Nicola High Yield Bond Fund

As of May 31, 2026

Overview

Nicola High Yield Bond Fund seeks to generate an attractive level of income and the opportunity for capital appreciation by investing in a diversified portfolio consisting primarily of fixed- income and related instruments, with a secondary emphasis on capital preservation.

Highlights

Attractive yield – Seeks to provide higher income than traditional fixed-income investments.

Broad diversification – North American focus for broad diversity and a stronger liquidity profile.

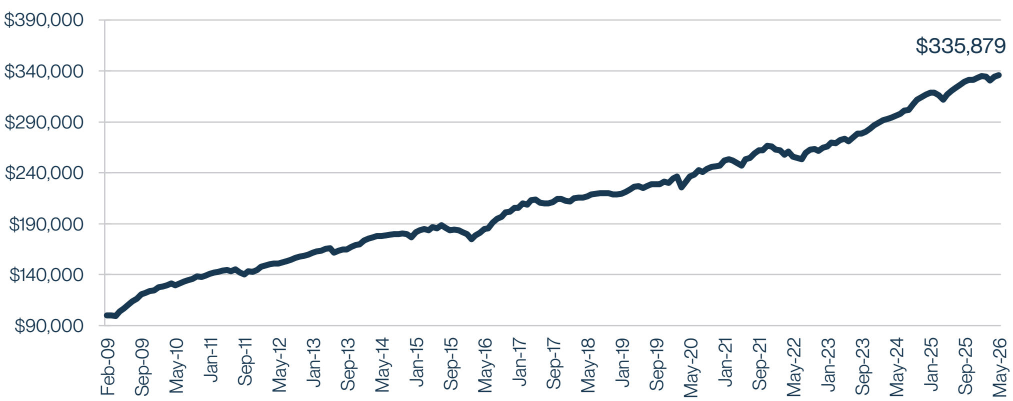
Defensive high-yield strategy – The Fund focuses on high yield and looks for market dislocations to apply an opportunistic, bottom-up approach to seek better risk-adjusted returns.

Investment flexibility – The Fund's underlying investments include investment grade and high-yield bonds, preferred shares, and leveraged loans. The strategy can use short positions, 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	Inception Date
CAD	0.9%	0.4%	0.4%	1.3%	6.1%	7.1%	6.3%	6.1%	7.3%	February 13, 2009
USD	1.6%	0.8%	0.9%	2.2%	8.0%	6.0%	3.1%	5.4%	3.3%	July 19, 2013

Calendar Year Net Returns

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
CAD	5.0%	10.7%	8.3%	-0.7%	7.7%	7.3%	5.4%	2.7%	3.4%	13.2%
USD	6.8%	1.8%	10.9%	-7.3%	8.2%	9.5%	10.8%	-5.4%	10.5%	17.0%

About the Fund

Inception Date	February 13, 2009
Net Asset Value (NAV)	C$701.0M
Distribution Frequency	Monthly
Current Distribution Yield[1]	5.88%
Trailing 12-Month Distribution Yield[2]	6.46%
Liquidity Terms	Weekly
Base Currency	CAD

Bond Characteristics

Gross Yield[3]	6.5%
Average Term to Maturity (credit only)	2.8 yrs
Average Credit Rating	BB
Duration[4]	2.4 yrs
Number of Holdings	92

Risk Metrics* (since inception)

Maximum Drawdown (Aug 2015 – Feb 2016)	-7.4%
Best 12 Months (Apr 2009 – Mar 2010)	30.6%
Worst 12 Months (Mar 2015 – Feb 2016)	-4.8%
Best Quarter (Q2 2009)	11.3%
Worst Quarter (Q1 2022)	-3.1%
Standard Deviation[5]	4.1%
Sharpe Ratio[6]	1.4

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

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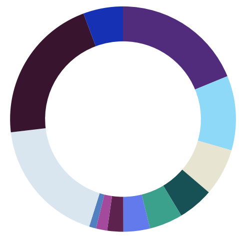
Holdings

Top 10 Holdings – Nicola Managed Portfolio

Name	% of AUM
Jones Deslauriers Insurance Management, Inc.	1.8
Rogers Communications, Inc.	1.6
PennyMac Financial Services, Inc.	1.2
Ardonagh Group Finance Ltd.	1.1
Encore Capital Group, Inc.	1.1
iShares U.S. High Yield Bond Index ETF	1.1
Allied Properties REIT	1.0
Canadian Utilities Limited	1.0
CI Financial Corp.	0.9
Hyundai Capital Canada, Inc.	0.9
Total	11.6

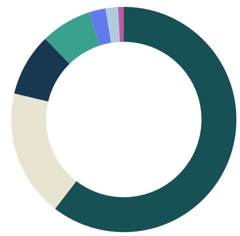
By Sector



May not add to 100% due to rounding.

	%
Financials	18.8
Consumer Discretionary	10.7
Energy	6.8
Industrials	5.1
Utilities	4.8
Materials	3.8
Communications	2.3
Technology	1.6
Health Care	1.0
Nicola Credit Opportunities LP	18.3
External Holdings	21.2
Cash & Cash Equivalents	5.7

By Asset Mix



	%
Nicola Managed Portfolio	60.5
Nicola Credit Opportunities LP	18.3
Polar CRS-1 LP	9.0
Oaktree Global Credit Plus Fund Feeder Cayman LP	7.3
PIMCO Monthly Enhanced Income Fund	2.4
PIMCO CCA Offshore Fund LP	1.8
Apollo Credit Strategies Fund	0.8

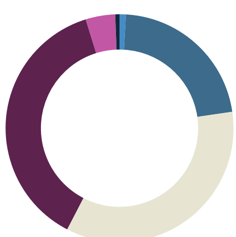
By Currency Exposure (Net Hedged)

	%
CAD	99.4
USD	0.6

By Geography

	%
Canada	48.4
U.S.	51.6

By Credit Rating



	%
A	0.9
BBB	21.8
BB	34.9
B	37.6
CCC	4.2
Not Rated	0.6

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 High Yield 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..