NICOLA WEALTH
PUBLIC ASSETS

Nicola International Leaders Fund Quarterly Report | Q3 2025

Overview

Nicola International Leaders Fund invests in established companies outside of North America – large-cap leaders across Europe, Asia, and Emerging Markets. Focused on businesses with strong cashflow, resilient balance sheets, and durable growth potential, the Fund uses a disciplined value-based approach to uncover companies trading below intrinsic value. The resulting portfolio is built for long-term capital appreciation.

Highlights

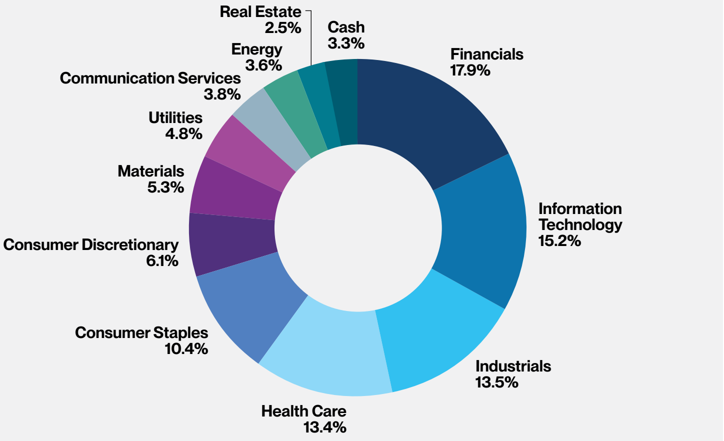
Global diversification – Exposure to large-cap companies across Europe, Asia, and emerging markets and across industries.

Focus on fundamentals – The Fund targets companies that are leaders in their global industries with strong cash flow, solid balance sheets, and good earnings growth.

Long-term capital growth – Seeks to capitalize on global economic expansion trends.

Bottom-up value investing – Focusing on value means never paying full price. The team seeks high-quality businesses trading below their intrinsic value, leading to opportunities across geographies and industries.

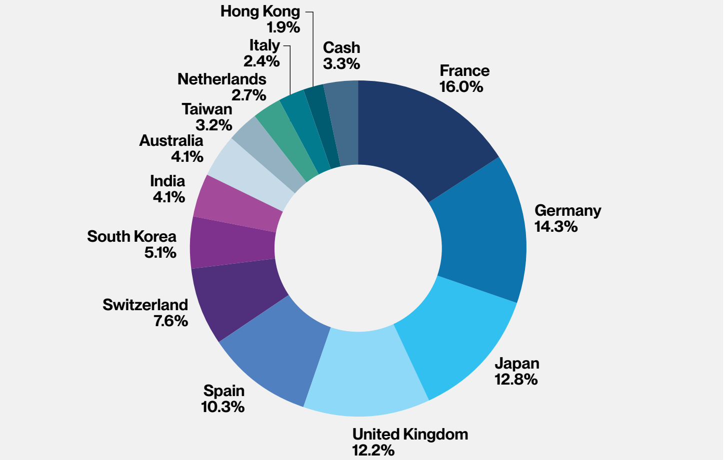
INVESTMENT BY SECTOR as of September 30, 2025



Equity Characteristics

Forward Price-to-Earnings (P/E)	**15.8x**
Price-to-Book Value Ratio	**2.1x**
Enterprise Value-to-EBITDA	**11.0x**
Net Debt-to-EBITDA Ratio	**1.7x**
Median Market Capitalization	**US$131.8B**
EPS Growth	**14.1%**
Return on Equity	**17.5%**
# of Holdings	**39**
Dividend Yield [1]	**3.2%**

INVESTMENT BY GEOGRAPHY as of September 30, 2025



Returns as of September 30, 2025

YTD	**22.9%**
1 month	**6.0%**
3 month	**9.1%**
6 month	**14.1%**
1 year	**22.0%**
3 year	**25.0%**
5 year	**13.7%**
10 year	**10.3%**
Since inception*	**12.0%**

**February 13, 2009*

Calendar Year Returns

2024	**17.7%**
2023	**16.4%**
2022	**-7.3%**
2021	**10.6%**
2020	**9.5%**
2019	**15.8%**
2018	**-3.4%**
2017	**16.0%**
2016	**1.1%**
2015	**17.2%**

Performance

(All performance in CAD)

The Nicola International Leaders Fund returned +9.1% for the quarter and 22.9% on a year-to-date basis. The corresponding returns for the MSCI ACWI ex-USA NTR Index were 9.2% and 21.9%, respectively.

In Q3/25, global equity markets posted positive returns supported by easing trade tensions, corporate earnings, AI optimism and Fed easing. For the quarter, Emerging Markets (+13.3%) outperformed, while International Markets (+7.2%) underperformed.

The Fund's 9.1% return for the quarter was closely in line with the return of the index. One of the main positive contributors to performance was the Fund's security selection in European and Asian banks. For example, the Fund's two Spanish banks (Banco Santander, S.A. and Banco Bilbao Vizcaya Argentaria, S.A.) were both up by over 25% during the quarter as the market continued to positively rerate their share based on impressive ongoing operating results (solid growth in core markets, efficiency on costs, further share buybacks). Results for the quarter also benefitted in an absolute sense from the continued positive performance of several information technology names, including Samsung Electronics Co., Ltd., Taiwan Semiconductor Manufacturing Company Limited (TSMC) and ASML Holding N.V., which benefited from favorable operating results coupled with a thematic tail wind.

The main performance detractor during the quarter was the Fund's underweight position in Emerging Markets, including zero exposure to China's market. For the quarter, the Chinese market rallied by 23.4% driven by positive signs in US/China negotiations, optimism toward anti-involution policy, AI capex plans, and chip restrictions boosting the outlook for local semiconductor players.

New Investments / Exits

During the quarter, the Fund tactically added to existing positions. This included adding to and continuing to build significant positions in two relatively new holdings, Merck KGaA and SK hynix Inc., which were both initially added to the portfolio earlier this year.

Our Thoughts On:

The Market and Fund

Although global markets have performed well year-to-date, we remain cautious for the remainder of 2025 due to uncertainty related to tariffs—including their potential effects on the economy, corporate earnings, and inflation—as well as geopolitical risks. As a result, the Fund remains overweight defensive sectors (Consumer Staples, Health Care, Utilities) and well-diversified (39 positions, average position size: 2.5%). At the stock level, we continue to focus on good businesses with pricing power, solid balance sheets and free cash flow generation.

Geographically, we continue to see a lot of value in Europe and remain overweight the region. Despite the rally in European markets this year, the region remains one of the cheapest developed markets globally and trades roughly in-line with its historical average. In addition, fiscal stimulus plans have the potential to underpin economic growth for the next 10 years in the region.

Top 10 Holdings as of September 30, 2025

Holdings	Weight	Description
Banco Santander, S.A.	4.0%	Largest Spanish bank with retail and commercial operations globally, including in Mexico, Spain, Brazil, U.K., and Chile.
Banco Bilbao Vizcaya Argentaria, S.A.	3.9%	2nd largest Spanish bank with retail and commercial operations across 25 countries including Mexico, Spain, Turkey, and South America.
Sumitomo Mitsui Financial Group, Inc.	3.3%	One of Japan's three largest banks with retail and commercial operations in Japan and globally.
Mitsubishi UFJ Financial Group, Inc.	3.2%	Largest bank in Japan with retail and commercial operations in Japan and globally.
Taiwan Semiconductor ADR	3.2%	World's largest semiconductor foundry based in Taiwan, producing chips for electronics, communications, and automotive industries.
Siemens AG	3.1%	Leading German-based global industrial conglomerate with operations in Automation, Infrastructure, Transport, and Healthcare.
Samsung Electronics Co., Ltd.	3.1%	South Korean-based global electronics and semiconductor manufacturer.
BAE Systems plc	3.0%	Leading UK-based global aerospace and defence company and largest defence contractor in the UK and Australia.
GSK plc	2.9%	UK-based global pharmaceutical company engaged in the research, development, manufacturing, and sale of branded pharmaceuticals.
Schneider Electric SE	2.9%	Leading French multinational company specializing in energy management and automation solutions, with operations across industrial, commercial, and residential markets globally.
Total	**32.7%**	

[1] *Dividend Yield represents the weighted average yield of the fund's underlying equity holdings. It is calculated as the weighted average of the forward estimated 12-month dividends divided by the most recent closing price.*