NICOLA WEALTH

PUBLIC ASSETS

Nicola International Leaders Fund
Quarterly Report | Q1 2026

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

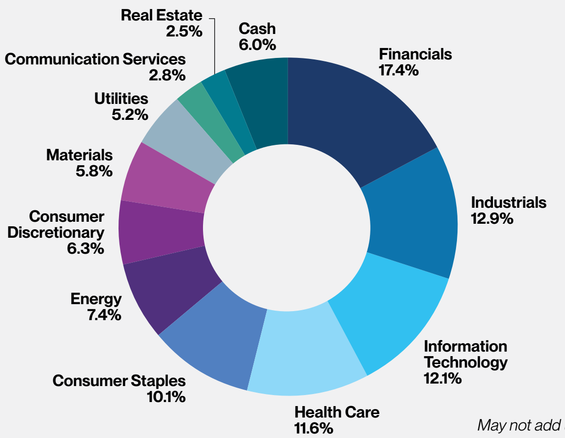
Global diversification – Exposure to large-cap companies across Europe, Asia, and emerging markets and across industries.

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.

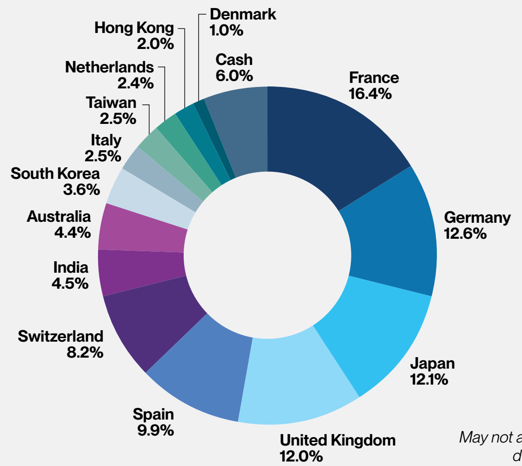
Bottom-up value investing – Focusing on value means never paying full price. The team seeks high-quality businesses trading below their intrinsic value, leading to opportunities across geographies and industries.

INVESTMENT BY SECTOR
as of March 31, 2026



May not add up to 100% due to rounding.

INVESTMENT BY GEOGRAPHY
as of March 31, 2026



May not add up to 100% due to rounding.

Equity Characteristics

Forward Price-to-Earnings (P/E)	**16.4x**
Price-to-Book Value Ratio	**3.4x**
Enterprise Value-to-EBITDA	**12.4x**
Net Debt-to-EBITDA Ratio	**1.8x**
Median Market Capitalization	**US$133.0B**
EPS Growth	**22.1%**
Return on Equity	**21.1%**
# of Holdings	**40**
Dividend Yield [1]	**3.0%**

Returns as of March 31, 2026

YTD	**2.4%**
1 month	**-8.8%**
3 month	**2.4%**
6 month	**11.4%**
1 year	**27.1%**
3 year	**19.8%**
5 year	**13.1%**
10 year	**11.2%**
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)

For Q1 2026, the Nicola International Leaders Fund returned +2.4% vs +0.8% for the MSCI ACWI ex-USA NTR Index. Over the trailing 1-year period, the Nicola International Leaders Fund returned +27.1% vs +21.1% for the MSCI ACWI ex-USA NTR Index.

Despite a strong start to the year, global equity markets tumbled in the final month of Q1 as investors became concerned about the impact of higher oil prices on growth and inflation from the conflict in Iran as well as the impact of AI disruption. For the quarter, Emerging Markets (+1.4%) outperformed, while International Markets (+0.5%) underperformed

The Fund outperformed the index during the quarter mainly due to security selection in Technology and Asia Pacific. Our Korean memory holdings (SK Hynix, Samsung) were the primary contributors to performance, benefiting from strong earnings momentum due to ongoing supply shortages. The biggest detractors during the quarter were our holdings in Financials and India. One of the biggest detractors was HDFC Bank (largest bank in India), which sold off due to concerns over the fallout from the Middle East and the resignation of its chairman. Over the long term, we believe HDFC remains well-positioned to benefit from the growth in India's economy and the normalization of recent newsflow.

New Investments / Exits

During the quarter, the Fund added **Novo Nordisk** to the portfolio. Novo Nordisk is a Danish pharmaceutical company, specializing in diabetes and obesity treatments, with a focus on insulins and GLP-1 analogues. Novo's share price has fallen about 70% from its peak in mid-2024 due to the company's heavy reliance on Ozempic and Wegovy (GLP-1 drugs), which face U.S. price cuts and will lose patent exclusivity in 2032. However, we believe the stock at current levels fails to reflect the future benefits of potential new drug launches, volume growth, and potential cash returns to shareholders.

There were no exits during the quarter.

Our Thoughts On:

The Market and Fund

The first quarter of 2026 saw several economic and geopolitical developments. While the future of the Middle East conflict remains uncertain, we expect tensions will ease over the near term as the continued closure of the Strait of Hormuz is unsustainable. However, the impact of this event on global growth and inflation over the short and long term remains uncertain. As a result, the Fund remains overweight in defensive sectors (Consumer Staples, Health Care, Utilities) and well-diversified (40 positions, average position size: 2.4%). 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 March 31, 2026

Holdings	Weight	Description
Banco Santander, S.A.	3.8%	Largest Spanish bank with retail and commercial operations globally, including in Mexico, Spain, Brazil, U.K., and Chile.
Total Energies SE.	3.8%	French-based global integrated energy company engaged in the exploration, production, refining, and marketing of oil and gas, as well as renewable energy and electricity generation worldwide.
Shell PLC	3.6%	British-based global integrated energy and petrochemical company engaged in the exploration, production, refining, and marketing of oil and gas, as well as chemicals and renewable energy solutions worldwide.
Banco Bilbao Vizcaya Argentaria, S.A.	3.4%	2nd largest Spanish bank with retail and commercial operations across 25 countries including Mexico, Spain, Turkey, and South America.
Sumitomo Mitsui Financial Group, Inc.	3.4%	One of Japan's three largest banks with retail and commercial operations in Japan and globally.
Glencore plc	3.2%	Swiss-based multinational commodity trading and mining company with global operations in metals, minerals, energy, and agricultural commodities
Mitsubishi UFJ Financial Group, Inc.	3.0%	Largest bank in Japan with retail and commercial operations in Japan and globally.
Roche Holding AG	3.0%	German-based global pharmaceutical company engaged in the research, development, manufacturing, and sale of branded pharmaceuticals.
BAE Systems plc	2.9%	Leading UK-based global aerospace and defence company and largest defence contractor in the UK and Australia.
Hitachi, Ltd.	2.8%	Japanese-based multinational conglomerate operating across IT, energy, mobility, and industrial systems with a global presence including the U.S., Europe, and Asia.
Total	**32.8%**	

[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.*