosures.

IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures

The IASB issued amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures. The amendments relate to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with Environmental, Social, and Governance ("ESG")-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income ("FVOCI") and added disclosure requirements for financial instruments with contingent features. The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Manager has assessed the impact of these amendments, and it does not expect a material impact on the Fund's financial statements and disclosures.

5. Redeemable units in circulation

The Fund is authorized to issue an unlimited number of series of units each of which can contain an unlimited number of units, without par value. All units are voting, participating and redeemable by the unitholders at the net asset value.

The Fund is currently offering units of Series I and Series F for issuance as follows:

Series I	Available to accredited investors at the discretion of the Manager.
Series F	Available to accredited investors who are not eligible to purchase Series I units.

The unit activity for Series I and Series F units during the years ended December 31 was as follows:

	2025	
	Series I	Series F
Number of redeemable units in circulation, beginning of year	122,408,927	1,289,834
Number of redeemable units issued and redeemed during the year		
Issued for cash and other consideration	10,048,466	2,543,794
Issued on reinvestment of distributions	8,371,679	140,455
Redeemed	(4,987,312)	(77,355)
Number of redeemable units in circulation, end of year	135,841,760	3,896,728



5. Redeemable units in circulation (continued)

	2024	
	Series I	Series F
Number of redeemable units in circulation, beginning of year	118,875,700	-
Number of redeemable units issued and redeemed during the year		
Issued for cash and other consideration	7,892,912	1,251,739
Issued on reinvestment of distributions	6,638,079	47,770
Redeemed	(10,997,764)	(9,675)
Number of redeemable units in circulation, end of year	122,408,927	1,289,834

6. Valuation of redeemable units and distributions

Each series' net asset value per unit, which represents the redemption amount, is determined by dividing the Fund's net assets at fair value by the number of redeemable units per series in circulation at the end of each valuation date.

Income from dividends, interest and securities lending, net of expenses of the Fund, is accounted for in the net assets attributable to holders of redeemable units. At the end of each month, income received, net of expenses paid, is distributed and reinvested as additional redeemable units or, at the discretion of the unitholders, is paid in cash. Realized gains and losses resulting from the sale of investments are accounted for in the net assets attributable to holders of redeemable units and net realized gains are distributed and reinvested at the end of the fiscal year as additional redeemable units or, at the discretion of the unitholders, are paid in cash. Upon request from the Manager, additional income and capital gain distributions may occur at different times during the fiscal year under exceptional circumstances.

7. Capital management

The capital of the Fund is represented by redeemable units issued and in circulation. According to its mission, substantially all of the Fund's capital is invested in securities. Information about the Fund's objectives, policies and procedures for managing its capital is disclosed in note 12. The Fund is not subject to any particular external requirement for managing its capital.

8. Related party transactions

The following table presents a summary of the transactions during the year between the Fund and related parties. Related parties are represented by the Manager, the investment funds and limited partnerships it manages, directors of the Manager, corporations controlled by the directors of the Manager, family members of the directors and a deferred profit-sharing plan for the benefit of the Manager's employees.

2025	Manager	Investment funds managed by the Manager	Other related parties
	\$	\$	\$
Redeemable Series I units issued and redeemed			
Issued for cash and other consideration	-	2,644,800	75,000
Issued on reinvestment of distributions	-	37,003,866	11,988,717
Redeemed	-	(10,340,978)	(8,300,108)
	-	29,307,688	3,763,609



8. Related party transactions (continued)

2024	Manager	Investment funds managed by the Manager	Other related parties
	\$	\$	\$
Redeemable Series I units issued and redeemed			
Issued for cash and other consideration	-	9,067,424	7,500,000
Issued on reinvestment of distributions	846,420	24,890,330	8,337,951
Redeemed	(49,966,835)	(13,692,773)	(14,367,539)
	(49,120,415)	20,264,981	1,470,412

Of the amount redeemed by the Manager, \$5,000,000 was reinvested in the Letko Brosseau Infrastructure Equity Fund and \$5,000,000 was reinvested in the Letko Brosseau ESG Fossil Fuel Free Emerging Markets Equity Fund. The remaining approximate amount of \$39,967,000 redeemed was reinvested in the Candoris ICAV – Letko Brosseau Global Emerging Markets Equity Fund, a European investment vehicle for which the Manager has been mandated as investment manager.

These transactions took place in the normal course of operations and are measured at the net asset value at the date of the transactions.

As at December 31, related parties held Series I units of the Fund with an aggregate fair market value of the following:

	2025	2024
	\$	\$
Manager	-	-
Investment funds managed by the Manager	607,183,992	445,832,455
Other related parties	196,172,622	149,617,664
	803,356,614	595,450,119

9. Net securities lending income

The Fund takes part in a securities lending program with the Trustee. Securities lending transactions involve the temporary exchange of securities for collateral with a commitment to return the same securities to the Fund on a future date. In accordance with the terms of the program, the Fund receives collateral of at least 102% of the fair value of the securities on loan. The collateral consists primarily of debt securities with high credit ratings. The fair value of the securities loaned is determined in accordance with standard market practices and additional collateral is requested if necessary.

The table below presents the aggregate fair value of the securities on loan and collateral held under securities lending transactions as at December 31. The securities on loan continue to be included in the statements of financial position.

	2025	2024
	\$	\$
Total fair value of securities on loan	39,179,955	10,485,371
Total collateral held	39,963,599	10,695,916



9. Net securities lending income (continued)

Securities lending income reported in the statements of comprehensive income is net of securities lending charges which the Fund's Trustee is entitled to receive as per the terms of the program. For the years ended December 31, securities lending income was as follows:

	2025	2024
	\$	\$
Gross securities lending income	124,435	95,505
Securities lending charges	(48,907)	(38,202)
Net securities lending income	75,528	57,303
Securities lending charges as a % of the gross securities lending income	39.0%	40.0%

10. Fees

Trustee fees are calculated according to an agreement between the Manager and the Trustee.

The management fees expense is entirely attributable to the Series F units whereby the Manager charges the Fund a management fee equal to 0.75% per annum of the Series F net asset value, payable quarterly in arrears.

Management fees of the Series I units are invoiced directly to the unitholders.

11. Income taxes

In accordance with provisions of the Income Tax Act (Canada) and the Quebec Taxation Act, the Fund qualifies as a mutual fund trust and has elected to choose a December 15th taxation year-end. The Fund is taxed on its income received and not distributed to unitholders. The Fund distributes to unitholders the total income from dividends, interest and securities lending, net of expenses and a sufficient portion of net realized taxable capital gains to eliminate the income taxes.

12. Risks associated with financial instruments

Analysis of risk management

The Fund has as its objective to generate capital appreciation through the creation of a well-diversified portfolio of publicly traded companies exposed to more rapidly growing developing economies. These companies may either be headquartered in, or derive a substantial portion of their business activity from developing countries. The Manager regularly monitors the relative weighting of individual equity instruments, sectors, and countries, and also takes into account the market capitalization and liquidity of each security.

When the Fund invests in other investment funds, it may be indirectly exposed to risks related to the financial instruments held by these funds, according to their investment objectives and the type of securities they hold.

Credit risk

The Fund's maximum exposure to credit risk is the fair value of debt securities included in investments, as well as interest, dividends and other receivables presented on the statements of financial position. For those financial instruments, the fair value takes into account the creditworthiness of the issuer and, therefore, represents the maximum credit risk to which the Fund is exposed.

The credit risk associated with the Fund's investments in money market securities is insignificant given their short-term maturities.



12. Risks associated with financial instruments (continued)

Credit risk (continued)

The credit risk associated with securities lending transactions is considered minimal given the nature and the value of the collateral held by the Fund in connection with these transactions.

All transactions involving listed securities are settled or paid upon delivery, using approved brokers. The risk of non-performance is considered limited, as the securities sold are only delivered once the broker has received payment. Payment for a purchase is made once the securities have been received by the broker. The transaction fails if either party fails to fulfil its obligation.

The credit risk associated with all other financial assets is considered insignificant.

Liquidity risk

The Fund's units are redeemable at the option of the holder thereby exposing the Fund to liquidity risk. Although the Fund is exposed to redemptions of units, liquidity risk is mitigated by the fact that the majority of its assets consists of investments traded on a stock exchange or an organized market, which can be readily liquidated. In addition, at the Manager's discretion, the Fund may pay the redemptions in securities instead of cash.

All other financial liabilities have a maturity of less than twelve months. The Fund maintains a level of cash that the Fund Manager considers sufficient to maintain the necessary liquidity.

Market risks

For the disclosure of market risks, IFRS Accounting Standards requires that a sensitivity analysis be presented showing the effects of reasonable possible changes in relevant risk variables on the value of net assets attributable to holders of redeemable units.

The Manager considers that this sensitivity analysis, showing the impact on the value of financial instruments from changes in the market, is based on a highly unlikely assumption that all other variables remain constant. Moreover, considering the many interrelationships between the various components of market risk, the Manager is of the opinion that it is not possible to quantify the impact of market fluctuations due to the interdependence of these components. Consequently, in practice, actual results may differ from the sensitivity analyses presented herein and differences could be material.

Price risk

Given the uncertainty regarding the investments' future prices, the Fund is exposed to the inherent risk associated with fluctuations in the market. Consequently, the maximum risk to which the Fund is exposed corresponds to the fair value of its investments.

The Manager's best estimate of the upward or downward impact on the Fund's investments and net assets as a result of reasonable probable changes in benchmark indices, with all other variables being equal, is approximately as follows:

Benchmark indices	Changes in %	2025 Impact \$	2024 Impact \$
Deutsche Bank Fed Funds Effective Rate Total Return Index	0.25	-	27,000
MSCI Emerging Markets Total Return Net Index	3.00	68,513,000	46,743,000



12. Risks associated with financial instruments (continued)

Market risks (continued)

Currency risk

The Fund holds securities of foreign issuers in its investment portfolio. The value of these securities is dependent on fluctuations in currency rates. These fluctuations may increase the short-term volatility of foreign securities in the markets and affect the short-term performance of the Fund.

The Fund holds assets denominated in foreign currencies for which the distribution is as follows:

	2025 % of net assets	2024 % of net assets
Foreign currencies		
Hong Kong dollars	27.50	28.50
U.S. dollars	19.39	20.69
Mexican pesos	14.31	13.18
Brazilian reals	11.39	10.53
Indian rupees	7.46	8.64
Philippine pesos	4.85	6.03
Other currencies representing less than 5% individually	13.02	10.75

As at December 31, 2025, an increase or decrease of 3% in the value of Canadian currency compared to foreign currencies, with all other variables being equal, would have resulted in an upward or downward variation of the Fund's investments and net assets of approximately \$68,031,000 (December 31, 2024: \$46,683,000).

Interest rate risk

Interest rate fluctuations have an insignificant impact on money market securities given their short-term maturities.

The Fund's investments in equities are exposed to interest rate risk. This is due to the fact that their value is dependent on the rate used in discounting future dividends and to the general effect from changes in interest rates on the economy as a whole, the availability of credit and the profitability of companies. The Manager believes that it is not possible to quantify the impact of the variations taking into account the interdependence of these components.



13. Information on fair value of financial instruments

The financial instruments measured at fair value are classified according to a hierarchy which includes three levels, reflecting the reliability of the inputs involved in the fair value determination:

- Level 1: financial instruments for which the fair value is determined using quoted prices in active markets;
- Level 2: financial instruments for which the fair value is determined using pricing models based on market observable inputs;
- Level 3: financial instruments for which the fair value is determined using pricing models based on market unobservable inputs.

The investments held by the Fund and measured at fair value are classified as follows:

	Level 1	Level 2	Level 3	Total
2025	\$	\$	\$	\$
Equities	2,283,757,853	-	-	2,283,757,853
Money market securities	-	-	-	-
	2,283,757,853	-	-	2,283,757,853

	Level 1	Level 2	Level 3	Total
2024	\$	\$	\$	\$
Equities	1,568,717,627	-	-	1,568,717,627
Money market securities	49,482	-	-	49,482
	1,568,767,109	-	-	1,568,767,109

No investments were transferred within the levels during the years ended December 31, 2025 and 2024.

The financial instruments not measured at fair value through profit or loss are short term financial assets and liabilities whose carrying amounts approximate fair value.

14. Reclassification

Certain comparative figures have been reclassified in the cash flow statement to reflect the presentation adopted in the current period. Amounts receivable and payable as at December 31, 2024 for investment activities and activities related to redeemable units have been reclassified against items reflecting cash flows. The net effect on cash flows from operating activities and financing activities is not significant.

In addition, unrealized gains and losses on foreign exchange effects classified as the effect of exchange rate changes on foreign cash have been reclassified against proceeds from the sale or maturity of investments.