



NICOLA WEALTH

The Pool

Nicola Balanced Mortgage Fund primary objective is to provide a high level of interest income while also seeking to preserve capital by investing mainly in loans secured primarily by second mortgages on Canadian commercial property.

The Strategy

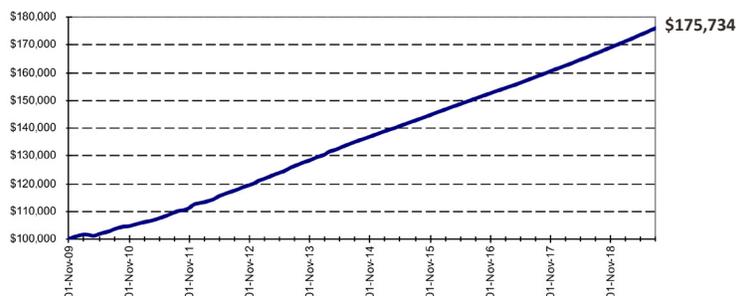
The fund's objective is to achieve a stable level of current income while also seeking to preserve capital. It primarily invests in Canadian-dollar denominated, predominantly second mortgage term loans secured by mortgages and/or other securities invested in loans secured by mortgages on Canadian real property. The fund may also invest in securitized products including mortgage-backed securities and CMBS issued investment grade bonds, cash/money market securities and other products deemed appropriate by the manager from time to time.

The Manager

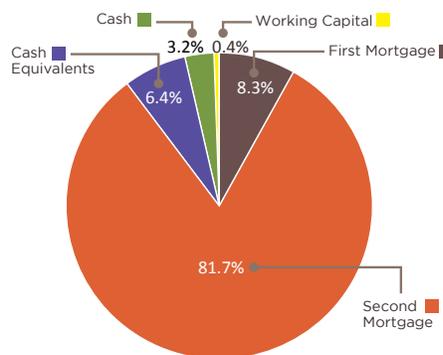
Nicola Wealth, the "Fund Manager," is a wealth management and planning firm established in 1994. With a philosophy built on cash flow and diversification, our growing series of funds is managed by members of Nicola Wealth's Portfolio Management Team.

PERFORMANCE (cumulative return)

\$100,000 INVESTED AT INCEPTION



Asset Mix as of June 30, 2019

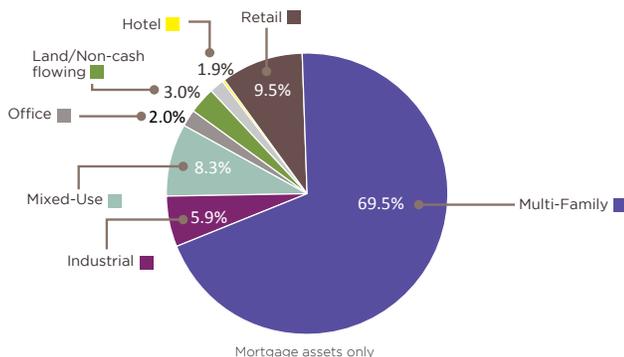


| | |
|--|----------------|
| Total Assets (millions) | \$569.2 |
| 12-Month Trailing Cash Flow Distribution | 5.0% |
| Returns for the period ENDING AUGUST 31, 2019 | |
| 1 month | 0.4% |
| 3 month | 1.3% |
| 6 month | 2.7% |
| 1 year | 5.5% |
| 2 year | 5.4% |
| 3 year | 5.3% |
| 4 year | 5.4% |
| 5 year | 5.4% |
| 6 year | 5.7% |
| 7 year | 5.9% |
| 8 year | 6.1% |
| 9 year | 6.1% |
| Since Inception* | 6.0% |
| * November 30, 2009 | |

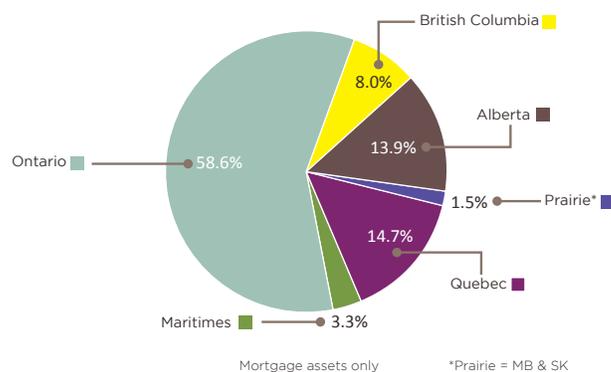
PERFORMANCE (monthly returns) as of August 31, 2019

| | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|------|------|------|-------|-------|------|------|------|------|------|------|------|------|-------|
| 2019 | 0.5% | 0.5% | 0.4% | 0.5% | 0.5% | 0.4% | 0.5% | 0.4% | | | | | 3.7% |
| 2018 | 0.4% | 0.4% | 0.4% | 0.5% | 0.4% | 0.4% | 0.5% | 0.5% | 0.4% | 0.5% | 0.4% | 0.4% | 5.3% |
| 2017 | 0.4% | 0.4% | 0.4% | 0.4% | 0.5% | 0.4% | 0.5% | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% | 5.2% |
| 2016 | 0.4% | 0.5% | 0.5% | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% | 5.3% |
| 2015 | 0.5% | 0.5% | 0.5% | 0.4% | 0.5% | 0.5% | 0.5% | 0.4% | 0.5% | 0.4% | 0.5% | 0.5% | 5.7% |
| 2014 | 0.5% | 0.5% | 0.8% | 0.4% | 0.5% | 0.6% | 0.6% | 0.5% | 0.5% | 0.5% | 0.4% | 0.5% | 6.5% |
| 2013 | 0.9% | 0.5% | 0.6% | 0.6% | 0.5% | 0.5% | 0.8% | 0.7% | 0.6% | 0.6% | 0.5% | 0.6% | 7.5% |
| 2012 | 0.4% | 0.3% | 0.5% | 0.5% | 0.9% | 0.6% | 0.5% | 0.5% | 0.6% | 0.6% | 0.5% | 0.5% | 6.8% |
| 2011 | 0.4% | 0.4% | 0.4% | 0.4% | 0.5% | 0.6% | 0.6% | 0.7% | 0.6% | 0.3% | 0.6% | 1.2% | 7.0% |
| 2010 | 0.6% | 0.4% | -0.1% | -0.4% | 0.5% | 0.5% | 0.5% | 0.7% | 0.6% | 0.4% | 0.2% | 0.4% | 4.4% |
| 2009 | | | | | | | | | | | | 0.6% | 0.6% |

Mortgage Exposure by Property Type as of June 30, 2019



Mortgage Exposure by Province as of June 30, 2019



Disclosure

- Past performance is not indicative of future results.
- Returns are net of fund expenses.
- Please refer to the Nicola Wealth Funds Offering Memorandum for additional details and important disclosure information.

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