

Overview

The Nicola Canadian Mortgage Fund seeks to achieve a stable level of current income while also seeking to preserve capital. The Fund focuses on low to middle market lending accessing senior and subordinate mortgage loans primarily over income-producing commercial properties in Canada.

Highlights

Conservative approach – The Fund focuses on conservative underwriting to maintain a margin of safety while seeking consistent returns.

Solid track record – The Fund has delivered over 15 years of consistent returns, and no capital losses realized since inception.

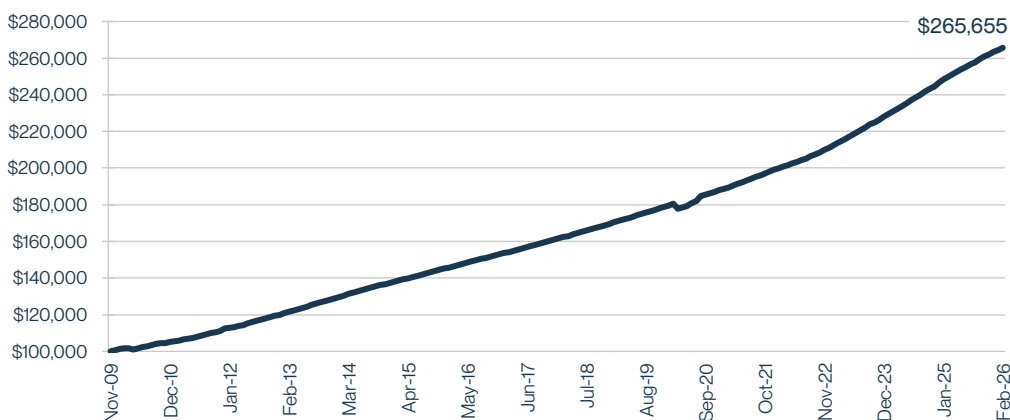
Steady interest income – Aims to provide consistent monthly cash flow distributions with a focus on capital preservation.

Lower volatility – The Fund incorporates a full-cycle strategy, and its low duration limits price volatility relative to other fixed-income assets.

Performance (Class O)

Cumulative Net Returns

\$100,000 Invested at Inception



Performance Summary

Cumulative Returns				Annualized Returns					Since Inception November 30, 2009
YTD	1M	3M	6M	1Y	3Y	5Y	10Y		
0.9%	0.4%	1.4%	3.0%	6.4%	7.5%	7.0%	6.1%	6.2%	

Calendar Year Net Returns

2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
6.7%	8.2%	8.0%	6.1%	5.9%	5.1%	5.5%	5.3%	5.2%	5.3%

About the Fund

Inception Date	November 30, 2009
Net Asset Value (NAV)	C\$1.08B
Distribution Frequency	Monthly
Current Distribution Yield ¹	6.01%
Trailing 12-Month Distribution Yield ²	6.49%
Liquidity Terms	Monthly ³
Base Currency	CAD

Fund Characteristics

(as of December 31, 2025)

Capital deployed Trailing 12 Month	C\$413.7M
% in Funds vs. Co-Investments	11% / 74%
No. of Fund vs. Direct / Co-Investments	5 / 76
Fixed vs. Floating Loans	47% / 53%
Weighted Avg. Stabilized Loan-to-Value	67.6%
Weighted Avg. Stabilized DSCR ⁴	1.04x
Average Position Size	C\$14M
Term to Maturity	11 months
Number of Direct Loans	76

Risk Metrics* (since inception)

Maximum Drawdown (Mar 2020)	-1.5%
Best 12 Months (Jan 2024 – Dec 2024)	8.2%
Worst 12 Months (Jun 2019 – May 2020)	3.3%
Best Quarter (Q3 2020)	2.5%
Worst Quarter (Q1 2020)	-0.6%
Standard Deviation ⁵	0.7%
Sharpe Ratio ⁶	6.1

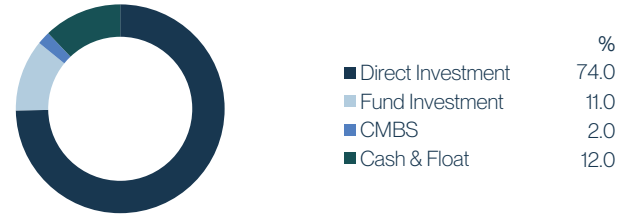
*Risk metrics are calculated based on Class O (CAD) monthly returns.

Holdings (as of December 31, 2025)

Top 10 Holdings

Investment	% of AUM	Description
Fund Investment	3.9	Open ended fund with a portfolio of loans secured by residential mortgages located in Ontario
Fund Investment	3.5	Open ended fund with a portfolio of loans secured by mortgages over income producing commercial real estate located in Canada
Direct Loan	3.5	Senior ranking mortgage loan over a retail property in British Columbia
Direct Loan	3.2	Senior ranking mortgage loan over a retail property in Ontario
Direct Loan	2.9	Senior ranking mortgage loan over a retail property in British Columbia
Direct Loan	2.7	Senior ranking mortgage loan over an industrial zoned development site in British Columbia
Direct Loan	2.7	Senior ranking mortgage loan over a retail property in British Columbia
Direct Loan	2.7	Subordinate ranking mortgage loan over a retail property in Ontario
Direct Loan	2.6	Senior ranking mortgage loan over an industrial property in the Prairies
Direct Loan	2.5	Senior ranking mortgage loan over an industrial property in British Columbia
Total	30.2	

By Type

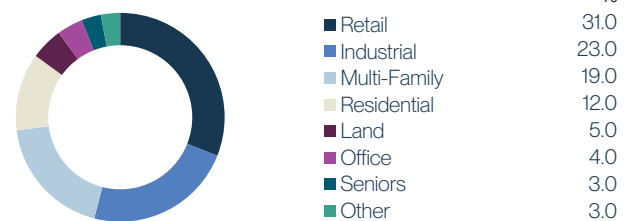


May not add to 100% due to rounding.

By Priority

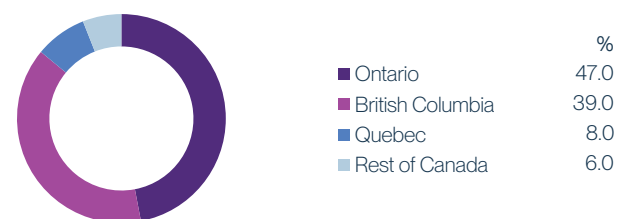


By Property Type



May not add to 100% due to rounding.

By Geography



Disclosure

¹The 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.

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

³The fund trades monthly with redemptions requiring one month notice.

⁴Stabilized for Direct Loans and CMBS only.

⁵Standard 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).

⁶Sharpe 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.

Effective October 31, 2023, Nicola Balanced Mortgage Fund changed its name to Nicola Canadian Mortgage Fund.

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.