Nicola Bond Fund

As of May 31, 2026

Overview

The Nicola Bond Fund offers a risk-aware approach to fixed-income investing – designed to generate consistent income while preserving capital. Actively managed with a flexible, long/short strategy, the Fund invests in corporate, government, and other fixed-income securities in North America, with a focus on overall portfolio quality.

Highlights

Consistent income – The Fund aims to generate steady cash flow through fixed-income investments.

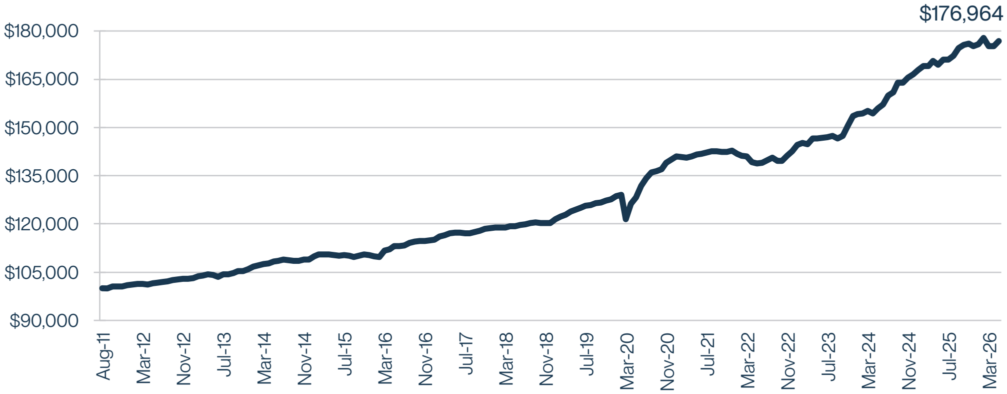
Capital preservation – The manager takes a conservative investment approach focused on managing interest rate, credit, and downside risk.

Disciplined and diverse – The Fund invests in corporate, government, and other fixed-income securities within North American markets. The strategy can use leverage and derivatives for both risk management and return generation.

Performance (Class O)

Cumulative Net Returns

$100,000 Invested at Inception



Performance Summary

Cumulative Returns				Annualized Returns				
YTD	1M	3M	6M	1Y	3Y	5Y	10Y	Since Inception August 25, 2011
1.0%	1.0%	-0.5%	0.5%	4.4%	6.5%	4.6%	4.6%	3.9%

Calendar Year Net Returns

2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
5.3%	8.5%	7.6%	-0.1%	2.0%	9.7%	6.1%	1.4%	2.1%	5.3%

About the Fund

Inception Date	August 25, 2011
Net Asset Value (NAV)	C$896.9M
Distribution Frequency	Monthly
Current Distribution Yield[1]	3.61%
Trailing 12-Month Distribution Yield[2]	7.05%
Liquidity Terms	Daily
Base Currency	CAD

Bond Characteristics

Gross Yield[3]	3.8%
Average Term to Maturity (excluding futures, credit only)	4.3 yrs
Average Credit Rating	BBB
Duration[4]	4.8 yrs
Number of Holdings	104

Risk Metrics* (since inception)

Maximum Drawdown (Mar 2020 – Mar 2020)	-5.9%
Best 12 Months (Apr 2020 – Mar 2021)	15.8%
Worst 12 Months (Oct 2021 – Sep 2022)	-2.1%
Best Quarter (Q2 2020)	8.5%
Worst Quarter (Q1 2020)	-4.9%
Standard Deviation[5]	2.7%
Sharpe Ratio[6]	0.8

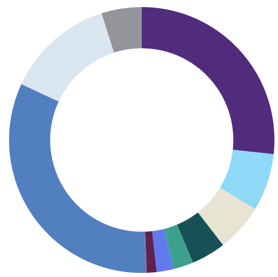
*Risk metrics are calculated based on Class O (CAD) monthly returns.

Holdings

Top 10 Holdings – Nicola Managed Portfolio

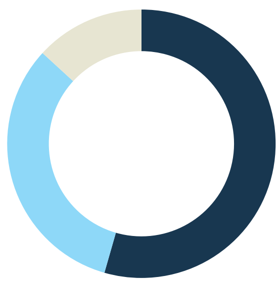
Name	% of AUM
Government of Canada	1.5
Toronto-Dominion Bank	1.5
Allied Properties REIT	1.4
CI Financial Corp.	1.4
Emera Incorporated	1.4
Atlas Warehouse Lending Company, L.P.	1.4
Sagicor Financial Company	1.3
Wolf Midstream, Inc.	1.3
Bank of Nova Scotia	1.3
CI Financial Corp.	1.3
Total	13.7

By Sector



	%
Financials	26.7
Energy	7.0
Consumer Discretionary	5.8
Utilities	4.2
Communications	2.4
Industrials	2.1
Government-Related (Credit Spread)	1.2
Materials	0.1
Nicola Credit Opportunities L.P.	32.4
Sun Life Short-Term Private Fixed Income	13.2
Cash and Cash Equivalent	4.9

By Asset Mix

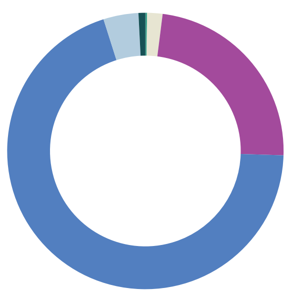


	%
Nicola Managed Portfolio	54.5
Nicola Credit Opportunities LP	32.4
Sun Life Short-Term Private Fixed Income	13.2

By Geography

	%
Canada	81.8
U.S.	18.2

By Credit Rating



	%
AAA	0.2
AA	1.8
A	23.5
BBB	69.6
BB	4.1
Not Rated	0.8

Disclosure

[1]The annualized yield based on the fund's current regular monthly distribution rate and the most recent month-end NAV. Excludes special or top-up distributions. Distributions are not guaranteed and may vary in amount and frequency over time.

[2]Total cash distributions paid over the past 12 months, including special and top-up distributions, divided by the most recent month-end NAV.

[3]Gross Yield represents the estimated income generated from the fund's underlying holdings, including income from externally managed funds. These estimates are based on the best available information and are subject to change without notice

[4]Duration is a measure of the sensitivity of a bond's price to changes in interest rates. An increase in interest rates is associated with a decrease in bond prices, whereas a decrease in interest rates is linked to an increase in bond prices. The duration for the Nicola Bond Fund is an estimate based on best available information and is subject to change without notice.

[5]Standard deviation is a statistical measure that quantifies the risk of an investment. It indicates how much a fund's return deviates from the average return over a period. A higher standard deviation suggests potentially greater volatility (higher risk), while a lower standard deviation indicates potentially less volatility (lower risk).

[6]Sharpe ratio measures the risk-adjusted return, helping investors understand how much an investment compensates for the risk taken. It is calculated by dividing a fund return less cash (riskless) return by its risk standard deviation.

Nicola Wealth Management Ltd. (Nicola Wealth), the "Fund Manager," is a wealth management and planning firm established in 1994. With a philosophy built on cash flow and diversification, our growing series of funds is managed by members of Nicola Wealth's Asset Management Team.

Past performance is not indicative of future results. All investments contain risk and may gain or lose value. Returns are net of fund expenses charged to date. This is not a sales solicitation. This investment is intended for tax residents of Canada who are accredited investors. Residency restrictions apply. Please read the relevant documentation for additional details and important disclosure information, including terms of redemption and limited liquidity. Please speak to your Nicola Wealth advisor for advice based on your unique circumstances.

Nicola Wealth is registered as a Portfolio Manager, Exempt Market Dealer and Investment Fund Manager with the required securities commissions.

The fund may be impacted by movements in the exchange rates between the fund's currency and the currencies of the fund's investments. Currency hedging may be employed, at times, to offset that impact.