Nicola U.S. Mortgage Fund

NICOLA WEALTH

As of May 31, 2026

Overview

The Nicola U.S. Mortgage Fund offers investors access to income-generating real estate debt opportunities in the world's largest commercial property market. Focused on capital preservation and consistent cash flow, the Fund invests in middle market senior secured loans across major U.S. metros.

Highlights

Access – Gain exposure to the world's largest commercial real estate market.

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

Stable income stream – Interest income is generated from monthly mortgage loan payments made by borrowers, allowing the fund to provide consistent monthly cash flow distributions.

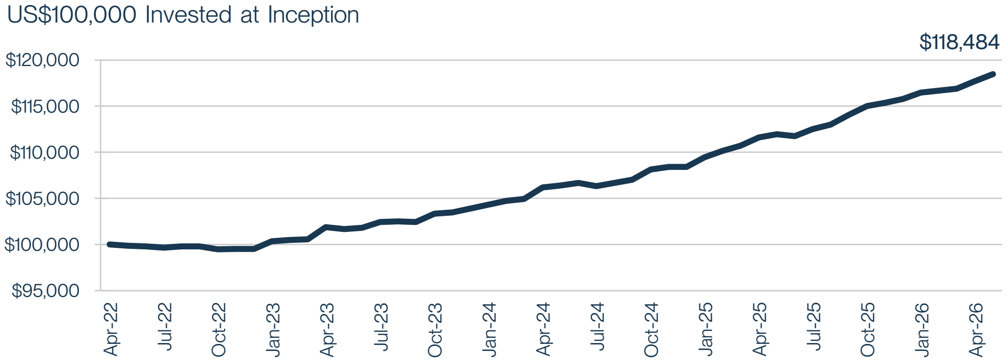
Multi-strategy approach – The Fund integrates both fund investments and direct lending, with a strategic focus on direct loan investments in middle-market senior position loans across top markets in the U.S.

Institutional-quality lending approach – Mortgage loans are typically provided to high net worth, institutional quality, experienced real estate professionals.

Performance (Class O)

Cumulative Net Returns

US$100,000 Invested at Inception



Performance Summary

	Cumulative Returns				Annualized Returns			
	YTD	1M	3M	6M	1Y	3Y	Since Inception	Inception Date
CAD - Hedged	1.8%	0.7%	1.3%	1.8%	4.3%	4.7%	5.4%	April 30, 2022
USD	2.3%	0.6%	1.6%	2.7%	5.8%	5.2%	4.2%	

Calendar Year Net Returns

	2025	2024	2023	2022[6]
CAD - Hedged	5.0%	4.4%	5.4%	5.4%
USD	6.8%	4.3%	4.4%	-0.5%

About the Fund

Inception Date	April 30, 2022
Net Asset Value (NAV)	US$151.0M
Distribution Frequency	Monthly
Current Distribution Yield[1]	6.02%
Trailing 12-Month Distribution Yield[2]	6.01%
Liquidity Terms	Monthly[3]
Base Currency	USD

Fund Characteristics
(as of March 31, 2026)

Capital deployed Trailing 12 Month	C$200.8M
% in Funds vs. Co-Investments	11% / 89%
No. of Fund vs. Direct / Co-Investments	1 / 20
Fixed vs. Floating	100% Floating
Weighted Avg Stabilized Loan-to-Value*	60.6%
Weighted Avg Stabilized DSCR**	1.37x
Average Direct Loan Size (USD Millions)	$17.9M

Risk Metrics† (since inception)

Maximum Drawdown (May 2022 – Oct 2022)	-0.5%
Best 12 Months (Jan 2025 – Dec 2025)	6.8%
Worst 12 Months (Jun 2022 – May 2023)	1.8%
Best Quarter (Q3 2025)	2.1%
Worst Quarter (Q4 2022)	-0.3%
Standard Deviation[4]	1.4%
Sharpe Ratio[5]	1.7

*Fund investment data as of September 30, 2025
**Direct Loans only

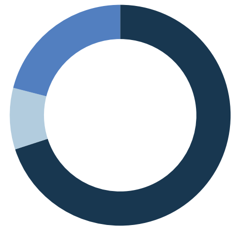
†Risk metrics are calculated based on Class O (USD) monthly returns.

Holdings (as of March 31, 2025)

Top 10 Holdings

Investment	% of AUM	Description
Fund Investment	15.3	Open ended fund with a portfolio of loans secured by mortgages over income producing commercial real estate located in the United States
Direct Loan	12.7	Senior ranking mortgage loan over an industrial property in South Carolina
Direct Loan	5.1	Senior ranking mortgage loan over an industrial property in Florida
Direct Loan	5.1	Senior ranking mortgage loan over an industrial property in Indiana
Direct Loan	4.2	Senior ranking mortgage loan over a retail property in Massachusetts
Direct Loan	3.9	Senior ranking mortgage loan over an industrial property in Florida
Direct Loan	3.8	Senior ranking mortgage loan over an industrial property in New Jersey
Direct Loan	3.7	Senior ranking mortgage loan over a multifamily property in Washington
Direct Loan	3.5	Senior ranking mortgage loan over a multifamily property in Texas
Direct Loan	3.2	Senior ranking mortgage loan over an industrial property in Washington
Total	60.4	

By Type

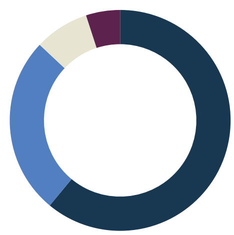


	%
Direct Investment	70.0
Fund Investment	9.0
Cash & Float	21.0

By Priority

	%
Senior	100.0
Subordinate	0.0

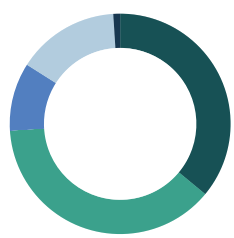
By Property Type



	%
Industrial	61.0
Multi-family	26.0
Other	8.0
Retail	5.0

May not add to 100% due to rounding

By U.S. Geography



	%
South East	36.0
East	38.0
South West	10.0
West	15.0
Midwest	1.0

May not add to 100% due to rounding

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]The fund trades monthly with redemptions requiring six-month's notice.

[4]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).

[5]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.

[6]Return for the fund's first calendar year reflects performance from inception to December 31 of that year.

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.