



# NICOLA WEALTH

## The Fund

The Nicola Private Debt Fund combines a fund-of-funds approach and direct investing in private debt opportunities to target an attractive premium above public market fixed income yields and returns. We intend to generate a higher return from the higher coupons, equity upside and stronger risk protection. The Fund is targeting 7-8% income yield plus 1-2% capital gains, for 8-10% net return per annum.

## The Manager

Nicola Wealth, the “Manager,” established in 1994, is one of Canada’s fastest growing wealth management firms. With a philosophy built on cash flow and diversification, our growing series of funds are managed by members of Nicola Wealth’s Portfolio Management Team.

## What Is Private Debt?

Private debt is the direct lending by one or few investors in the form of loans or debentures to private or public companies, as opposed to bonds and loans that are issued to many participants and tradable in markets. Private debt opportunities are illiquid investments that generally need to be held until maturity. For the long-term investor who can make this commitment, private debt can offer attractive yields and returns.

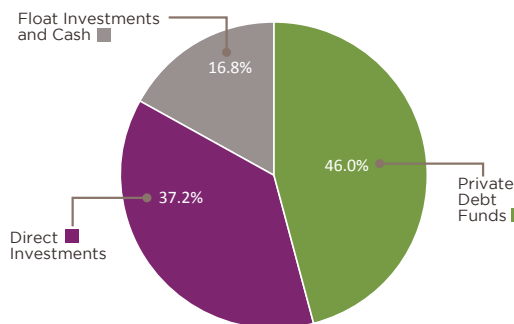
### Top Fund Investments as of September 30, 2019

	Weight
Crown Capital Partners Funding	12.29%
Cortland Credit Strategies Fund	11.90%
Apollo Credit Strategies Fund	6.66%
THL Credit Fund III	5.34%
Ares Capital Corporation	3.13%

### Top Direct Investments as of September 30, 2019

	Weight
Credit Facility - Project Steen	61.73%
Loan - Project Strength	7.73%
Loan - Project Honesty	7.04%
Loan - Project Jackson	6.40%
Commercial Mortgage - GTA Portfolio	5.90%

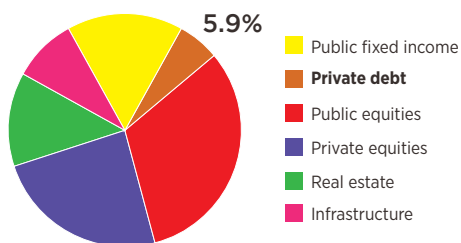
### Asset Mix as of September 30, 2019



Total Assets (millions) \$209.6	
12-Month Trailing Cash Flow Distribution 9.9%	
Returns for the period ENDING SEPTEMBER 30, 2019	
1 month	1.9%
3 month	1.9%
6 month	2.8%
1 year	7.1%
Since Inception*	6.6%
* October 31, 2017	

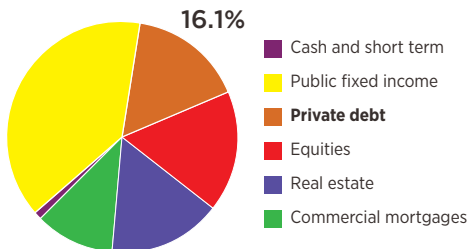
### Private Debt Allocations by Other Long-Term Institutional Investors

Canada Pension Plan



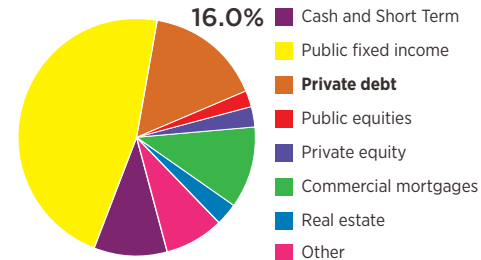
As of Dec 31, 2018

Sun Life WL PAR Policyholder Investment Account



As of Dec 31, 2018

Teachers Insurance and Annuity Association (TIAA) General Account



As of Dec 31, 2018

### Quarterly Performance as of September 30, 2019

	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
2019	1.5%	0.8%	1.9%		4.3%
2018	1.20%	1.81%	1.31%	2.66%	7.1%
2017					1.1%

### Disclosure

- Past performance is not indicative of future results.
- Returns are net of fund expenses.
- Please read the relevant documentation for additional details and important disclosure information, including terms of redemption and limited liquidity.

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

### PERFORMANCE (cumulative return) \$100,000 INVESTED AT INCEPTION

