NICOLA WEALTH
PUBLIC ASSETS

Nicola International Leaders Fund Quarterly Report | Q3 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

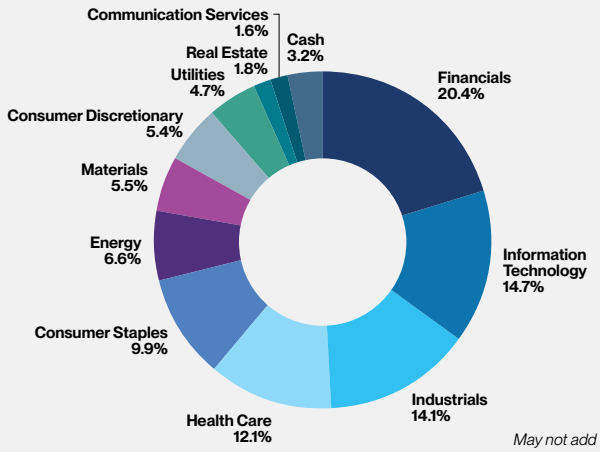
Global diversification – Exposure to large-cap companies across Europe, Asia, and emerging markets and across industries.

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.

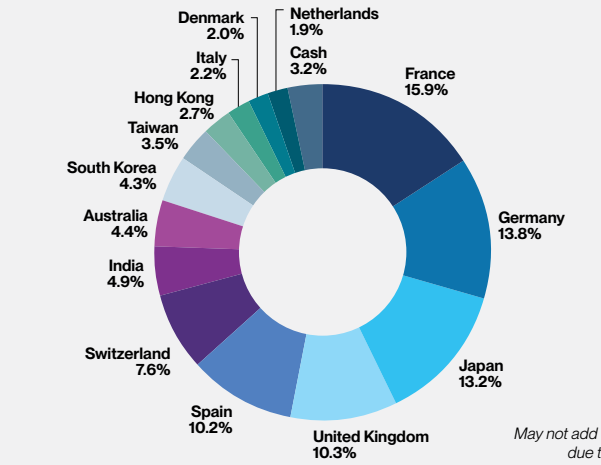
Bottom-up value investing – Focusing on value means never paying full price. The team seeks high-quality businesses trading below their intrinsic value, leading to opportunities across geographies and industries.

INVESTMENT BY SECTOR as of September 30, 2026



May not add up to 100% due to rounding.

INVESTMENT BY GEOGRAPHY as of September 30, 2026



May not add up to 100% due to rounding.

Equity Characteristics

Forward Price-to-Earnings (P/E)	16.2x
Price-to-Book Value Ratio	3.4x
Enterprise Value-to-EBITDA	12.9x
Net Debt-to-EBITDA Ratio	1.8x
Median Market Capitalization	US$156.5B
EPS Growth	28.3%
Return on Equity	22.0%
# of Holdings	38
Dividend Yield [1]	3.1%

Returns as of September 30, 2026

YTD	13.3%
1 month	-1.3%
3 month	0.3%
6 month	10.6%
1 year	23.3%
3 year	23.8%
5 year	14.6%
10 year	11.8%
Since inception*	12.6%

**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

The Nicola International Leaders Fund returned +0.3% for Q3, compared with a +0.5% for the MSCI ACWI ex-USA NTR Index. For the one year period, ending September 30, 2026, the Nicola International Leaders Fund has returned +23.3% compared with a +22.5% for the MSCI ACWI ex-USA NTR Index.

Global equities posted modest gains in Q3 despite a challenging macroeconomic and geopolitical backdrop. Markets weighed persistent geopolitical tensions, elevated energy prices and rising interest rates against resilient economic data and continued corporate earnings growth. For the quarter, international markets outperformed (+1.0%), while emerging markets underperformed (-0.3%).

The Fund slightly underperformed the index during the quarter mainly due to being overweight in Europe ex U.K., along with and security selection in the industrials sector. Our European holdings were negatively impacted by rising energy prices due to the region's higher dependence on imported energy. Main contributors during the month were security selection in the industrials sector and allocation to Japanese equities. Our holdings in Japan's two largest banks (Mitsubishi UFJ Financial Group and Sumitomo Mitsui Financial Group) advanced following the Band of Japan's rate hike and its indication that further monetary tightening is likely in the months to come.

New Investments / Exits

During the quarter, the Fund added to several existing positions:

HDFC Bank Limited – HDFC is one of India's largest banks and has most of its operations based in India. We view HDFC as a strong domestic bank, in a growing market, with an attractive long-term growth profile. The company's share price has been week recently, due to negative headlines about an internal conflict, which has given us the opportunity to add to our position at a very attractive price.

Infosys Ltd. – Infosys is a very large information technology consulting firm based in India with extensive global operations. The company has had a long history of successfully navigating through a number of global technology change cycles. Nonetheless, the global technology consulting sector has been weak this year as investors debate the impact of AI on the sector. On this debate, we believe that over the next several years at least, helping their clients to properly implement AI will most likely drive additional business for Infosys. We believe the current market debate has thus created an attractive buying opportunity for long-term investors.

The Fund also modestly trimmed two of its largest positions:

Hitachi (Japan) and **Schneider Electric** (France). Both are industrial companies that have seen strong share price **appreciation** over the last few years, based in part on their exposure to electrification and the AI datacenter buildout theme. We remain confident in their long-term prospects. The Fund's recent trimming of these positions reflects a decision to realize some gains after a period of very strong performance.

Our Thoughts On:

The Market

Going into the final quarter of 2026, we see opportunities for markets from the de-escalation in the Middle East conflict, continued investments in AI, and solid earnings growth. These opportunities are balanced by risks around on-going geo-political conflicts, sustainability of current AI capex spending levels, and rising interest rates globally.

The Fund

As a result, the Fund remains overweight defensive sectors (Consumer Staples, Health Care, Utilities) and well-diversified (38 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 September 30, 2026

Holdings	Weight	Description
Sumitomo Mitsui Financial Group, Inc.	4.4%	One of Japan's three largest banks with retail and commercial operations in Japan and globally.
Mitsubishi UFJ Financial Group, Inc.	4.0%	Largest bank in Japan with retail and commercial operations in Japan and globally.
Banco Santander, S.A.	3.9%	Largest Spanish bank with retail and commercial operations globally, including in Mexico, Spain, Brazil, U.K., and Chile.
Banco Bilbao Vizcaya Argentaria, S.A.	3.8%	2nd largest Spanish bank with retail and commercial operations across 25 countries including Mexico, Spain, Turkey, and South America.
Taiwan Semiconductor ADR	3.5%	World's largest semiconductor foundry based in Taiwan, producing chips for electronics, communications, and automotive industries.
Shell PLC	3.3%	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.
Total Energies SE.	3.2%	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.
Siemens AG	3.1%	Leading German-based global industrial conglomerate with operations in Automation, Infrastructure, Transport, and Healthcare.
Sanofi SA	3.0%	French-based global pharmaceutical company engaged in the research, development, manufacturing, and marketing of prescription medicines, vaccines, and consumer healthcare products worldwide.
Roche Holding AG	2.9%	German-based global pharmaceutical company engaged in the research, development, manufacturing, and sale of branded pharmaceuticals.
Total	**35.2%**	

[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.

Comparisons of the historical performance of Nicola Wealth funds or models to the historical performance of indexes, mutual funds or other investment vehicles should only be undertaken with consideration of the differences that exist between the underlying investments that comprise the compared investment vehicles. Indexes may be primarily composed of a single asset type/asset class (i.e. 100% equities or 100% bonds) whereas Nicola Wealth funds may or may not contain a combination of exchange-traded equities, marketable bonds, private investments, other alternative investment classes and exempt products. When making any comparison of historical performance, these differences and their impact on the performance of each comparable should be taken into account.

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