PUBLIC ASSETS

Nicola International Leaders Fund Quarterly Report | Q4 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

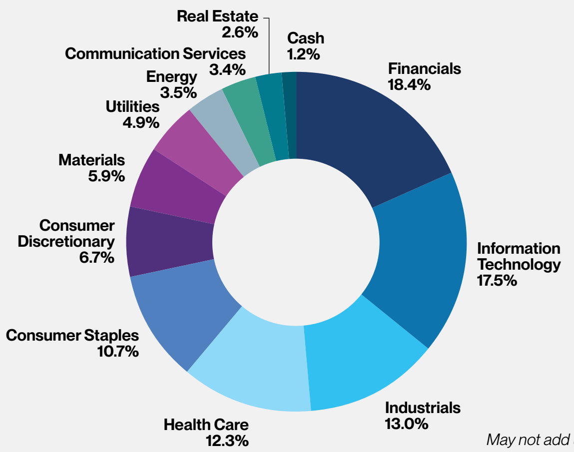
Global diversification – Exposure to large-cap companies across Europe, Asia, and emerging markets and across industries.

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.

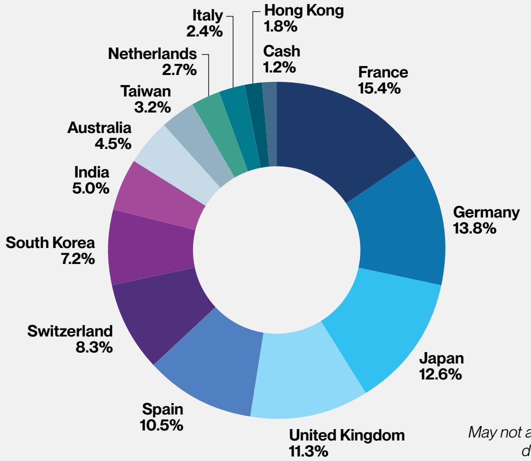
Bottom-up value investing – Focusing on value means never paying full price. The team seeks high-quality businesses trading below their intrinsic value, leading to opportunities across geographies and industries.

INVESTMENT BY SECTOR as of December 31, 2025



May not add up to 100% due to rounding.

INVESTMENT BY GEOGRAPHY as of December 31, 2025



May not add up to 100% due to rounding.

Equity Characteristics

Forward Price-to-Earnings (P/E)	**19.5x**
Price-to-Book Value Ratio	**3.6x**
Enterprise Value-to-EBITDA	**11.1x**
Net Debt-to-EBITDA Ratio	**2.8x**
Median Market Capitalization	**US$140.7B**
EPS Growth	**16.7%**
Return on Equity	**18.4%**
# of Holdings	**39**
Dividend Yield [1]	**2.9%**

Returns as of December 31, 2025

YTD	**33.8%**
1 month	**2.6%**
3 month	**8.8%**
6 month	**18.7%**
1 year	**33.8%**
3 year	**22.4%**
5 year	**13.4%**
10 year	**10.4%**
Since inception*	**12.3%**

**February 13, 2009*

Calendar Year Returns

2025	**33.8%**
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%**

Performance

(All performance in CAD)

The Nicola International Leaders Fund returned +8.8% for the quarter and 33.8% for 2025. The corresponding returns for the MSCI ACWI ex-USA NTR Index were 3.5% and 26.2%, respectively.

Global equity markets performed positively in the fourth quarter of 2025, with several equity indices ending the year close to multi-year highs. In 2025, for the first time in several years, international and emerging market equities outperformed U.S. equities due to more favorable valuations, a weaker U.S. dollar, and diversification benefits.

The Fund outperformed during the quarter mainly due to security selection in Info Tech and South Korea. SK Hynix and Samsung (global leading producers of memory chips based in South Korea) rallied on signs that the current global memory shortage driven by AI demand could extend into 2027. The main relative detractors for the quarter were our holdings in Industrials and the United Kingdom. One of the main detractors was BAE, which is one of the biggest defense contractors globally. BAE and the European Defense sector sold off during the quarter due to reports over Ukraine peace plans. We believe that even if the conflict in Ukraine ends, defense spending plans will remain unchanged at the newly elevated targets because the region needs to address years of underinvestment to ensure its sovereignty.

New Investments / Exits

During the quarter, the Nicola International Leaders Fund tactically and opportunistically added to several existing positions, including Unilever, Kering, HDFC Bank and Vonovia. Similarly, in order to manage risk and take advantage of strong share prices, the Fund trimmed its weighting in several large positions, including BBVA, GSK, and EssilorLuxottica. The Fund also sold out completely of a very small position in Magnum Ice Cream, which it received as a spin-out from its holding in Unilever.

Our Thoughts On:

The Market and Fund

Looking ahead to 2026, markets should benefit from fiscal stimulus in major economies and continued Fed easing, but uncertainty remains around potential geopolitical and fiscal sustainability risks. Geographically, we continue to see value in Europe and remain overweight the region. Despite European markets rallying in 2025 on improved growth prospects from higher fiscal spending plans, Europe trades around its long-term average and remains one of the cheapest developed markets globally. The Nicola International Leaders 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 strong free cash flow generation.

Top 10 Holdings as of December 31, 2025

Holdings	Weight	Description
Banco Santander, S.A.	4.2%	Largest Spanish bank with retail and commercial operations globally, including in Mexico, Spain, Brazil, U.K., and Chile.
Samsung Electronics Co., Ltd.	3.9%	South Korean-based global electronics and semiconductor manufacturer.
Banco Bilbao Vizcaya Argentaria, S.A.	3.8%	2nd largest Spanish bank with retail and commercial operations across 25 countries including Mexico, Spain, Turkey, and South America.
Sumitomo Mitsui Financial Group, Inc.	3.5%	One of Japan's three largest banks with retail and commercial operations in Japan and globally.
SK hynix Inc.	3.3%	South Korean-based global semiconductor manufacturer specializing in DRAM and NAND memory products.
Taiwan Semiconductor ADR	3.2%	World's largest semiconductor foundry based in Taiwan, producing chips for electronics, communications, and automotive industries.
Roche Holding AG	3.1%	German-based global pharmaceutical company engaged in the research, development, manufacturing, and sale of branded pharmaceuticals.
Glencore plc	3.1%	Swiss-based multinational commodity trading and mining company with global operations in metals, minerals, energy, and agricultural commodities
Siemens AG	3.0%	Leading German-based global industrial conglomerate with operations in Automation, Infrastructure, Transport, and Healthcare.
Mitsubishi UFJ Financial Group, Inc.	2.9%	Largest bank in Japan with retail and commercial operations in Japan and globally.
Total	**34.0%**	

[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.*