ATTRIBUTION REPORT – EMERGING MARKETS EQUITY

as of June 30, 2024

India's real GDP rose 7.8% year-on-year in Q1, underpinned by robust private spending and investment. India's composite PMI recorded a level of 60.9 in June, a strong signal that activity remains in expansionary territory. India's 2024 general election secured Prime Minister Modi's third five-year term but provided him with a weaker mandate. While coalition politics present a more challenging political environment, we expect the government's broad agenda of investment-led growth to remain intact. India is on track to continue to lead emerging market growth. Real GDP is forecast to increase by 6.8% in 2024, per IMF estimates.

Mexico has benefited from U.S. economic resilience and a growth-oriented fiscal policy. However, there are signs the economy is beginning to lose momentum. In Q1, real GDP expanded by 1.6% against a year ago, the lowest annual growth rate in three years. Mexico's outlook remains constructive and the IMF projects full-year GDP growth of 2.4% in 2024, though this marks a downward revision from the 2.7% expansion anticipated at the beginning of the year. Elsewhere, Brazil is also expected to see lower growth this year due to the lagged impact of restrictive financial conditions. Real GDP will moderate to 2.2% in 2024 according to the IMF.

Considering that emerging markets have faced weakening developed market growth, relatively tight global financial conditions, and a strong U.S. dollar, the region has fared rather well to date. Looking ahead, the prospect of monetary easing by most developed and large emerging market central banks is a positive tailwind. On balance, the IMF expects emerging market real GDP growth to remain stable at 4.2% in 2024.

SECOND QUARTER

From 01-APR-2024 to 30-JUN-2024	Total Return (%)			Ending Weight (%)			Selection Effect (%)	Allocation Effect (%)*	Total Attribution (%)
	Port	Bmk	Diff	Port	Bmk	Diff			
Financials	5.0	4.6	0.4	12.7	21.9	-9.2	0.0	0.1	0.2
Energy	5.5	4.4	1.1	4.0	5.2	-1.2	0.0	0.0	0.1
Consumer Staples	-5.8	-1.9	-3.9	5.2	5.2	0.0	-0.2	0.0	-0.2
Communication Services	-8.8	9.4	-18.2	2.3	8.9	-6.6	-0.4	-0.2	-0.6
Health Care	-7.4	-3.3	-4.1	7.7	3.2	4.5	-0.3	-0.4	-0.8
Utilities	2.7	7.4	-4.7	23.3	3.0	20.4	-1.0	0.2	-0.9
Consumer Discretionary	-7.0	6.3	-13.3	7.5	12.3	-4.8	-1.0	0.0	-1.0
Real Estate	-13.1	3.9	-17.0	5.0	1.5	3.6	-0.9	-0.1	-1.0
Information Technology	11.7	12.5	-0.8	4.2	25.1	-20.9	-0.1	-1.0	-1.1
Materials	-21.0	-0.7	-20.2	5.9	6.9	-1.0	-1.4	0.1	-1.3
Industrials	-3.1	5.2	-8.3	22.3	6.9	15.4	-1.9	-0.1	-2.0
	-2.5	**6.2**	**-8.7**	**100.0**	**100.0**		**-7.3**	**-1.4**	**-8.7**

*** 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 second quarter was -2.5%, while the MSCI Emerging Markets Total Return Net Index returned 6.2% for a difference of -8.7%. With recent downward revisions in economic growth prospects across the emerging markets, several of the fund's sectors have seen a negative impact to returns.

Financials

Financials recently emerged as the leading outperforming sector during Q2, surpassing the benchmark by 0.4%. The primary catalyst behind this outperformance was the Indian institution, Axis Bank. The bank, India's third-largest private sector bank, boasts assets of USD 145 billion and a $91 billion loan book. Deposits grew 18% year-over-year, with low-cost deposits up 15%. Asset quality improved significantly, with net bad loans down to 0.42%. The bank achieved an ROE of over 18% for the last five quarters and maintains a strong CET-1 ratio of over 14%. Additionally, Axis Bank continues to benefit from strong capital accretion, enhancing its financial stability.

Materials

The Materials sector was the second largest drag on performance for the second quarter, trailing the benchmark by a margin of -20.2%. Cemex, a global leader in cement located in Mexico, was one of the underperforming names in the materials sector. The company, operating in cement, ready-mix concrete, and aggregates, reported its Q4 and FY 2023 results and issued guidance for 2024. Despite generating over $14 billion in revenue with a third of its EBITDA from the United States, the market reacted negatively, causing a 9% drop in shares. The 2024 guidance forecasts flat to low-single-digit volume increases and low to mid-single-digit EBITDA growth due to easing cost pressures. However, this fell short of market expectations for higher EBITDA growth. Additionally, a USD 498 million historical tax bill from 2006 will impact next year's free cash flow. Despite these challenges, average pricing increases of 14% across all geographies offset a 6% decline in cement volumes. It is important to note that the company is highly exposed to the United States and Mexico's economies. While Mexico may have some short-term headwinds, we took a long-term view on the gradual recovery of Mexico as a whole.

Industrials

The Industrial sector was the largest drag on performance for the second quarter, trailing the benchmark by -8.3%, and holds the second largest sector allocation in the fund. Within this sector, CCR SA, an operator of one of the largest infrastructure concessions portfolios in Latin America, experienced a turbulent quarter. The company's stock was negatively impacted by a downgrade in economic growth projections. Despite these challenges, CCR SA's underlying portfolio, which includes highways, airports, and urban mobility assets, continued to show strong year-over-year volume growth in highway traffic and airport passengers. This continued growth underpins our continued positive outlook for the company over the medium and long-term horizons.

LAST TWELVE MONTHS

From 01-JUL-2023 to 30-JUN-2024	Total Return (%)			Ending Weight (%)			Selection Effect (%)	Allocation Effect (%)*	Total Attribution (%)
	Port	Bmk	Diff	Port	Bmk	Diff			
Industrials	22.6	10.5	12.1	22.3	6.9	15.4	2.6	-0.9	1.6
Consumer Staples	23.7	-2.5	26.2	5.2	5.2	0.0	1.6	0.0	1.6
Utilities	24.8	24.4	0.5	23.3	3.0	20.4	0.0	1.3	1.3
Financials	26.1	16.5	9.7	12.7	21.9	-9.2	0.8	0.0	0.8
Energy	30.6	29.5	1.0	4.0	5.2	-1.2	0.0	-0.2	-0.2
Communication Services	-25.6	6.2	-31.9	2.3	8.9	-6.6	-1.0	0.8	-0.2
Materials	-18.8	0.2	-19.0	5.9	6.9	-1.0	-1.5	0.2	-1.3
Real Estate	-12.3	-0.8	-11.5	5.0	1.5	3.6	-0.6	-0.7	-1.4
Consumer Discretionary	-12.3	9.9	-22.2	7.5	12.3	-4.8	-2.0	0.5	-1.6
Health Care	-26.5	0.5	-27.1	7.7	3.2	4.5	-2.7	-0.8	-3.5
Information Technology	8.9	38.8	-29.9	4.2	25.1	-20.9	-1.3	-3.4	-4.7
	9.1	**16.4**	**-7.3**	**100.0**	**100.0**		**-4.0**	**-3.3**	**-7.3**

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

Since the start of the third quarter in 2023, amid market volatility, our emerging markets fund posted a one-year return of 9.1%, trailing the MSCI Emerging Markets Total Return Net Index, which had a 16.4% return. Our performance over the last twelve months was propelled by strong showings in the Industrials, Consumer Staples, and Utilities sectors.

Industrials

The Industrials sector, constituting the second-largest allocation in the fund, exhibited robust performance throughout the last twelve months, outperforming the sector benchmark by a margin of 12.1%. This performance was led by one of the fund's more significant holdings, GMR Infrastructure, which returned 124.5% over the period. GMR Infrastructure is recognized as the largest private airport operator in Asia and one of the largest globally. 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.

Consumer Staples

Consumer Staples recently emerged as an outperforming sector, surpassing the benchmark by an impressive 26.2%. The primary catalyst behind this substantial outperformance was First Pacific Co. with a positive return of 43.7%. First Pacific is a prominent investment management and holding company focusing on emerging Asian economies, predominantly in Indonesia and the Philippines.

Utilities

The Utilities sector, the largest allocation weight in the fund at 23.3%, delivered a strong absolute performance of 24.8% during the period. Notably, the fund's performance in this sector was driven by strong returns from two companies, with Power Grid Corporation of India yielding an impressive 84.8%, and Manila Water Company providing a substantial return of 49.9%. Power Grid, India's largest electric power transmission company, oversees about 90% of the country's inter-state networks and transmits over 40% of its generated power. Beyond its core operations, it has expanded into telecom and consultancy, while exploring opportunities in power distribution, smart grids, and renewables. India's low per capita electricity consumption highlights the vast growth potential.