



# NICOLA WEALTH

## The Pool

The fundamental investment objective of Nicola Canadian Tactical High Income Fund to invest in publicly traded securities that distribute income with a target yield of 4% in excess of the S&P/TSX Composite Index Yield.

## The Strategy

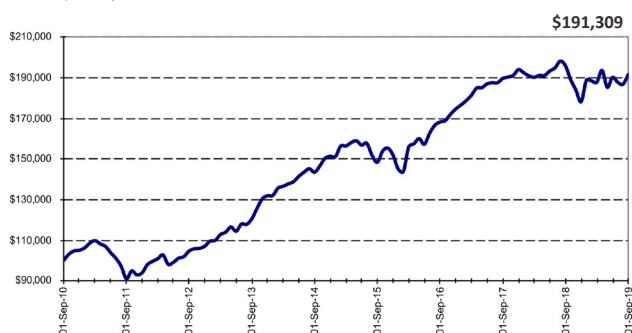
The fund has the ability to use covered call and put strategies, primarily investing in securities that may include: equities, preferred shares, common shares, REITs, high yield bonds, convertible debentures, options, exchange-traded securities, mutual funds, Canadian bonds and foreign bonds. The fund may also invest in cash and money market securities.

## The Manager

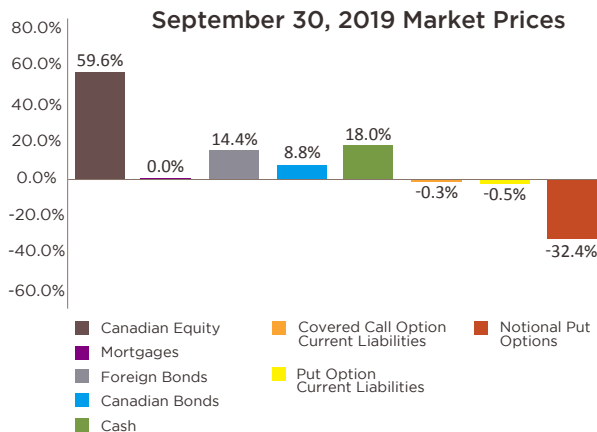
Nicola Wealth, the "Fund Manager," is a wealth management and planning firm established in 1994. With a philosophy built on cash flow and diversification, our growing series of funds is managed by members of Nicola Wealth's Portfolio Management Team.

### PERFORMANCE (cumulative return)

\$100,000 INVESTED AT INCEPTION



### Asset Mix based on September 30, 2019 Market Prices



### PERFORMANCE (monthly returns) as of September 30, 2019

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	TOTAL
2019	5.9%	-0.1%	0.3%	3.1%	-4.3%	2.6%	-1.3%	-0.5%	2.6%				7.5%
2018	-0.8%	-0.8%	-0.4%	0.5%	0.0%	1.2%	0.8%	1.7%	-1.1%	-3.5%	-2.7%	-3.1%	-8.1%
2017	1.1%	1.2%	1.5%	1.9%	0.1%	1.0%	0.3%	0.0%	1.1%	0.3%	0.4%	1.5%	11.1%
2016	-4.5%	-0.8%	8.3%	1.1%	1.6%	-1.8%	3.4%	2.4%	1.0%	0.4%	1.8%	1.5%	14.9%
2015	-0.1%	3.4%	0.0%	1.1%	0.6%	-1.3%	0.6%	-3.8%	-2.3%	3.7%	1.0%	-2.2%	0.4%
2014	0.1%	2.7%	0.7%	0.9%	0.8%	1.9%	1.4%	1.2%	-1.2%	2.2%	2.5%	0.7%	14.7%
2013	2.3%	0.4%	2.6%	1.0%	2.2%	-1.8%	3.1%	-0.1%	2.3%	4.3%	3.7%	1.2%	23.2%
2012	4.2%	1.7%	1.3%	1.8%	-4.5%	1.1%	2.0%	0.8%	2.7%	1.0%	0.2%	1.0%	14.0%
2011	1.1%	2.2%	1.1%	-1.5%	-1.2%	-2.9%	-2.7%	-3.9%	-6.3%	4.2%	-2.0%	1.1%	-10.6%
2010										3.1%	1.5%	0.4%	5.0%

Total Assets (millions) \$210.8	
12-Month Trailing Cash Flow Distribution 6.9%	
Returns for the period ENDING SEPTEMBER 30, 2019	
1 month	-0.5%
3 month	0.8%
6 month	-0.9%
1 year	-5.7%
2 year	-0.2%
3 year	3.9%
4 year	5.3%
5 year	5.2%
6 year	8.0%
7 year	9.0%
8 year	8.5%
9 year	8.5%
Since Inception*	7.2%
*September 30, 2010	

## Covered Call Option Current Liabilities

This is the current market value of the Covered Call Options written against our underlying long-only stock positions. Writing a Covered Call Option is a strategy that delivers a premium by agreeing to sell a stock we already own at a certain price. Writing (selling) Covered Call Options becomes an obligation to the writer (seller).

## Put Option Current Liabilities

This is the current market value of the Put Options that were written in the portfolio. Writing a Put Option is a strategy that delivers a premium by agreeing to buy a stock at a certain price. Writing (selling) Put Options becomes an obligation to the writer (seller).

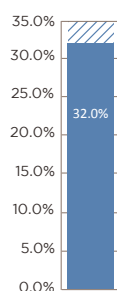
## Notional Put Option Exposure

This is the current market value of the Put Options that were written in the portfolio. Writing a Put Option is a strategy that delivers a premium by agreeing to buy a stock at a certain price. Writing (selling) Put Options becomes an obligation to the writer (seller).

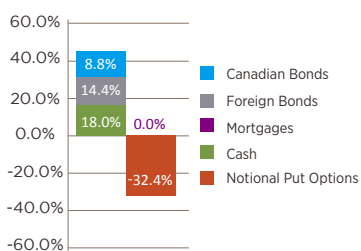
## Collateral Sources

These are assets available to be drawn upon should notional put options be exercised.

### Percentage of equities partially or fully covered



### Collateral sources and notional put option exposure



### Top Holdings as of September 30, 2019 (excluding Cash, Money Market and Treasuries)

	TOTAL
PIMCO MONTHLY INCOME FUND	14.4%
NICOLA WEALTH BOND FUND	8.8%
BANK OF NOVA SCOTIA	4.2%
SLEEP COUNTRY CANADA HOLDINGS INC.	3.9%
IGM FINANCIAL INC.	3.9%
CINEPLEX INC.	3.9%
WEST FRASER TIMBER CO LTD.	3.6%
TRANSCONTINENTAL INC.	3.5%
METHANEX CORPORATION	3.3%
MAGNA INTERNATIONAL INC.	2.8%

## 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.