



LetkoBrosseau

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

ANNUAL FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022
(Expressed in Canadian Dollars)



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INDEPENDENT AUDITORS' REPORT

To the Unitholders of
LETKO BROUSSEAU EMERGING MARKETS EQUITY FUND
LETKO BROUSSEAU FONDS D' ACTIONS DE MARCHÉS ÉMERGENTS

Opinion

We have audited the financial statements of **LETKO BROUSSEAU EMERGING MARKETS EQUITY FUND / LETKO BROUSSEAU FONDS D' ACTIONS DE MARCHÉS ÉMERGENTS** (the "Fund"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of changes in net assets attributable to holders of redeemable units, statements of comprehensive income and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting 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 *Auditors' 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 audit opinion.

Responsibilities of the Fund Manager and Those Charged with Governance for the Financial Statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Fund Manager 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, the Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Fund Manager 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.

Auditors' 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 auditors' 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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 over-ride 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 the Fund Manager.
- Conclude on the appropriateness of the Fund Manager'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 auditors' 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 auditors' report. However, future events or conditions may cause the Fund to cease to continue as 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.



	2023	2022
	\$	\$
Current assets		
Cash	4,519,967	2,768,272
Investments	1,532,670,488	1,401,094,170
Interest, dividends and other receivables	4,363,539	3,383,087
	<u>1,541,553,994</u>	<u>1,407,245,529</u>
Current liabilities		
Amounts payable on redemptions of redeemable units	311,352	550
Accrued expenses	331,514	340,507
	<u>642,866</u>	<u>341,057</u>
Net assets attributable to holders of redeemable units	<u>1,540,911,128</u>	<u>1,406,904,472</u>

Supplementary information

Number of redeemable units in circulation (note 6)	118,875,700	122,386,581
Net assets per unit attributable to holders of redeemable units (note 7)	\$ 12.9624	\$ 11.4956

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

Daniel Brosseau, Director

Peter Letko, Director

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

LETKO BROUSSEAU EMERGING MARKETS EQUITY FUND
 LETKO BROUSSEAU FONDS D' ACTIONS DE MARCHÉS ÉMERGENTS
 STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
 (Expressed in Canadian Dollars)



	2023	2022
	\$	\$
Net assets attributable to holders of redeemable units, beginning of year	1,406,904,472	1,313,270,982
Change in net assets attributable to holders of redeemable units	226,353,002	73,886,901
Redeemable unit transactions		
Proceeds from issuance	22,769,587	72,707,166
Reinvestment of distributions	49,635,127	56,548,261
Redemptions	(114,761,796)	(52,506,726)
	(42,357,082)	76,748,701
Distributions to holders of redeemable units (note 7)		
Net investment income	(49,989,264)	(57,002,112)
Net assets attributable to holders of redeemable units, end of year	1,540,911,128	1,406,904,472

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



	2023	2022
	\$	\$
Investment income		
Net interest income for distribution purposes	780,822	163,378
Dividend income	58,454,353	60,834,823
Net securities lending income (note 10)	99,879	73,697
Foreign exchange gain (loss) on cash	(875,672)	(317,151)
Net realized gain (loss) on sale of investments	1,242,998	1,147,731
Net changes in unrealized appreciation (depreciation) of investments	176,920,739	20,275,799
	236,623,119	82,178,277
Expenses		
Trustee fees (note 11)	1,878,786	1,736,918
Professional fees	36,223	29,128
Filing fees	7,837	14,344
Withholding taxes	7,588,731	4,871,667
Portfolio transaction costs	758,540	1,639,319
	10,270,117	8,291,376
Change in net assets attributable to holders of redeemable units	226,353,002	73,886,901
Change in net assets per unit attributable to holders of redeemable units (note 4)	1.8858	0.6149

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



	2023	2022
	\$	\$
Cash flows from (used in) operating activities		
Change in net assets attributable to holders of redeemable units	226,353,002	73,886,901
Adjustments or variations for:		
Foreign exchange (gain) loss on cash	875,672	317,151
Net realized (gain) loss on sale of investments	(1,242,998)	(1,147,731)
Net changes in unrealized (appreciation) depreciation of investments	(176,920,739)	(20,275,799)
Proceeds from sale or maturity of investments	322,882,484	480,992,056
Investments purchased	(276,196,480)	(555,141,956)
Interest, dividends and other receivables	(980,452)	2,591,694
Amounts payable on redemptions of redeemable units	310,802	(8,056)
Accrued expenses	(8,993)	45,916
	95,072,298	(18,739,824)
Cash flows from (used in) financing activities		
Proceeds from issuance of redeemable units	22,769,587	72,707,166
Amounts paid on redemptions of redeemable units	(114,761,796)	(52,506,726)
Distributions paid in cash to holders of redeemable units	(354,137)	(453,851)
	(92,346,346)	19,746,589
Change in cash	2,725,952	1,006,765
Cash, beginning of year	2,768,272	893,324
Effect of exchange rate changes on foreign cash	(974,257)	868,183
Cash, end of year	4,519,967	2,768,272

Supplementary information

Cash flows relating to operating activities:

Interest received	\$ 660,160	\$ 165,041
Dividends received, net of withholding taxes	\$ 51,479,056	\$ 58,637,390
Interest paid	\$ 7,978	\$ 3,772

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



	Quantity	Cost	Fair Value
		\$	\$
Equities			
Energy			
Parex Resources	418,000	11,306,009	10,429,099
PTT Exploration & Production	1,175,500	4,478,614	6,789,046
Reliance Industries	591,935	15,409,285	48,782,850
		31,193,908	66,000,995
Materials			
Cemex	3,408,986	16,768,262	34,836,944
China Lumena New Materials Corporation	319,500	3,666,663	-
Ivanhoe Mines	681,225	877,781	8,753,741
Lucara Diamond Corporation	19,167,075	22,636,701	7,379,324
Nine Dragons Paper Holdings	15,108,000	19,181,570	9,822,235
Semen Indonesia Persero	57,377,702	40,768,303	31,448,515
		103,899,280	92,240,759
Industrial Products			
Air Arabia	32,085,665	13,784,949	32,484,930
Alfa S.A.B. de C.V.	18,630,972	19,118,270	19,787,481
Companhia de Concessoes Rodoviaras	10,548,200	39,638,335	40,601,827
Copa Holdings	185,025	18,223,789	25,936,876
Ferreycorp	45,314,000	30,846,795	40,021,197
Globaltrans Investment	1,432,457	17,349,250	-
GMR Infrastructure	44,750,000	15,043,347	57,118,482
Grupo Aeroportuario del Centro Norte S.A.B. de C.V.	3,959,600	28,972,514	55,422,357
J Kumar Infraprojects	1,799,988	9,265,200	16,466,042
Santos Brasil Participacoes	11,080,000	23,394,734	28,181,905
Sinotrans	49,258,000	24,943,996	27,199,889
		240,581,179	343,220,986
Consumer Discretionary			
Alibaba Group Holding	1,954,000	34,264,575	24,945,313
Geely Automobile Holdings	8,680,000	16,041,835	12,590,863
Minth Group	3,758,900	11,108,404	10,016,370
Mitra Adiperkasa	164,382,700	9,912,831	25,199,166
Nemak S.A.B. de C.V.	40,133,966	16,526,318	12,937,580
TravelSky Technology	4,200,000	9,883,833	9,574,711
Yamaha Motor	1,527,000	10,600,237	17,988,413
Yatra Online	1,500,520	3,385,167	3,225,095
		111,723,200	116,477,511
Consumer Staples			
China Foods	19,079,000	9,781,374	9,472,084
First Pacific	68,718,902	41,778,568	36,089,361
MHP	1,275,478	15,840,611	5,163,266
Puregold Price Club	26,453,000	19,670,603	16,944,417
Vinda International Holdings	8,875,000	31,006,915	34,095,131
		118,078,071	101,764,259

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



	Quantity	Cost	Fair Value
		\$	\$
Equities (continued)			
Health Care			
Cleopatra Hospital	28,734,343	10,568,902	5,672,646
Fleury	8,871,905	36,757,182	43,445,460
Shandong Weigao Group Medical Polymer	25,097,600	35,357,952	32,252,208
Sinopharm Group	11,721,600	40,551,448	40,478,351
		123,235,484	121,848,665
Financial Services			
Axis Bank	573,000	10,521,477	10,008,581
Axis Bank-GDR	430,895	13,760,672	37,442,945
Credicorp	108,150	20,780,633	21,381,008
Grupo Financiero Banorte S.A.B. de C.V.	3,342,600	21,889,159	44,443,799
ICICI Bank	683,450	6,039,359	21,484,543
Warsaw Stock Exchange	1,334,775	16,121,944	19,022,560
		89,113,244	153,783,436
Real Estate			
Allos SA	6,397,310	36,576,761	46,105,517
Concentradora Fibra Danhos S.A. de C.V.	24,829,615	37,537,020	40,523,027
		74,113,781	86,628,544
Technology			
Kingboard Laminates Holdings	12,185,000	12,149,020	13,827,301
Samsung Electronics Corporation	18,000	14,730,631	35,555,091
		26,879,651	49,382,392
Communication Services			
Baidu	1,038,450	23,782,223	20,359,186
IMAX China Holding	4,912,300	7,767,985	5,557,792
		31,550,208	25,916,978
Utilities			
Beijing Enterprises Holdings	5,347,400	31,225,067	24,516,310
China Water Affairs Group	35,295,000	24,704,088	25,568,961
Companhia de Saneamento Básico do Estado de São Paulo	2,569,625	25,643,937	51,603,930
Companhia de Saneamento do Parana	6,686,500	38,234,356	52,981,461
Companhia Paranaense de Energia	4,607,600	42,486,536	51,520,937
Companhia Paranaense de Energia New	1,151,900	9,268,016	11,953,708
Gujarat State Petronet	7,126,850	36,972,800	34,557,085
Manila Water	116,356,500	62,665,409	51,535,086
Power Grid Corporation of India	12,768,822	24,546,745	47,993,628
		295,746,954	352,231,106
Total Equities		1,246,114,960	1,509,495,631

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



	Par Value	Cost \$	Fair Value \$
Money Market Securities			
Alberta Treasury Bills			
2024-01-23	1,295,000	1,290,532	1,290,532
New Brunswick Treasury Bills			
2024-03-07	225,000	222,575	222,575
Ontario Treasury Bills			
2024-01-17	395,000	393,586	393,586
Province of British Columbia, notes			
2024-01-29	375,000	513,749	487,973
2024-02-05	5,000,000	6,789,000	6,513,638
2024-02-06	1,485,000	2,025,172	1,927,960
2024-02-08	4,475,000	6,035,054	5,825,206
2024-02-14	2,385,000	3,204,026	3,109,010
2024-02-26	1,115,000	1,507,492	1,447,759
2024-03-01	1,500,000	1,976,714	1,956,618
Total Money Market Securities		23,957,900	23,174,857
Portfolio Transaction Costs Included in the Securities' Cost		(2,992,610)	
Total Investments		1,267,080,250	1,532,670,488

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"), 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 21, 2024.

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

3. Change in accounting policy

Amendment to IAS 1, Presentation of Financial Statements – Disclosure of Accounting Policies

The Fund adopted the amendment to IAS 1 in the current year. The amendment assists the Fund in deciding which accounting policies are to be disclosed in its financial statements. The amendment replaces all instances of the term 'significant accounting policies' with 'material accounting policy information'. The amendment has been applied prospectively and resulted in changes to the Fund's disclosures in its financial statements.

4. 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 cash and investments, be classified at fair value through profit or loss. All other financial assets and liabilities, with the exception of the Fund's obligation for net assets attributable to holders of redeemable units, are classified at amortized cost. The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount as described in note 7.

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, cash and 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.



4. Material accounting policy information (continued)

Financial instruments (continued)

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.

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 14. 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.

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 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.



5. Future accounting standards

There are currently no new accounting standards, amendments to current standards or new interpretations that are effective for annual periods beginning on or after January 1, 2024 which would have a material effect on the Fund's financial statements.

6. 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 units during the years ended December 31, 2023 and 2022 was as follows:

	2023	2022
Number of redeemable units in circulation, beginning of year	122,386,581	115,005,655
Number of redeemable units issued and redeemed during the year		
Issued for cash and other consideration	1,843,236	6,910,406
Issued on reinvestment of distributions	4,054,830	5,193,806
Redeemed	(9,408,947)	(4,723,286)
Number of redeemable units in circulation, end of year	118,875,700	122,386,581

There were no Series F units issued since the Fund's inception.

7. Valuation of redeemable units and distributions

The 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 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.

8. 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 13. The Fund is not subject to any particular external requirement for managing its capital.



9. 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.

2023	Manager	Investment funds managed by the Manager	Other related parties
	\$	\$	\$
Redeemable units issued and redeemed			
Issued for cash and other consideration	-	-	1,552,240
Issued on reinvestment of distributions	1,573,420	13,719,629	4,873,536
Redeemed	-	(189,323)	(50,037,349)
Transferred between related parties	(16,747,780)	-	16,747,780
	(15,174,360)	13,530,306	(26,863,793)

Of the amount redeemed by the 'Other related parties', approximately \$47,000,000 was settled by unitholders receiving approximately \$6,600,000 in cash and \$40,400,000 in securities, which was subsequently invested in the Letko Brosseau Emerging Markets Equity Fund (US), a series of Letko Brosseau US Funds Limited Partnership.

2022	Manager	Investment funds managed by the Manager	Other related parties
	\$	\$	\$
Redeemable units issued and redeemed			
Issued for cash and other consideration	-	25,327,323	2,221,350
Issued on reinvestment of distributions	2,357,519	14,682,165	6,509,765
Redeemed	-	(3,671,334)	(3,102,672)
Transferred between related parties	-	-	-
	2,357,519	36,338,154	5,628,443

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 units of the Fund with an aggregate fair market value of the following:

	2023 \$	2022 \$
Manager	48,875,347	58,124,505
Investment funds managed by the Manager	431,862,940	370,282,882
Other related parties	149,845,511	158,258,368
	630,583,798	586,665,755



10. 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.

	2023 \$	2022 \$
Total fair value of securities on loan	85,843,219	59,202,814
Total collateral held	87,560,465	60,387,126

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:

	2023 \$	2022 \$
Gross securities lending income	166,465	122,828
Securities lending charges	(66,586)	(49,131)
Net securities lending income	99,879	73,697
Securities lending charges as a % of the gross securities lending income	40.0%	40.0%

11. Fees

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

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

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.

12. 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.



13. 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.

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.

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

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.

The risk of default on transactions with counterparties related to investments is considered minimal since the transaction would fail if either party did not fulfill its obligation.

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.

Market risks

For the disclosure of market risks, IFRS 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.



13. Risks associated with financial instruments (continued)

Market risks (continued)

Price risk (continued)

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 as follows:

Benchmark indices	Changes in %	2023 Impact \$	2022 Impact \$
Deutsche Bank Fed Funds Effective Rate Total Return Index	0.25	57,000	11,000
MSCI Emerging Markets Total Return Net Index	3.00	45,290,000	41,907,000

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:

Foreign currencies	2023 % of net assets	2022 % of net assets
U.S. dollars	24.35	22.10
Hong Kong dollars	21.84	27.16
Brazilian reals	13.88	9.45
Mexican pesos	11.23	11.40
Indian rupees	10.78	9.80
Philippine pesos	4.47	5.26
Other currencies representing less than 5% individually	11.62	13.55

As at December 31, 2023, 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 \$45,383,000 (2022: \$41,668,000).

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.



14. 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
2023	\$	\$	\$	\$
Equities	1,509,495,631	-	-	1,509,495,631
Money market securities	23,174,857	-	-	23,174,857
	1,532,670,488	-	-	1,532,670,488

	Level 1	Level 2	Level 3	Total
2022	\$	\$	\$	\$
Equities	1,396,949,149	-	-	1,396,949,149
Money market securities	4,145,021	-	-	4,145,021
	1,401,094,170	-	-	1,401,094,170

No investments were transferred within the levels during the years ended December 31, 2023 and 2022.

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.

15. Filing exemption for financial statements

The Fund has advised the CSA that it is exempt under section 2.11 of NI 81-106 from annual filing requirements to the Canadian regulation authorities since all the requirements have been met.