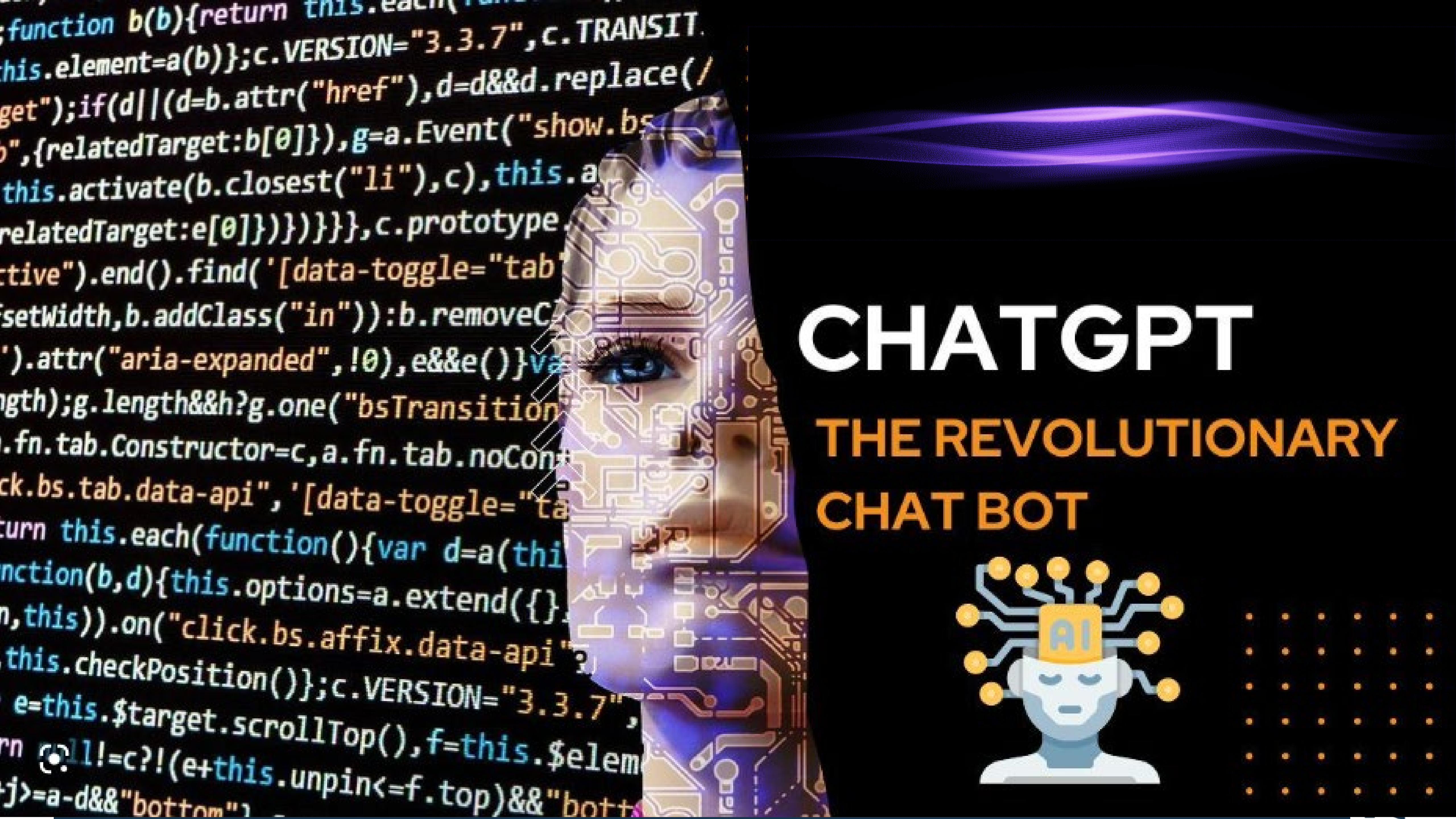
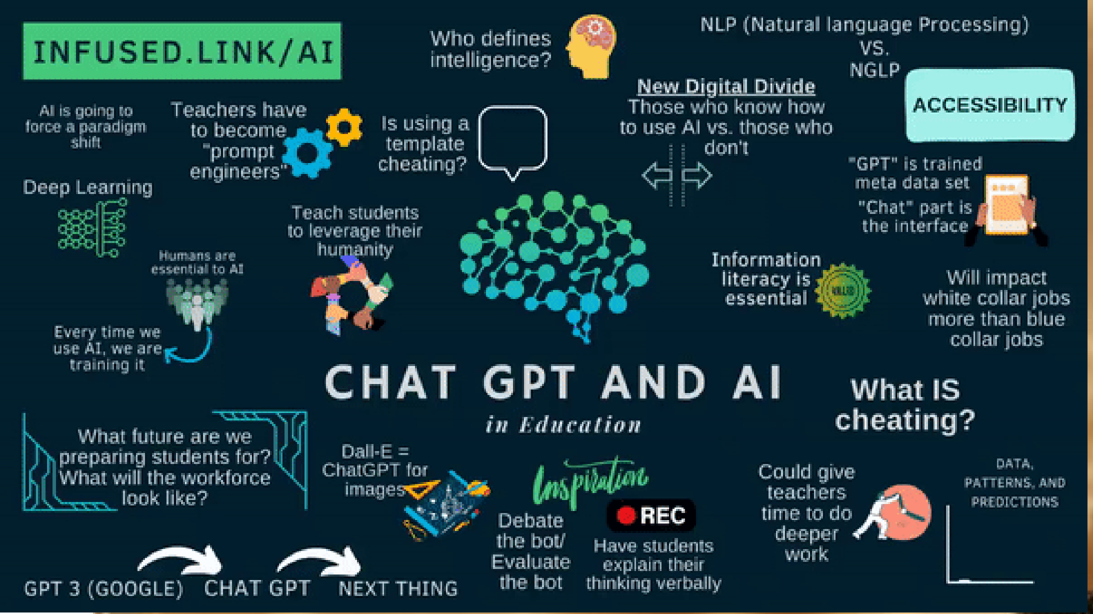
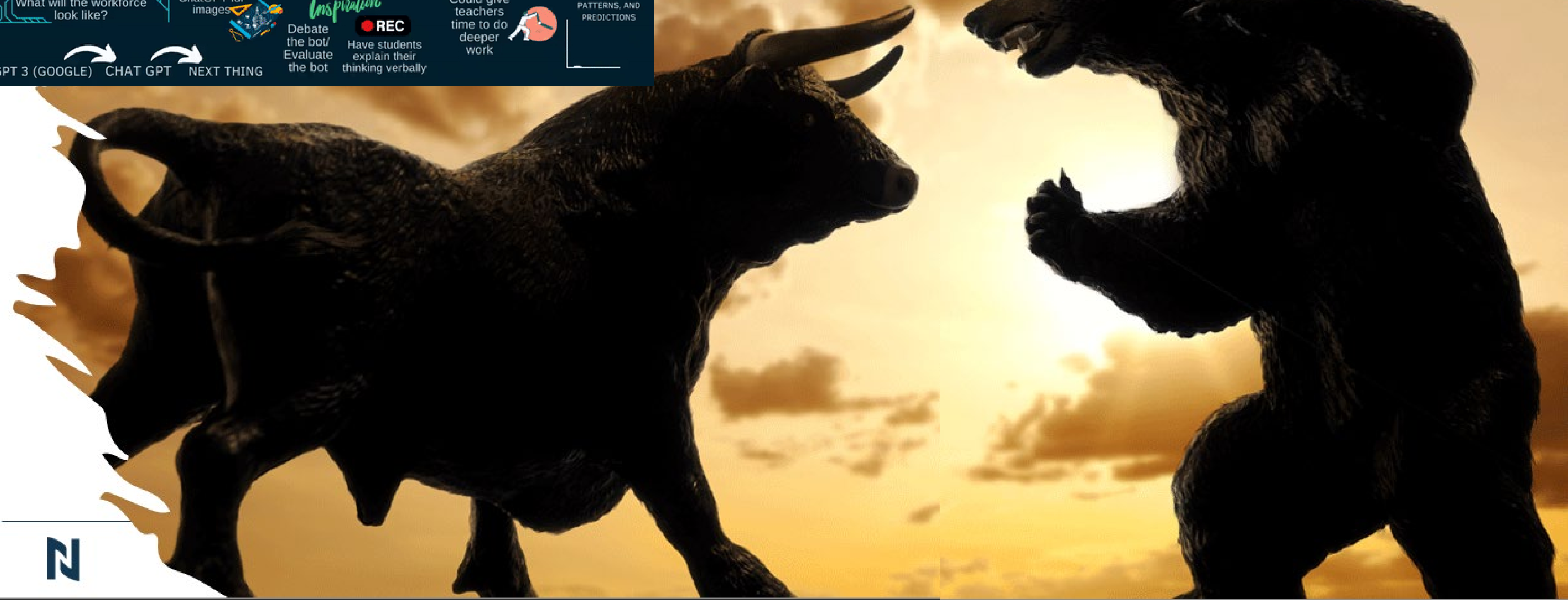
Finding Alpha

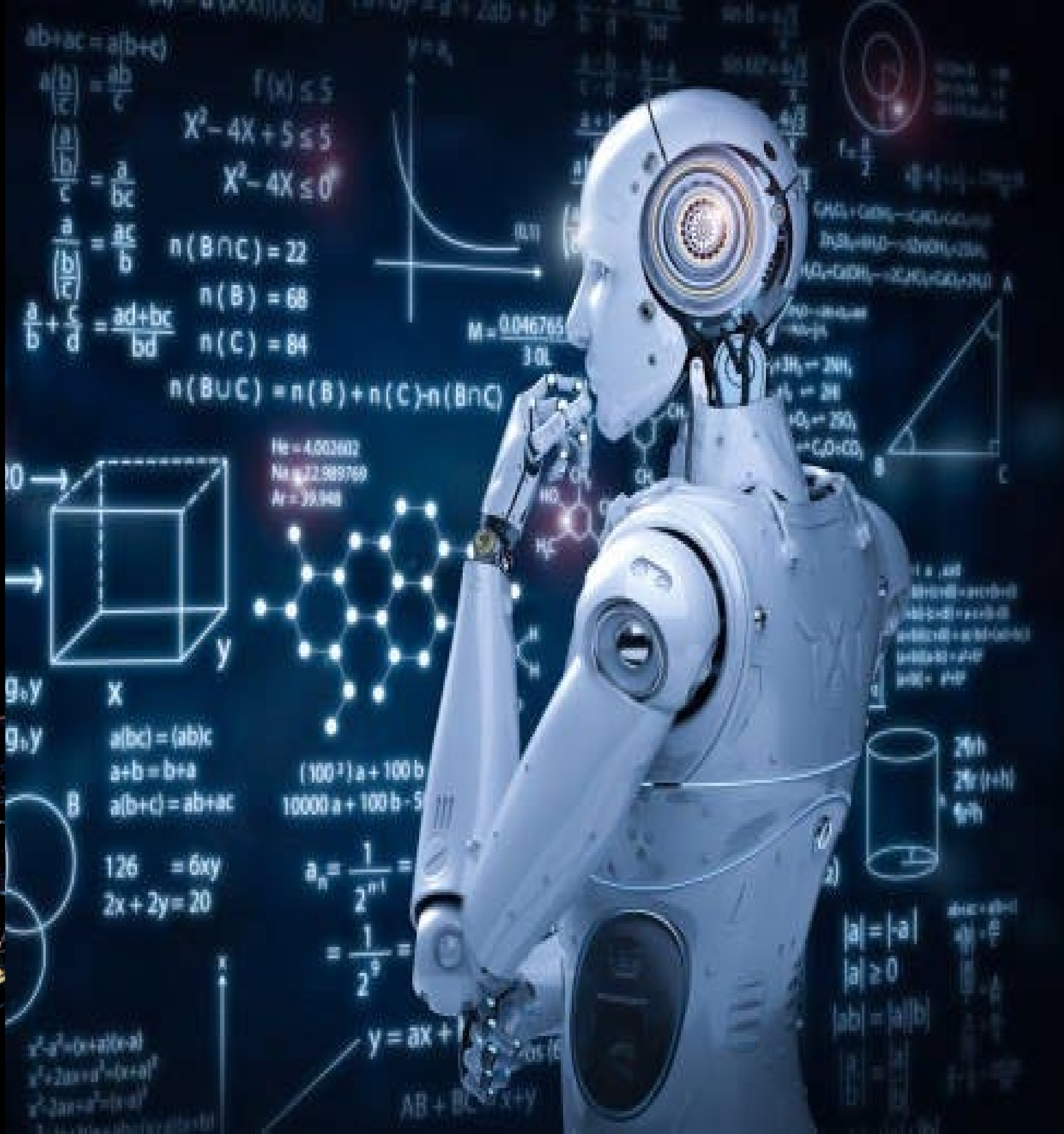
Strategic Outlook 2023

Introduction by
David Sung
President, Nicola Wealth


CHATGPT
THE REVOLUTIONARY
CHAT BOT
AI


INFUSED.LINK/AI
Who defines intelligence?
NLP (Natural language Processing) VS. NGLP
New Digital Divide
Those who know how to use AI vs. those who don't
ACCESSIBILITY
AI is going to force a paradigm shift
Teachers have to become "prompt engineers"
Is using a template cheating?
"GPT" is trained meta data set
"Chat" part is the interface
Deep Learning
Teach students to leverage their humanity
Humans are essential to AI
Information literacy is essential
Will impact white collar jobs more than blue collar jobs
Every time we use AI, we are training it
CHAT GPT AND AI
in Education
What IS cheating?
What future are we preparing students for? What will the workforce look like?
Dall-E = ChatGPT for images
Inspiration
REC
Debate the bot/ Evaluate the bot
Have students explain their thinking verbally
Could give teachers time to do deeper work
DATA, PATTERNS, AND PREDICTIONS
GPT 3 (GOOGLE)
CHAT GPT
NEXT THING





ab+ac = a(b+c)
f(x) ≤ 5
X²−4X+5 ≤ 5
X²−4X ≤ 0
n(B∩C) = 22
n(B) = 68
n(C) = 84
n(B∪C) = n(B)+n(C)-n(B∩C)
a(bc) = (ab)c
a+b = b+a
a(b+c) = ab+ac
126 = 6xy
2x+2y = 20
y = ax +
|a| = |-a|
|a| ≥ 0

Our Speakers

Strategic Outlook 2023

David Sung, CFP, CLU, CHS, CIM
President

John Nicola, CFP, CLU, CHFC
Chairman &
Chief Executive Officer

Mark Hannah
Managing Director
Nicola Wealth Real Estate

Bijal Patel, MBA, LLB
Chief Financial Officer &
Head of Private Capital

Ben Jang, CAIA, CIM, DMS
Portfolio Manager
Public Assets

Our Growth

210+ people

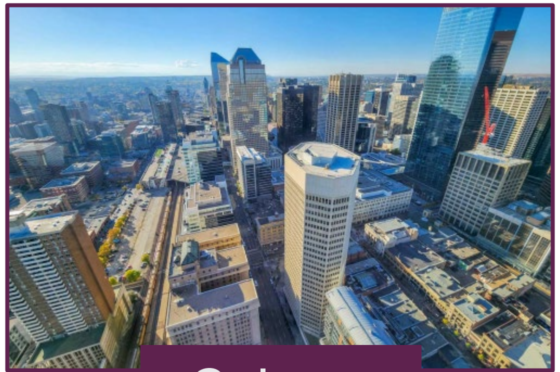
2020

450+ people

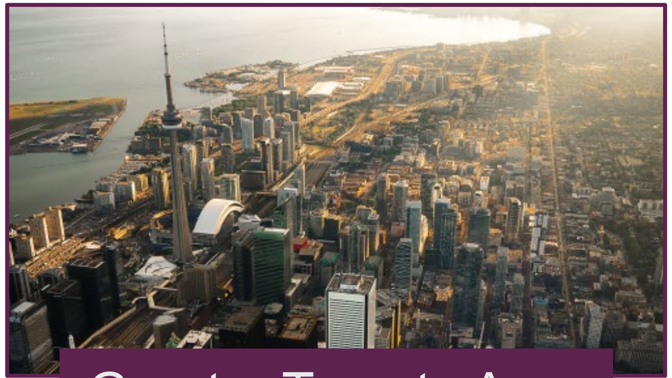
2023

INVESTOR ECONOMICS ISS

Victoria



Calgary



Greater Toronto Area (x3)

Return to Our Services

Multi-Asset Portfolios

Lucy So
Institutional Vice President

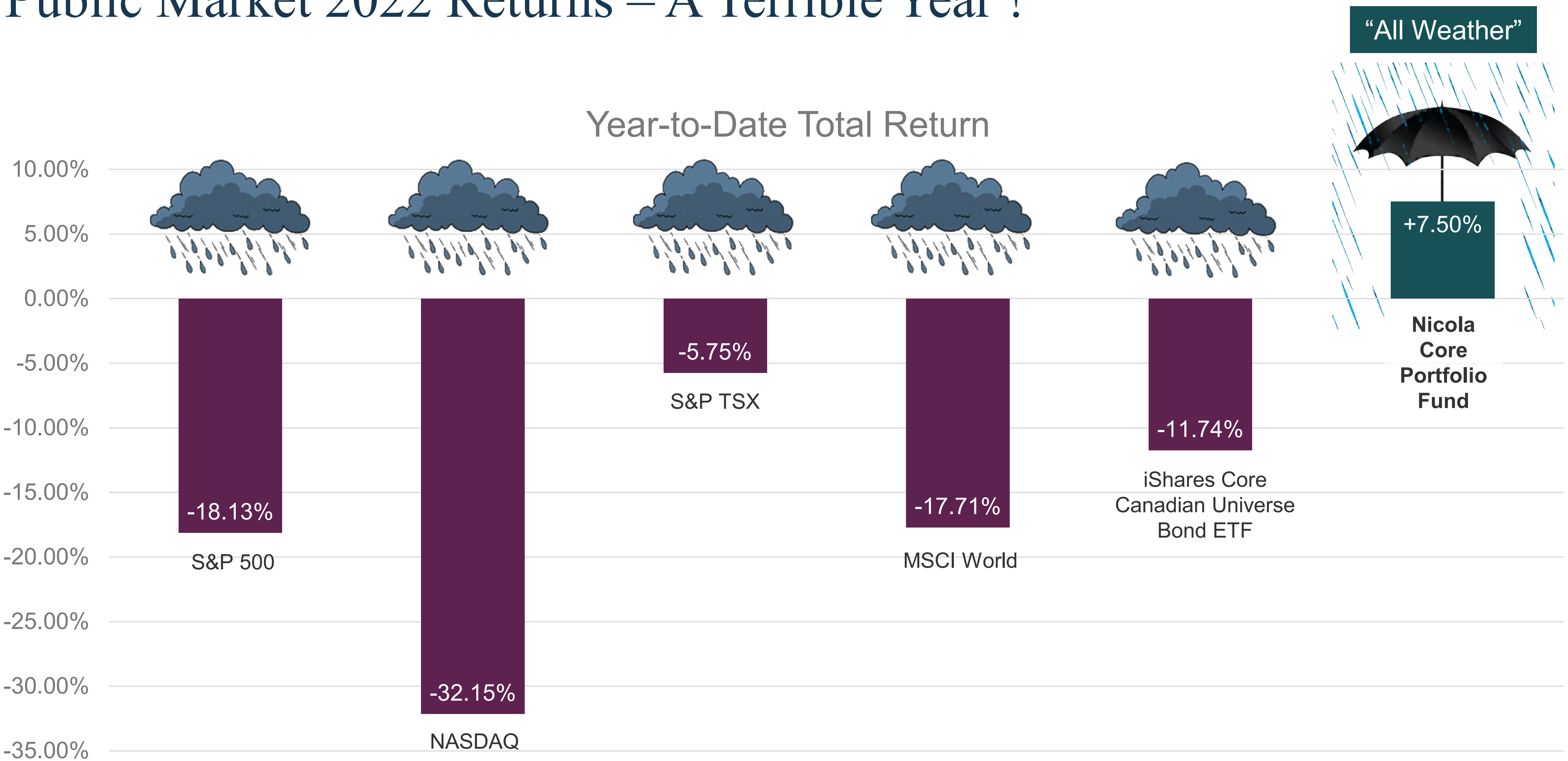
Nigel Stewart
Institutional Vice President

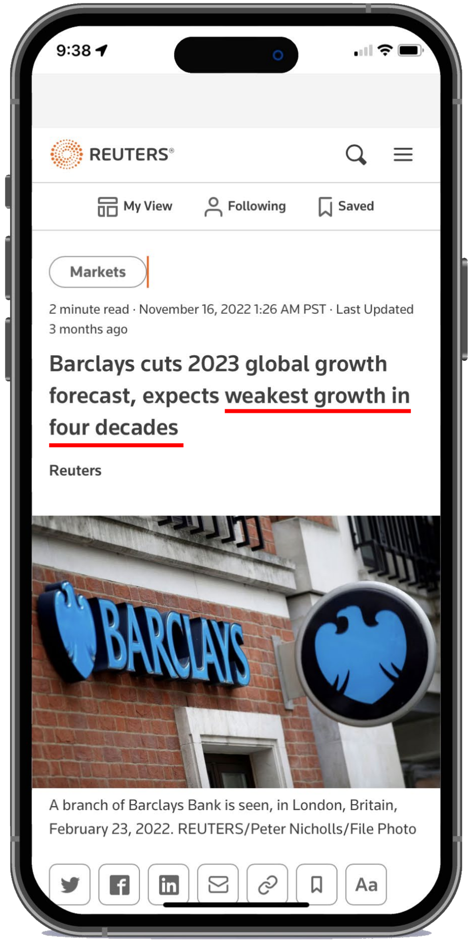
2020 — AUM $7.0B

2023 — **AUM $13.4B**

4,000+ Clients

Public Market 2022 Returns – A Terrible Year !




REUTERS

My View Following Saved

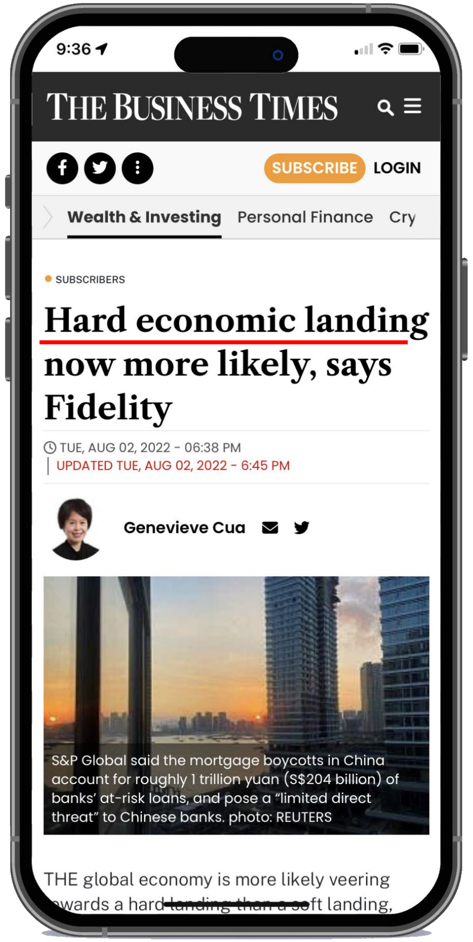
Markets

2 minute read · November 16, 2022 1:26 AM PST · Last Updated 3 months ago

Barclays cuts 2023 global growth forecast, expects weakest growth in four decades

Reuters

A branch of Barclays Bank is seen, in London, Britain, February 23, 2022. REUTERS/Peter Nicholls/File Photo


THE BUSINESS TIMES

SUBSCRIBE LOGIN

Wealth & Investing Personal Finance Cry

SUBSCRIBERS

Hard economic landing now more likely, says Fidelity

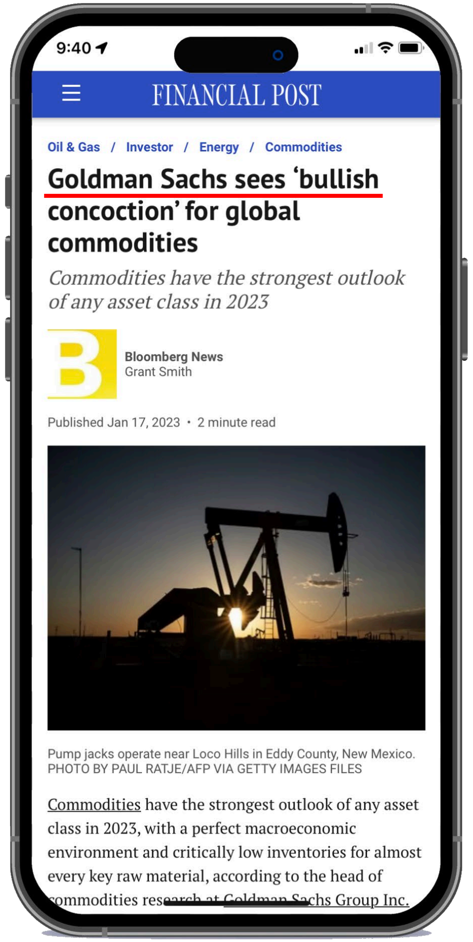
TUE, AUG 02, 2022 - 06:38 PM

UPDATED TUE, AUG 02, 2022 - 6:45 PM

Genevieve Cua

S&P Global said the mortgage boycotts in China account for roughly 1 trillion yuan (S$204 billion) of banks' at-risk loans, and pose a "limited direct threat" to Chinese banks. photo: REUTERS

THE global economy is more likely veering towards a hard landing than a soft landing,


FINANCIAL POST

Oil & Gas / Investor / Energy / Commodities

Goldman Sachs sees 'bullish concoction' for global commodities

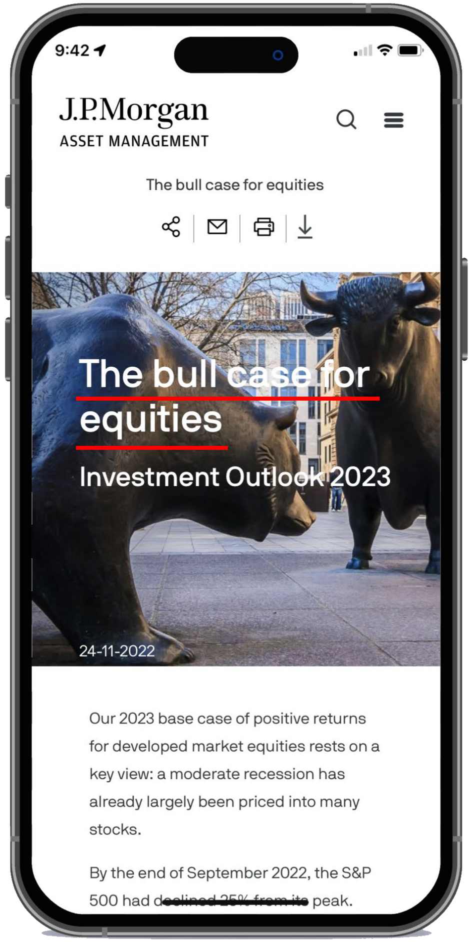
Commodities have the strongest outlook of any asset class in 2023

Bloomberg News
Grant Smith

Published Jan 17, 2023 • 2 minute read

Pump jacks operate near Loco Hills in Eddy County, New Mexico. PHOTO BY PAUL RATJE/AFP VIA GETTY IMAGES FILES

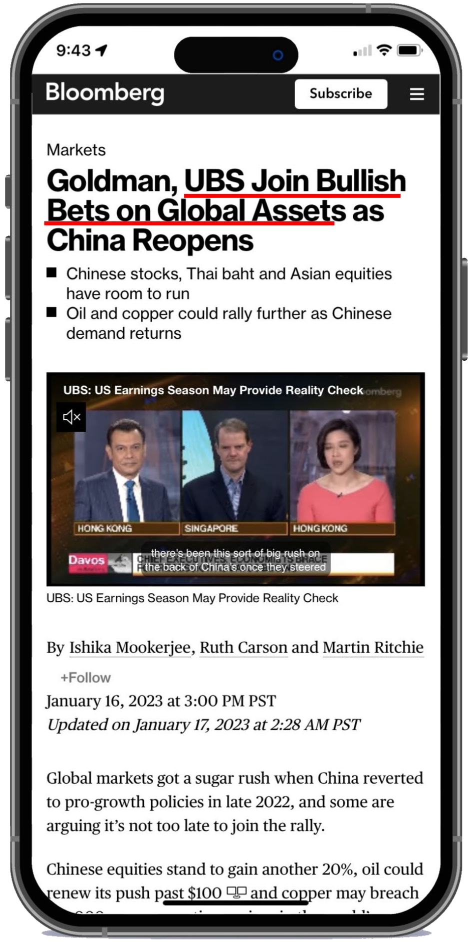
Commodities have the strongest outlook of any asset class in 2023, with a perfect macroeconomic environment and critically low inventories for almost every key raw material, according to the head of commodities research at Goldman Sachs Group Inc.


J.P.Morgan
ASSET MANAGEMENT

The bull case for equities

Our 2023 base case of positive returns for developed market equities rests on a key view: a moderate recession has already largely been priced into many stocks.

By the end of September 2022, the S&P 500 had declined 25% from its peak.


Bloomberg Subscribe

Markets

Goldman, UBS Join Bullish Bets on Global Assets as China Reopens

- Chinese stocks, Thai baht and Asian equities have room to run
- Oil and copper could rally further as Chinese demand returns

UBS: US Earnings Season May Provide Reality Check

By Ishika Mookerjee, Ruth Carson and Martin Ritchie

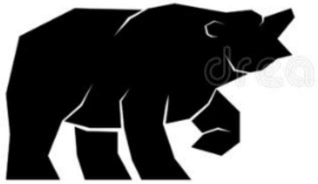
+Follow

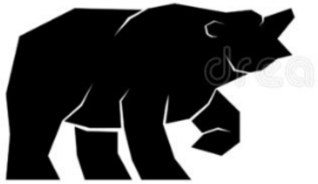
January 16, 2023 at 3:00 PM PST

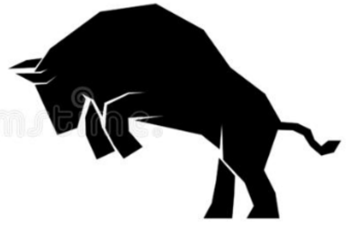
Updated on January 17, 2023 at 2:28 AM PST

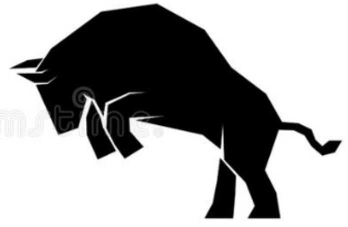
Global markets got a sugar rush when China reverted to pro-growth policies in late 2022, and some are arguing it's not too late to join the rally.

Chinese equities stand to gain another 20%, oil could renew its push past $100 and copper may breach





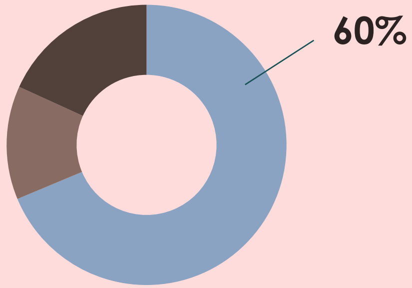




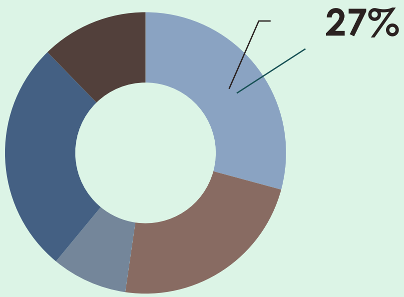
Going Beyond the 60/40 Approach

Institutional Investing

Retail Fear & FOMO 60/40 Approach

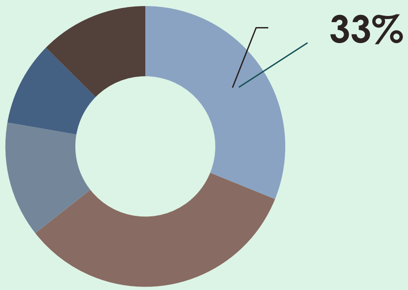


Institutional Pension Approach

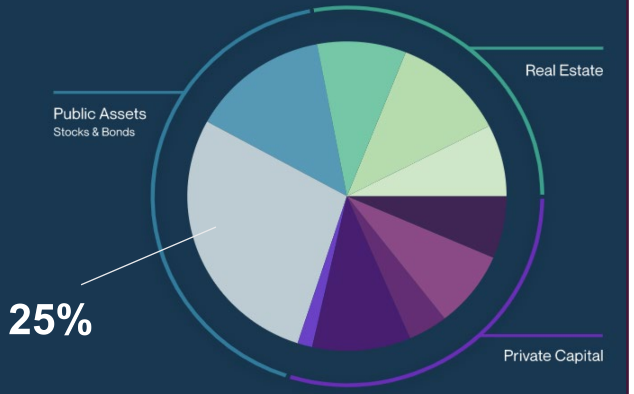


- Public Equities
- Fixed Income
- Real Estate
- Private Equity
- Alternatives

Institutional Pension Approach



Nicola Wealth Core Asset Allocation



Everything Starts With Planning

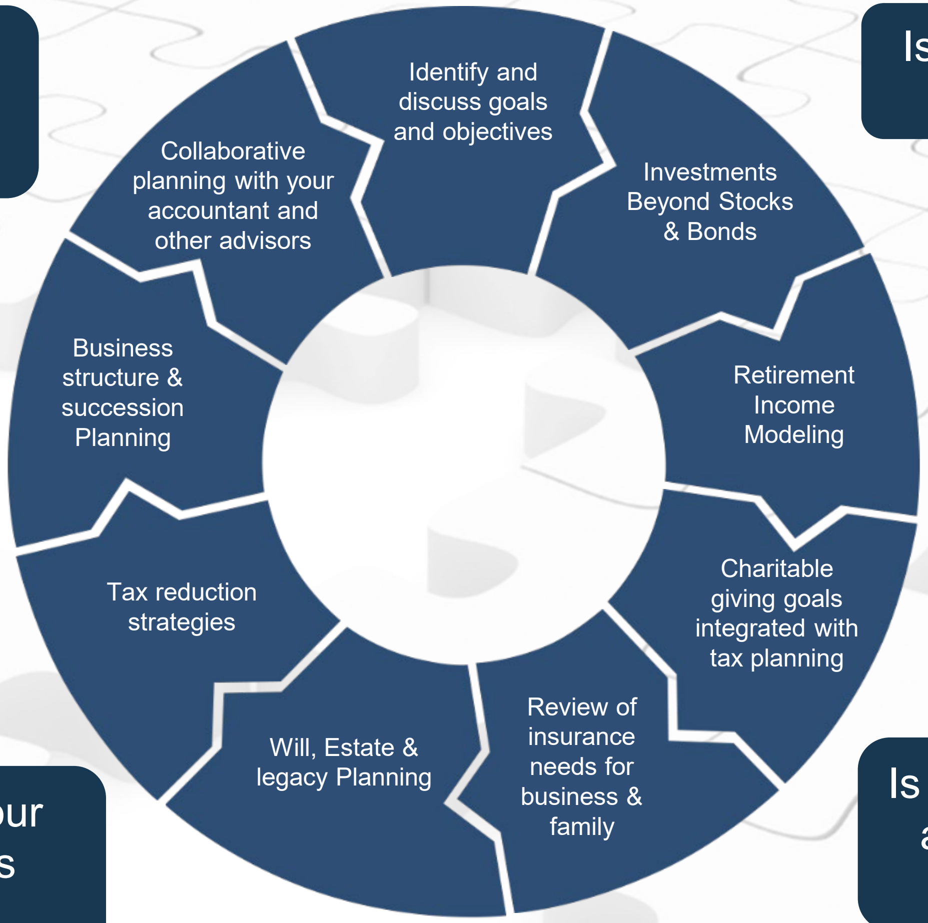
& planning is an ongoing process … our lives are dynamic !

Is your plan being regularly reviewed and adjusted to ensure you're on track?

Do you have a succession plan in place?

Have you reviewed loans and mortgages to reduce interest costs and determine whether any may be tax deductible?

Have you prepared your family to manage this wealth?



Is your investment portfolio protected from volatility?

Do you know how much capital you will require to meet your retirement goals?

Have you considered how you will create your legacy?

Is your insurance positioned as an asset class and integrated with your investment strategy?

We set a standard of pursuing going beyond in everything we do.

We work with our clients to achieve their aspirations beyond wealth.

Our purpose is to share our expertise and best skills, to help you achieve the goals and legacies that matter.

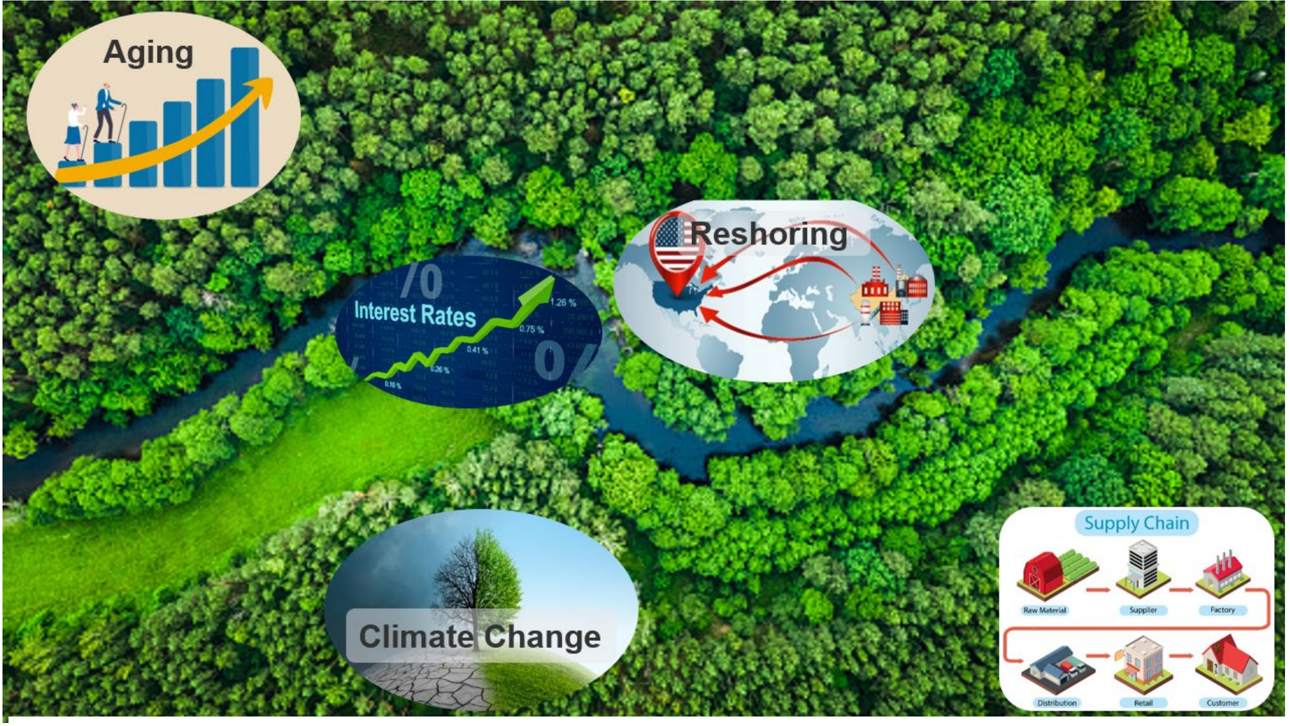
NICOLA WEALTH

Finding Alpha

John Nicola

Chairman & CEO

NICOLA WEALTH



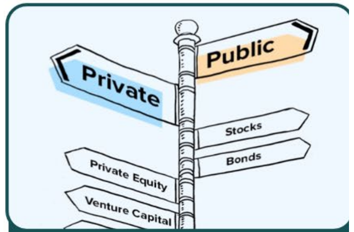
Geo-politics

Inflation

Recession

How and where can we add value?

- Industrial / residential
- Repositioning assets
- Special situations (storage)
- Build to own



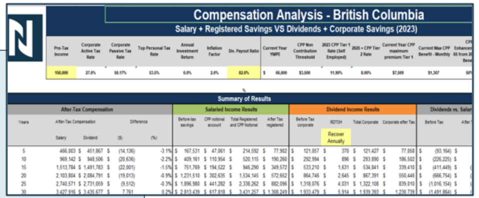
- Directly manage assets
- Value / cash flow approach
- But growth as well (renewable energy, technology)

- Private assets (mortgages and private debt)
- Separately managed accounts (SMA's)
- Reduce exposure to long term government bonds

Advanced Planning Tools

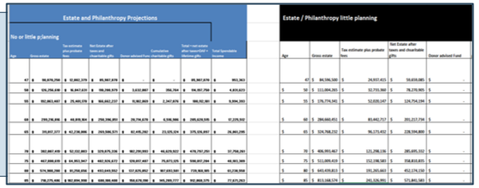
Compensation Analysis

- Dividends vs. Salary for compensation
- Impact of Active Business Tax rate
- When both make sense
- When to use IPPs vs. RRSPs



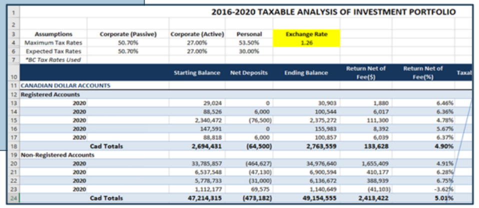
Estate Planning and Philanthropy

- Tax impact on income and asset building
- Timing and structure of philanthropic gifts
- Projections as to estate growth and foundations or DAFs
- Tax liabilities in estates and how to mitigate them



Tax Analysis of Investment

- Tax efficiency of non-registered assets
- Corporate vs. personal investing
- Using life insurance, debt restructuring, and philanthropy to reduce taxable income



2022 was the worst-ever year for U.S. bonds. How to position your portfolio for 2023

PUBLISHED SAT, JAN 7 2023·9:00 AM EST

Greg Iacurci
@GREGIACURCI

SHARE

KEY POINTS

- 2022 was the worst year on record for bonds, according to Edward McQuarrie, an investment historian and professor emeritus at Santa Clara University.
- That's largely due to the Federal Reserve raising interest rates aggressively, which clobbered bond prices, especially those for long-term bonds.

TV
Nitro Rallycross
UP NEXT | World Rugby Sevens
03:00 pm ET

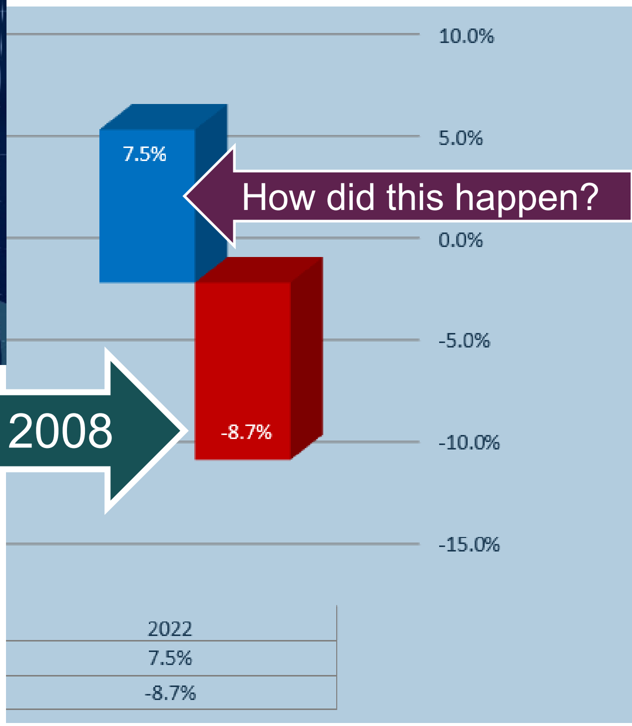
TRENDING NOW

1 Harvard neu The 'most u skill all succ have—'espe introverts'

2 This one sid introverts c thousands c passive inc month

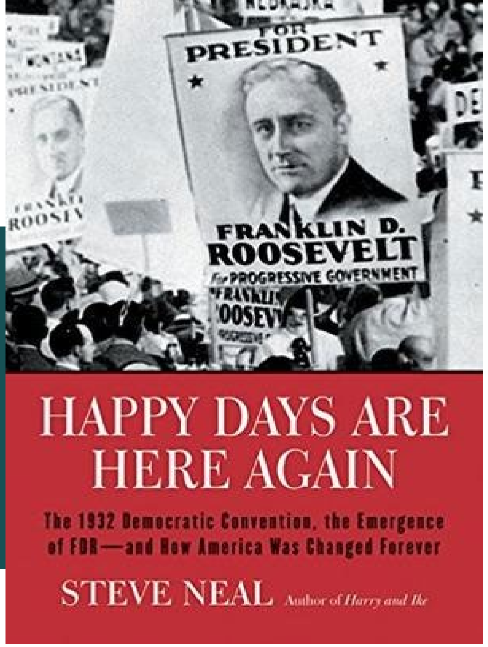
CDC urges

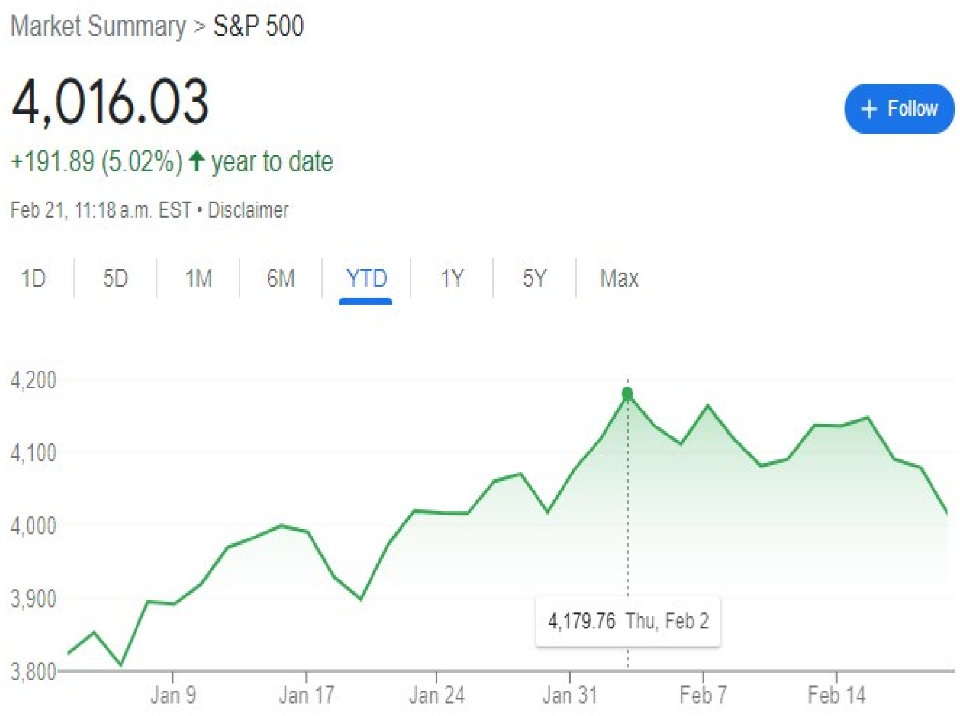
Crisis Management

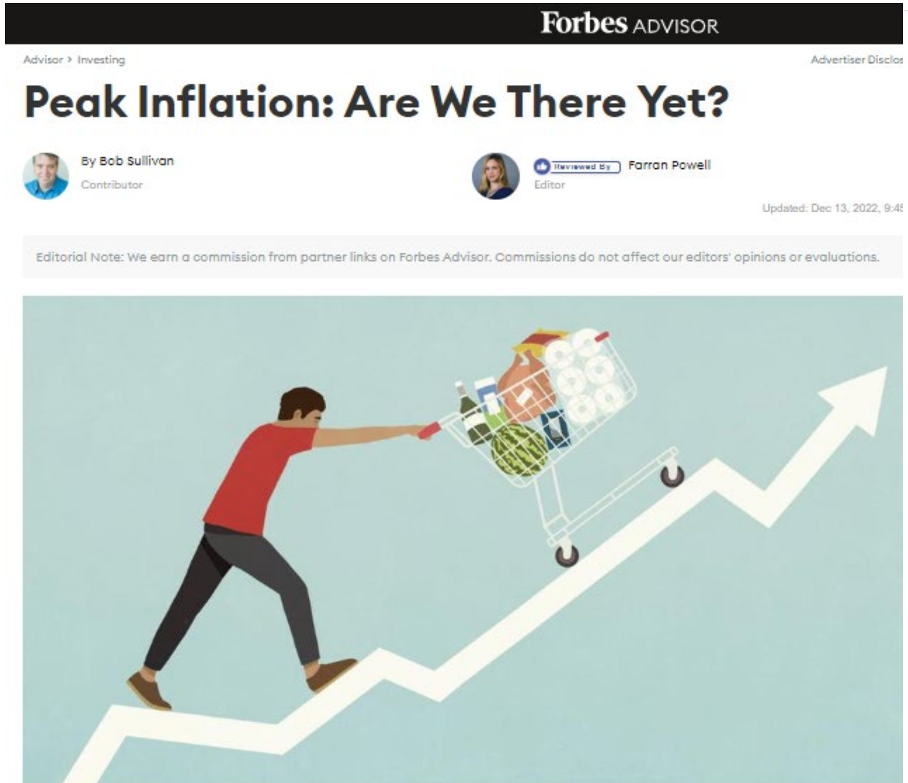


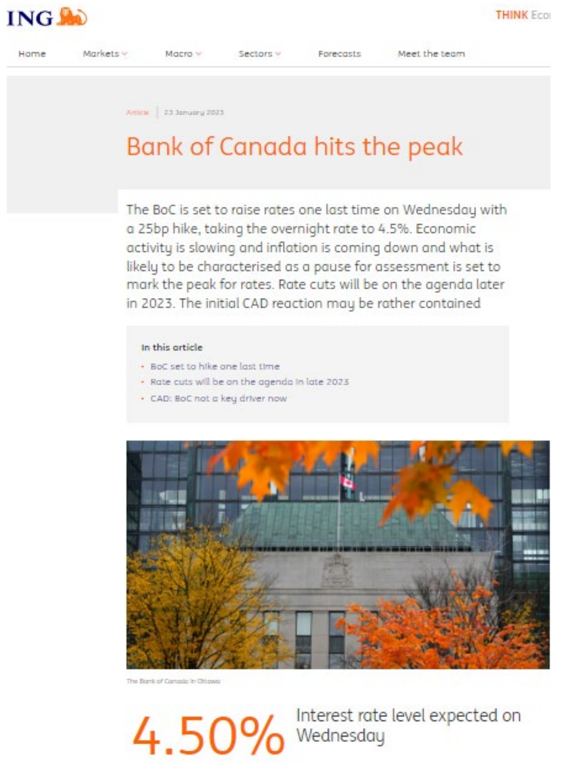
What About 2023?

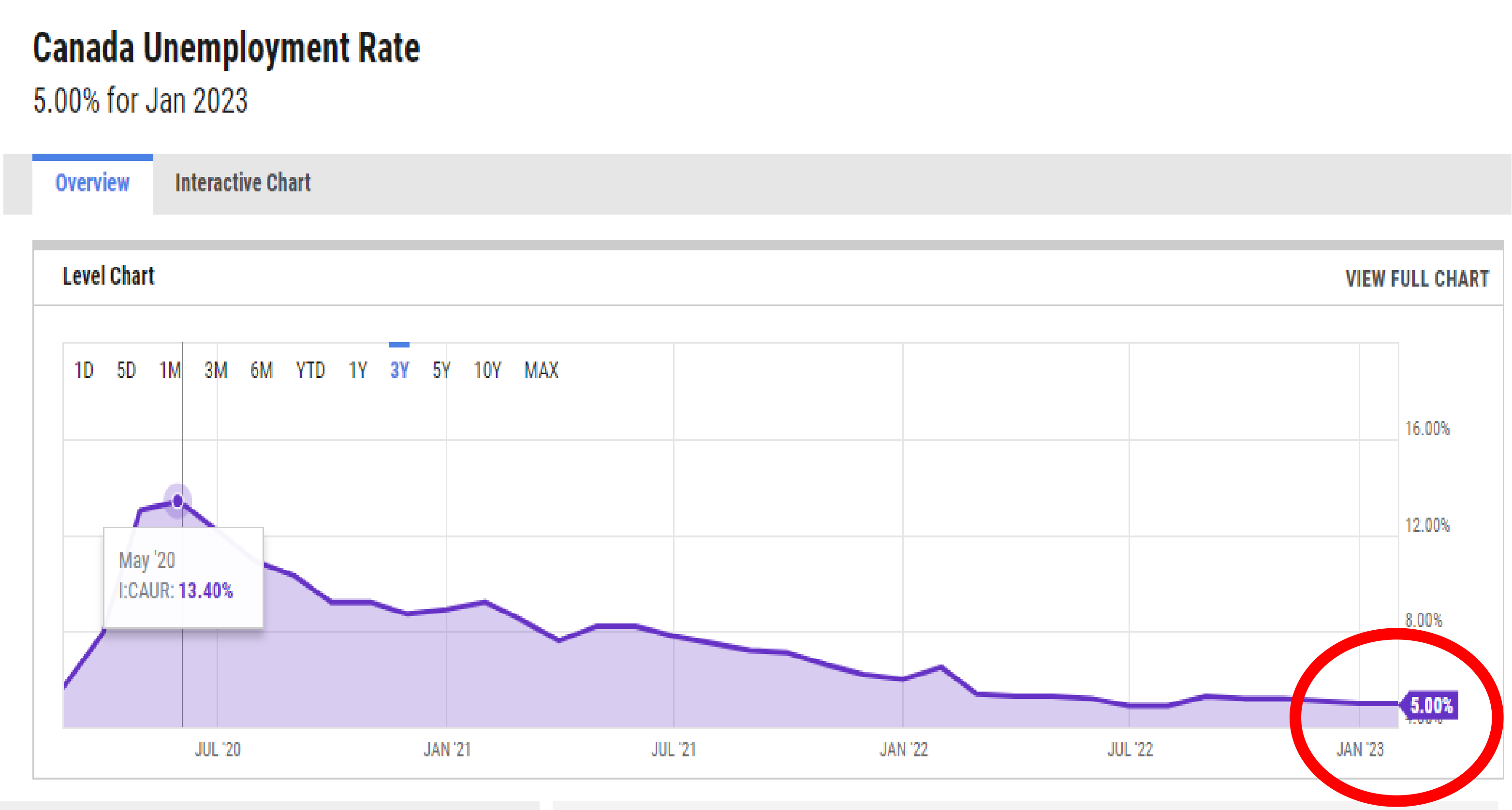
- S&P 500 and TSX +5% YTD
- Covid Lockdowns end in China
- Sanctions making a difference in Ukraine war
- Short term rates at or near peak
- Inflation has peaked

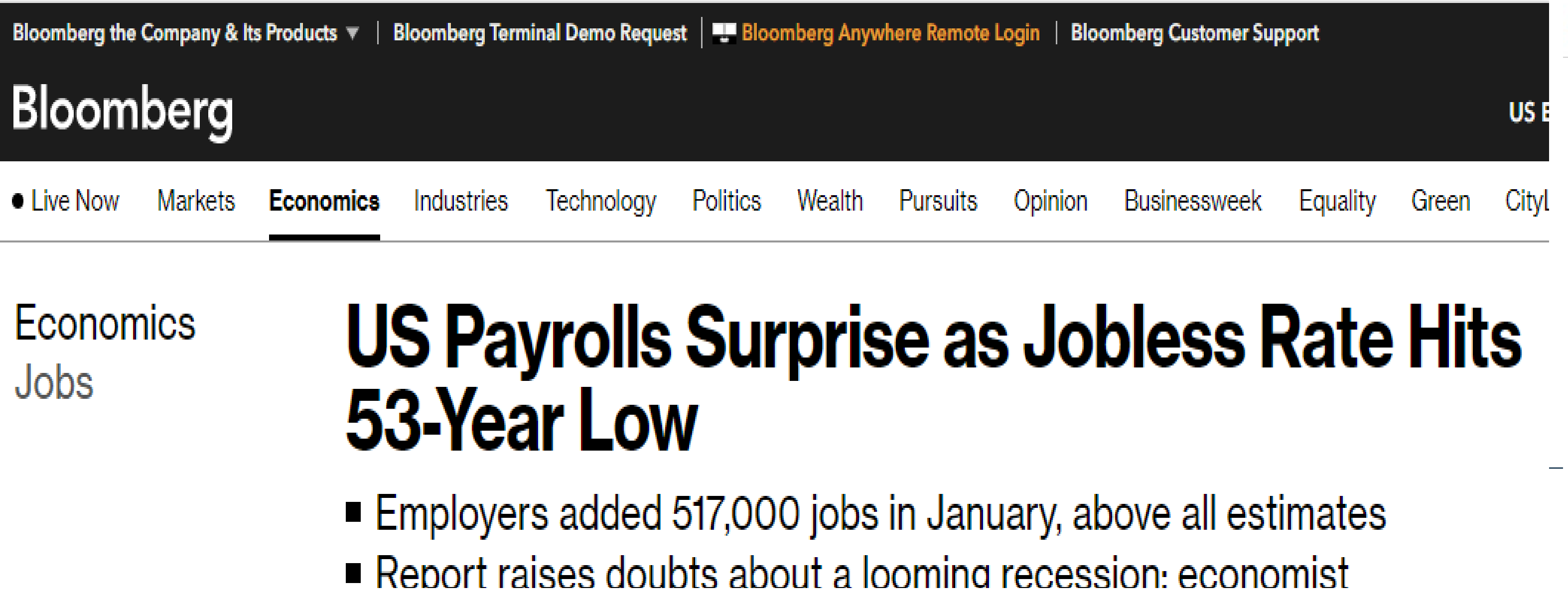











Bloomberg the Company & Its Products ▼ | Bloomberg Terminal Demo Request | Bloomberg Anywhere Remote Login | Bloomberg Customer Support

Bloomberg

Live Now Markets Economics Industries Technology Politics Wealth Pursuits Opinion Businessweek Equality Green CityL

Economics
Jobs

US Payrolls Surprise as Jobless Rate Hits 53-Year Low

- Employers added 517,000 jobs in January, above all estimates
- Report raises doubts about a looming recession: economist


REUTERS

World Business Legal Markets Breakingviews Technology Investig

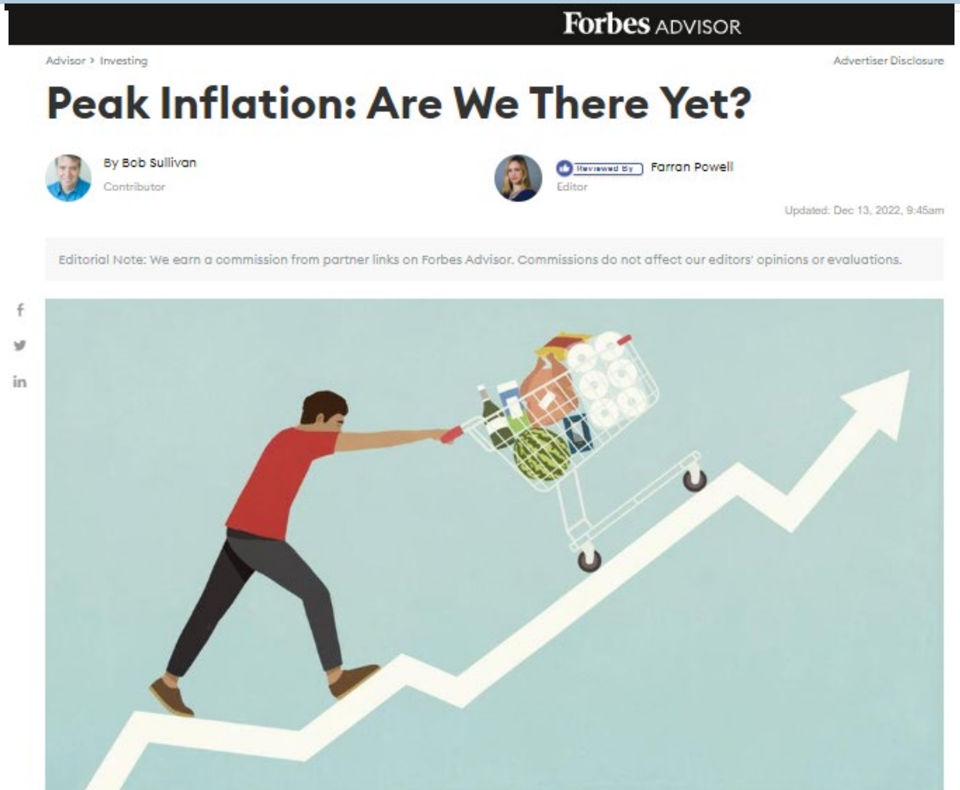
Macro Matters

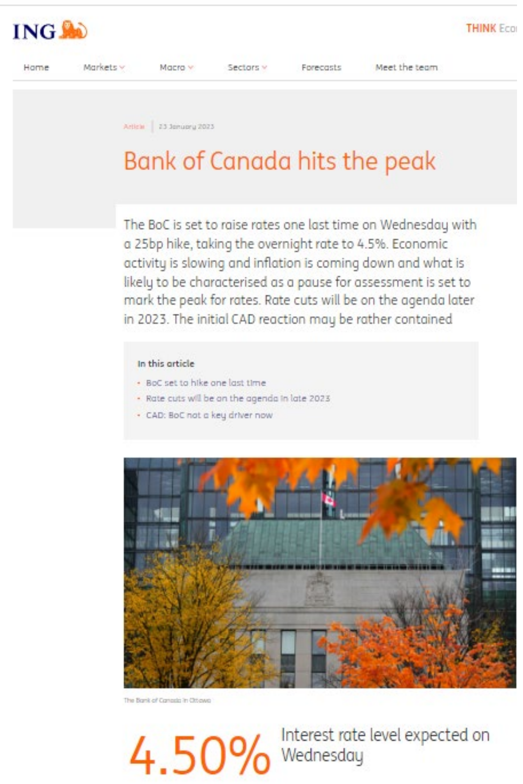
1 minute read · February 10, 2023 3:34 AM HST · Last Updated 2 days ago

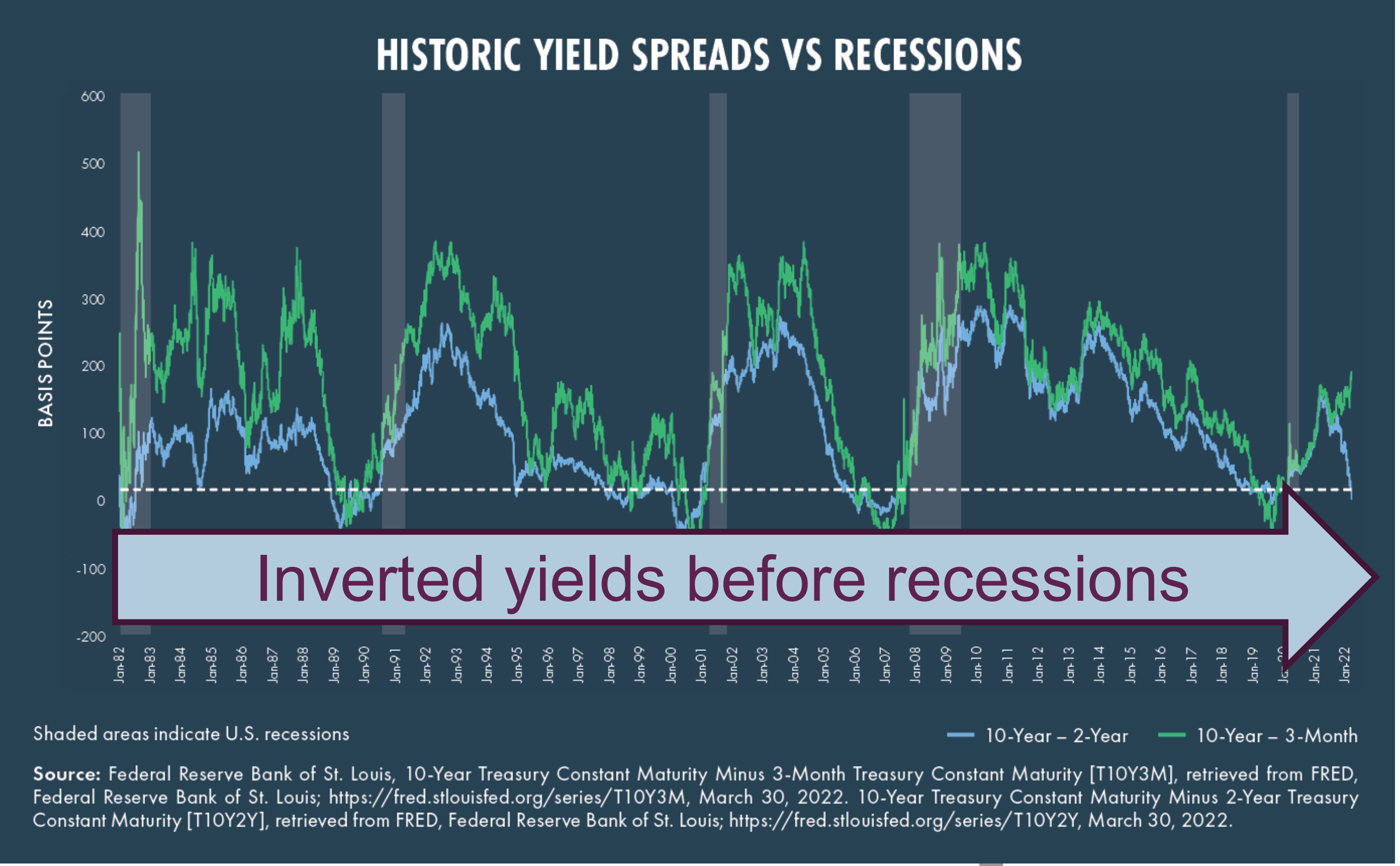
Canada gains 150,000 jobs in January, jobless rate holds at 5.0%

Reuters

- Recent rally a “dead cat bounce” – earnings recession coming
- US/Allies tech war with China
- Ukraine war lasts all of 2023?
- Interest rates remain high for all of 2023
- Inflation remains elevated
- Inverted yield curve – recession ahead







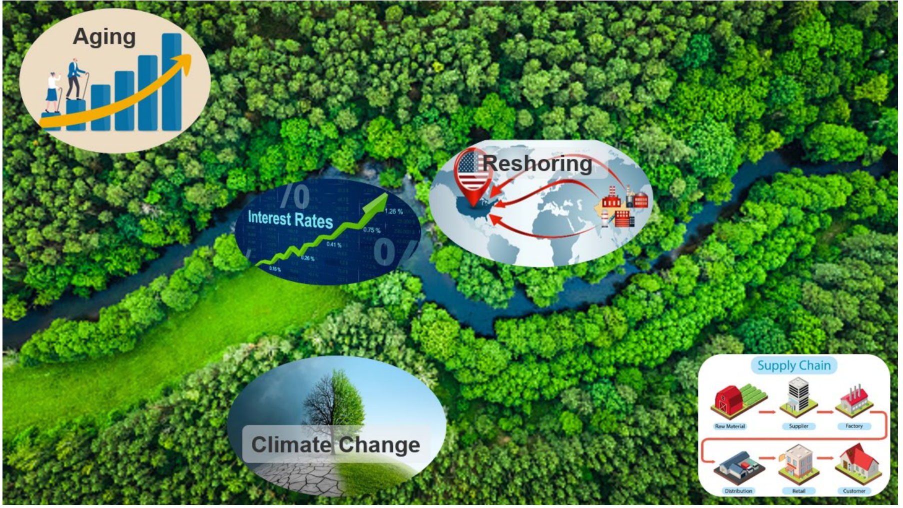
Andrew Slimmon
Head of Applied Equity Advisors

We See A Resilient Economy Without a Looming Collapse

KEY POINTS

1. In our view, the first quarter of 2023 has the ingredients to build on strengths of the fourth quarter of 2022.
2. An inverted yield curve hints at a potential economic slowdown at some point in the year ahead.
3. We're scaling back on megacap stocks after a mega run-up.


Aging
Interest Rates
1.26 %
0.75 %
0.41 %
0.26 %
0.15 %
Reshoring
Climate Change
Supply Chain
Raw Material
Supplier
Factory
Distribution
Retail
Customer



- Geo-political issues impact supply chain
- Ukraine War impact of food and energy
- China conflict with US, Covid strategy, real estate bubble, and demographics
- Reliability of shipping and manufacturing

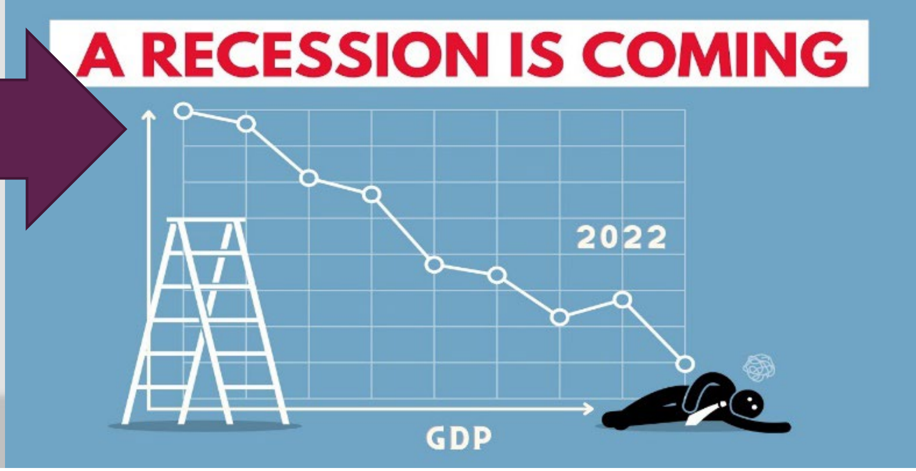
- Almost 50% of countries = to 50% of global population and more than 70% of GDP have negative birth rates
- Inflationary or deflationary?
- Impact on capital markets?

- Bring supply closer to demand
- Reduced shipping costs, safety of technology, and rule of law
- Wage differentials. Mexico, Central and South America possible winners (Canada to a lesser degree)
- Western hemisphere population is over 1 billion

- 40-year bull market in bonds ended 2021
- Highest interest rates since 2007
- Inflation dependent
- Where to from here?

- Driven by climate and technology
- Challenges with consistency of solar and wind and battery storage
- Nuclear is in play (fusion in five years?)
- Canada might be a “winner” (longer growing season)
- Fossil fuels will decline but persist

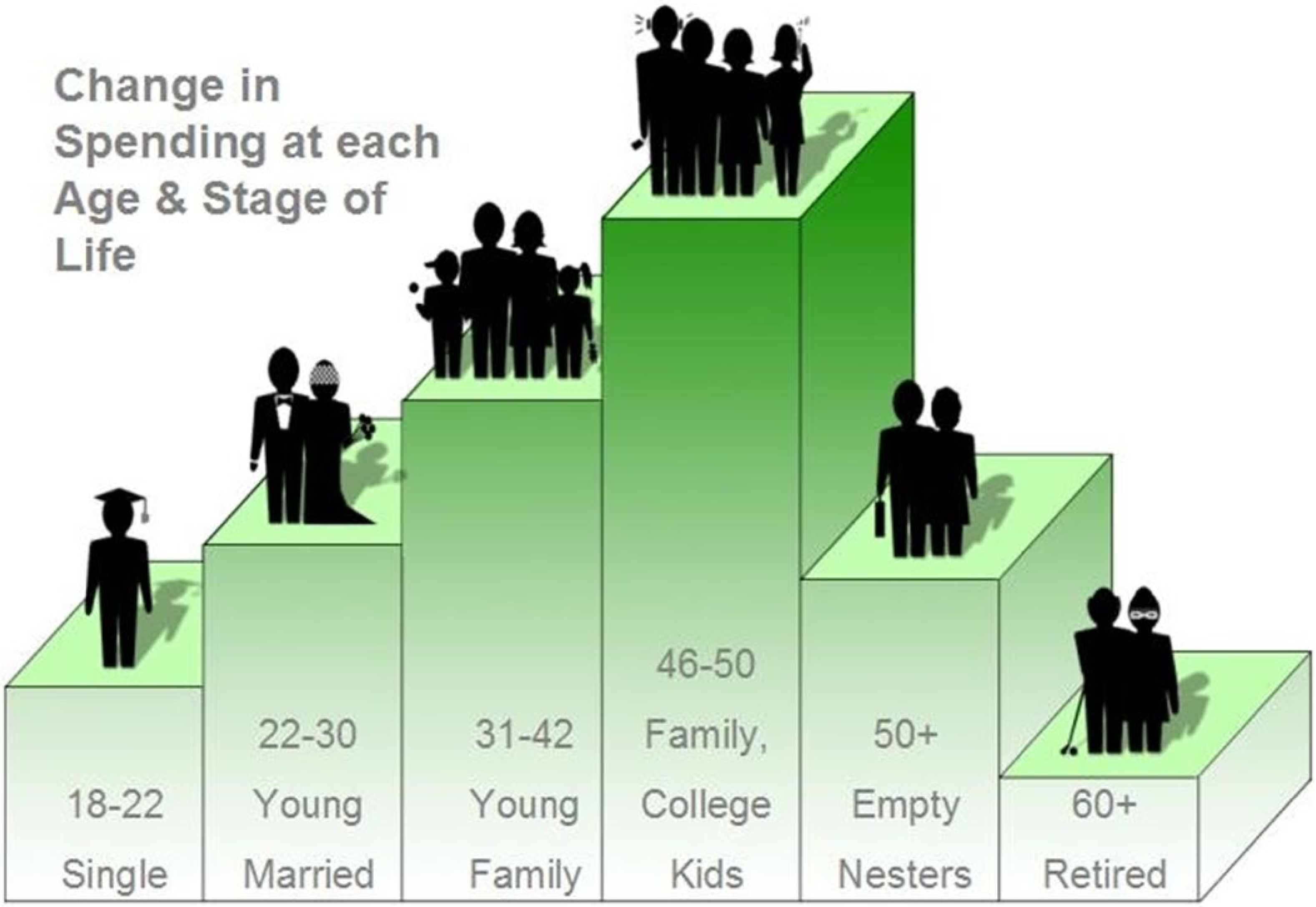
Impact on Asset Allocation?



Geo-politics

Inflation

Recession



Ageing and population decline are often, if not usually, deflationary (think Germany and Japan)

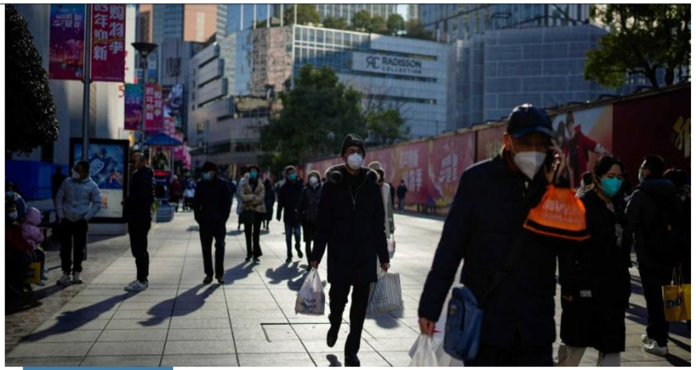
Source: HS Dent Foundation

China's population is shrinking. The impact will be felt around the world

By Jessie Yeung, CNN
Updated 2:45 AM EST, Thu January 19, 2023

PIIE PETERSON INSTITUTE FOR INTERNATIONAL ECONOMICS

About Topics Research Experts Events

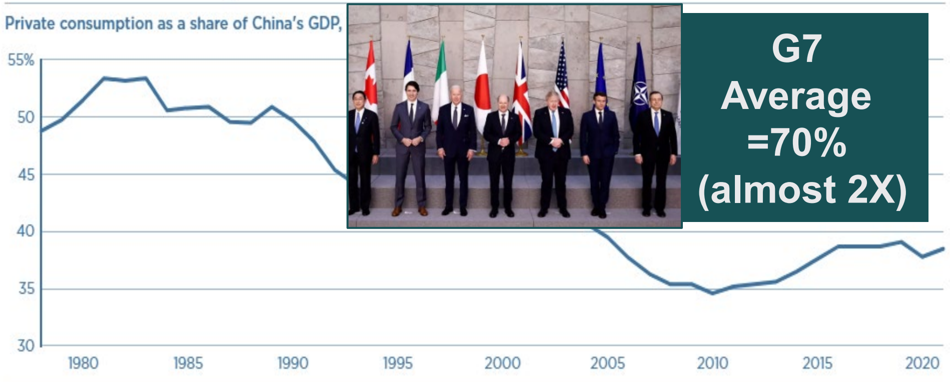


REALTIME ECONOMICS

Can China revive growth through private consumption?

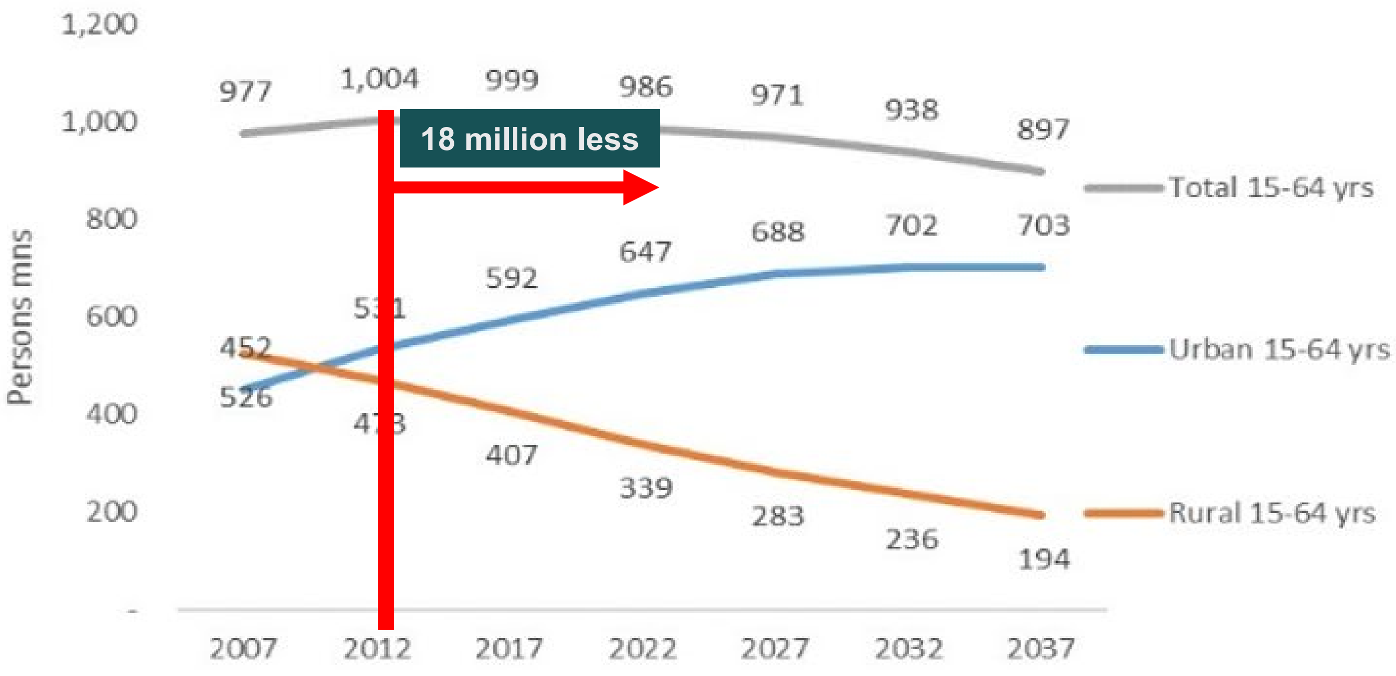
Figure 1

Household consumption accounts for less than 40 percent of China's GDP



PIIE **Source:** National Bureau of Statistics of China.

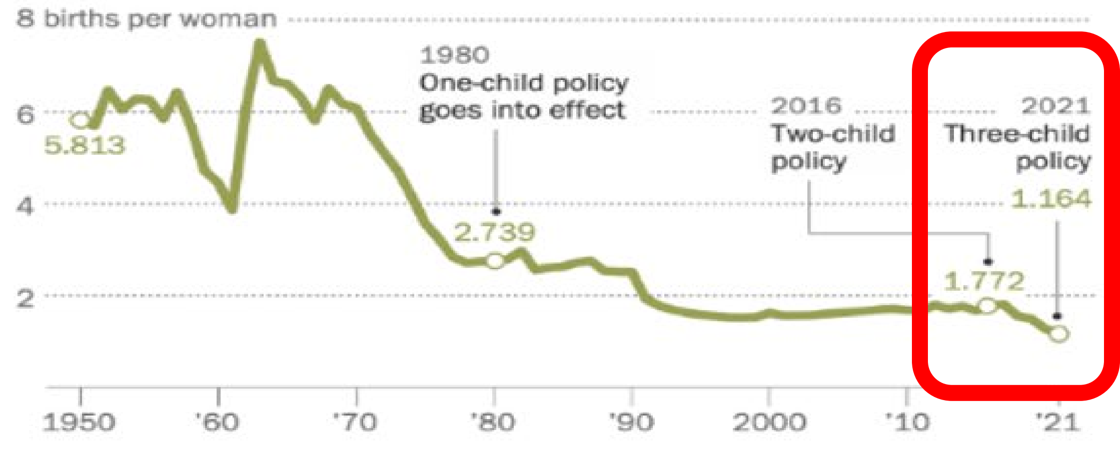
China's Working age (15-64 yrs) Population



Global Demographics Ltd

China's fertility rate has decreased precipitously in recent years, despite its loosening of the one-child policy

Total fertility rate in China



Note: The total fertility rate is the expected number of children a woman who lives to the end of her childbearing years and has children will have during her lifetime based on the given age-specific rates.

Source: UN Population Division's World Population Prospects: The 2022 Revision.

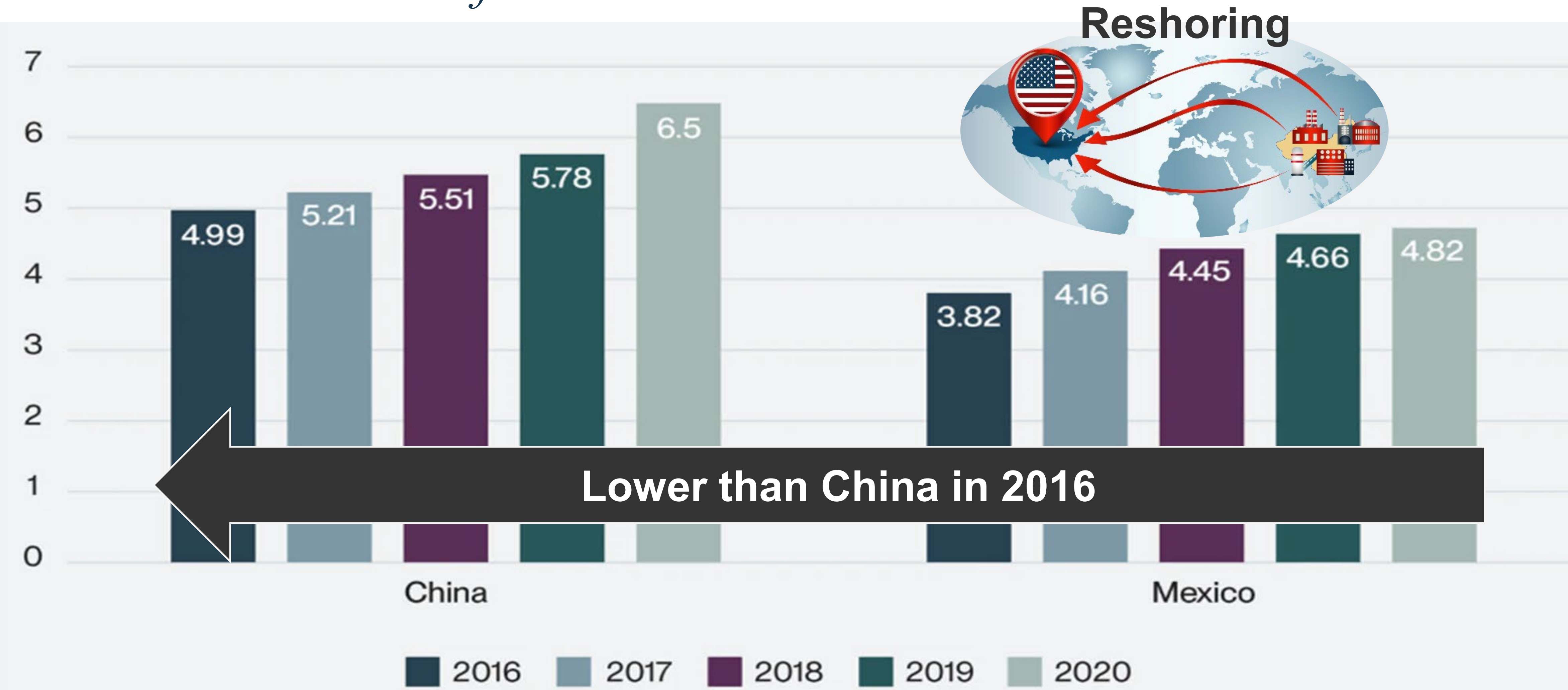
PEW RESEARCH CENTER

China needs to move here if growth is to continue but this lessens the power of the CCP

This is driven by the CCP reducing the amount of Income going to citizens at the expense of exports and infrastructure

Manufacturing Labour Costs Per Hour

China and Mexico from 2016 to 2020



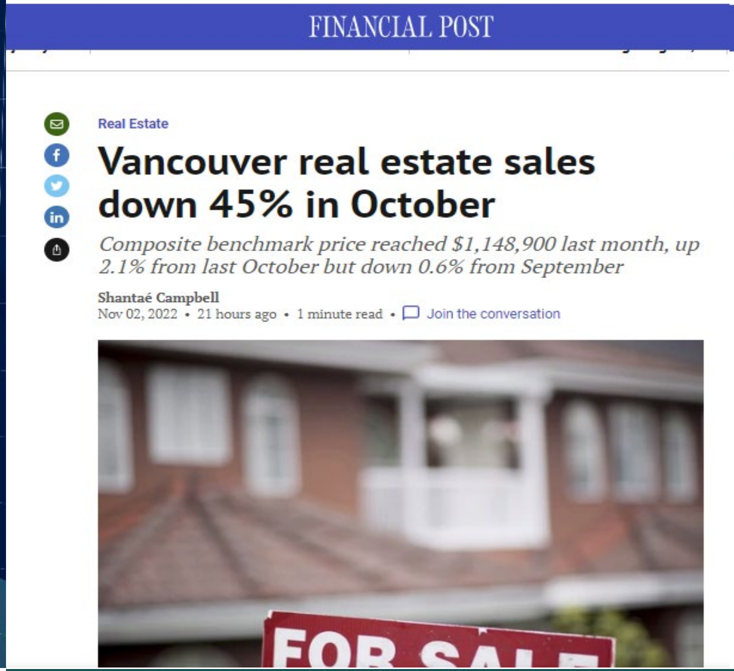
STRATEGAS

E.M. ex. CHINA FUNDS CONTINUE TO LAUNCH

Emerging Markets Ex. China ETF Universe				
Ticker	**Name**	**AUM ($MM)**	**# of Holdings**	**Inception Date**
XCEM	Columbia E.M. Ex. China ETF	$92	270	9/2/2015
EMXC	iShares E.M. Ex. China ETF	$1,381	781	7/20/2017
KEMX	KraneShares E.M. Ex. China ETF	-$6	313	4/12/2019
FRDM	Freedom Emerging Markets ETF	$217	103	5/23/2019
XC	Wisdomtree E.M. EX-China ETF	$12	550	9/22/2022
MEMX	Matthews Emerging Markets EX China Active Etf	$2	53	1/11/2023
STXE	Strive Emerging Markets EX-China ETF	$101	160	1/30/2023

One of the reasons why...

Global Equity Performance (Last 30-Years)			
	MSCI China	**MSCI EAFE**	**S&P 500**
Annualized Return	1.2%	6.2%	9.7%
# of Intra-Year 20% Corrections	21	10	6
# of Intra-Year 30% Corrections	14	4	3
# of Intra-Year 40% Corrections	6	1	1
Average Intra-Year Correction	-30.4%	-17.7%	-14.9%


FINANCIAL POST

Real Estate

Vancouver real estate sales down 45% in October

Composite benchmark price reached $1,148,900 last month, up 2.1% from last October but down 0.6% from September

Shantaé Campbell
Nov 02, 2022 • 21 hours ago • 1 minute read • Join the conversation


FINANCIAL POST

Real Estate

Toronto home sales fall 49% as benchmark price slides

Composite benchmark price fell 1.3% to $1,098,200 in October from $1,110,700 in September

Shantaé Campbell
Nov 03, 2022 • 3 hours ago • 1 minute read • Join the conversation

- Rates continue to rise but perhaps more slowly
- Negative impact on almost all asset classes (Tech in particular)
- How far before bear market in bonds ends?
- Impact on housing in Canada significant

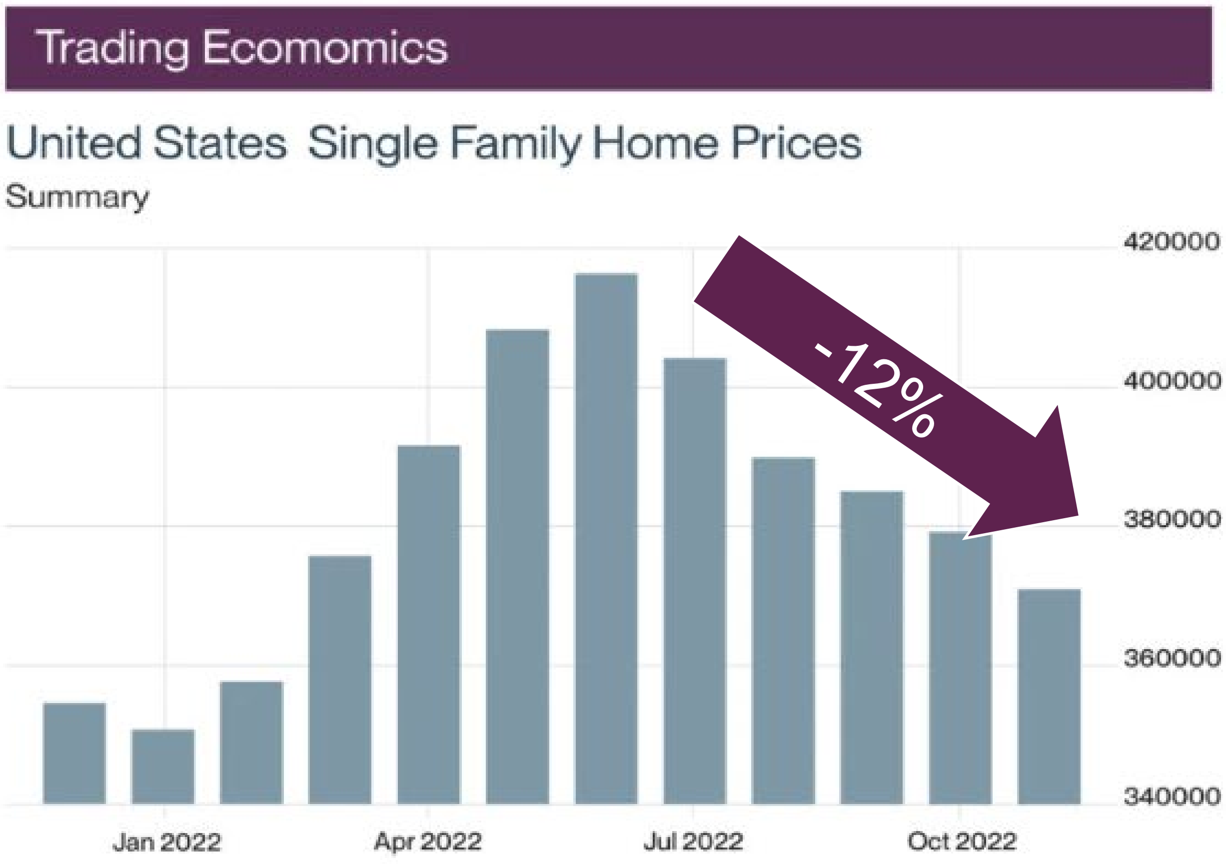
Price drops from peak 15%+ mid-2023?

Gamechanger?
500,000 new homes by 2025/2026

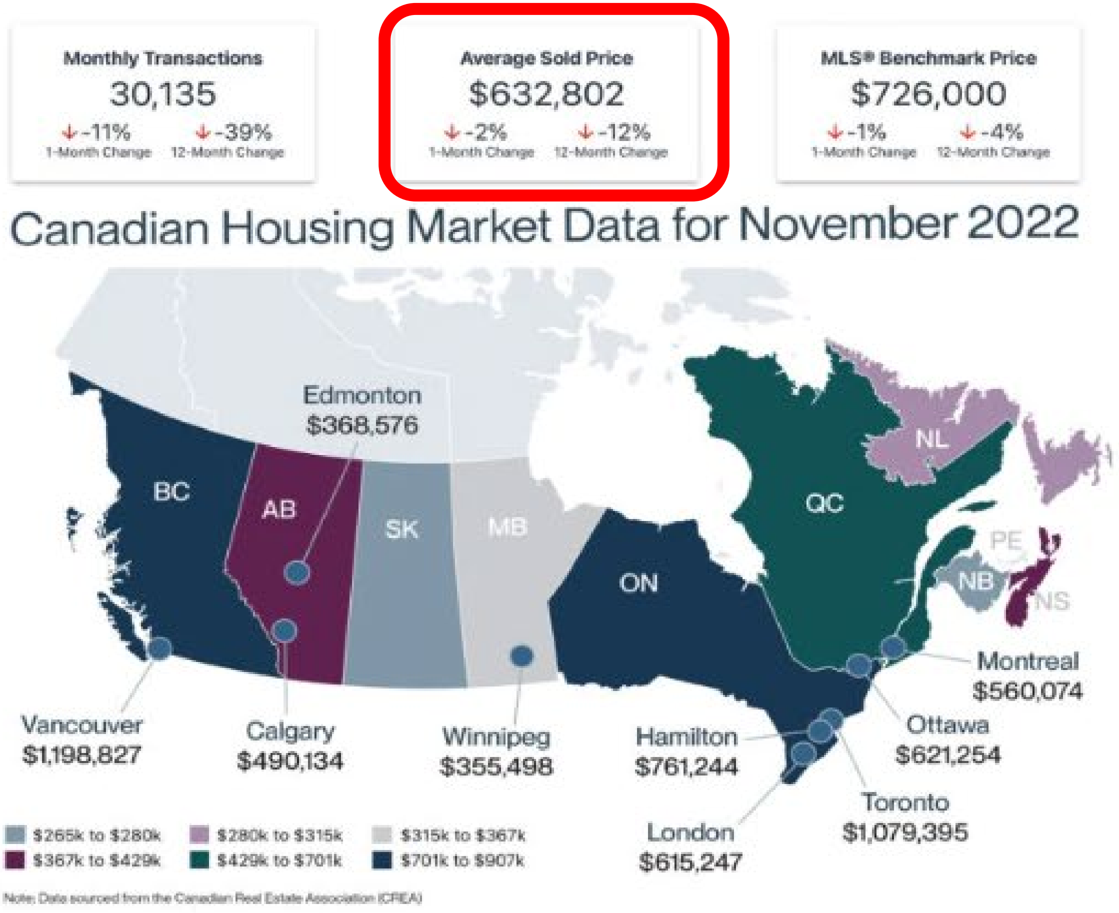

Ottawa reveals plan to welcome 500,000 immigrants per year by 2025

Plan to boost immigration comes as country faces labour shortage

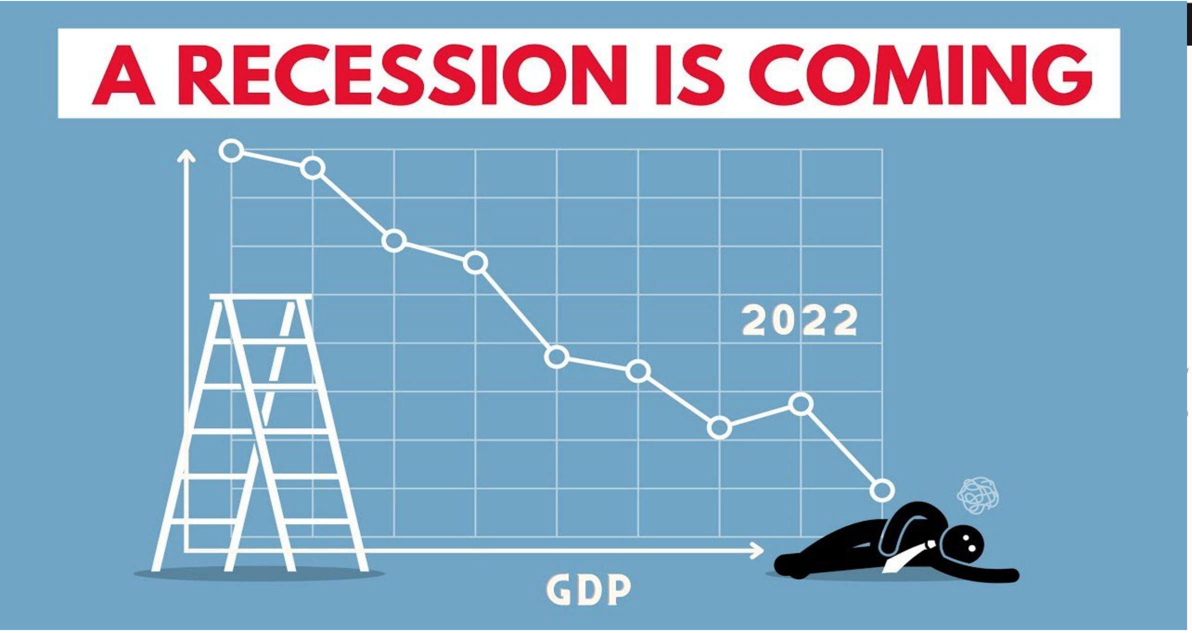
he Canadian Press · Posted: Nov 01, 2022 12:36 PM ET | Last Updated: November 1

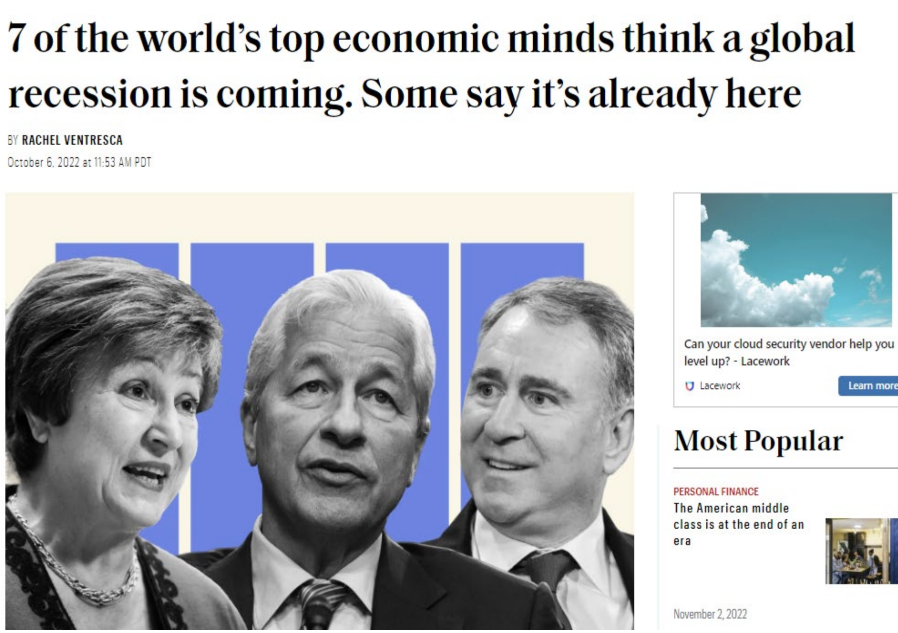


Trading Ecomomics
United States Single Family Home Prices
Summary
-12%
420000
400000
380000
360000
340000
Jan 2022
Apr 2022
Jul 2022
Oct 2022



Monthly Transactions
30,135
-11%
1-Month Change
-39%
12-Month Change
Average Sold Price
$632,802
-2%
1-Month Change
-12%
12-Month Change
MLS® Benchmark Price
$726,000
-1%
1-Month Change
-4%
12-Month Change
Canadian Housing Market Data for November 2022
Edmonton
$368,576
BC
AB
SK
MB
ON
QC
NL
PE
NB
NS
Vancouver
$1,198,827
Calgary
$490,134
Winnipeg
$355,498
Hamilton
$761,244
Montreal
$560,074
Ottawa
$621,254
Toronto
$1,079,395
London
$615,247
$265k to $280k
$280k to $315k
$315k to $367k
$367k to $429k
$429k to $701k
$701k to $907k
Note: Data sourced from the Canadian Real Estate Association (CREA)





Recession Coming

- Relatively effective way to deal with inflation
- If successful, rate hikes stop
- Opportunity to acquire longer duration bonds and equities?

Geo-Politics

- Trade War in Tech
- World's largest housing bubble
- Debt issuance and defaults
- Much lower future economic growth
- Rule of Law
- Demographics
- Un-investable?

- Impact on commodity inflation
- Russia a pariah state?
- Nuclear threat
- Russia demographically imploding
- Oil / Gas revenues down $150M USD per day
- 2022 deficit = $47B (Jan 2023 = $25B)
- GDP 10% lower than Canada

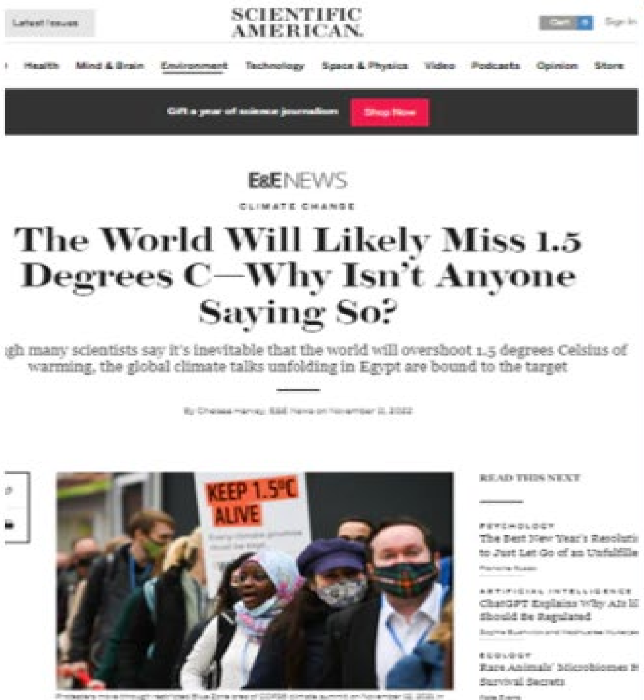
BP is one of the top renewable energy performers in the oil & gas sector

Renewable energy jobs, deals, patents and company filing mentions (January 2021 – December 2021)

Company	Deals	Filings	Score
BP			5
Equinor			5
Repsol			5
PKN Orlen			5
Shell			4
TotalEnergies			4
Eni			4
Suncor			4
ExxonMobil			3
ONGC			3

Company	Deals	Filings	Score
Reliance Industries	2	71	2
Chevron			2
Petrobras			2
Lukoil			2
MOL			2
CNPC			1
Sinopec			1
Saudi Aramco			1
ADNOC			1
Tatneft			1

Source: GlobalData OFFSHORE TECHNOLOGY


SCIENTIFIC AMERICAN.

Health Mind & Brain Environment Technology Space & Physics Video Podcasts Opinion Store

Gift a year of science journalism Shop Now

E&E NEWS

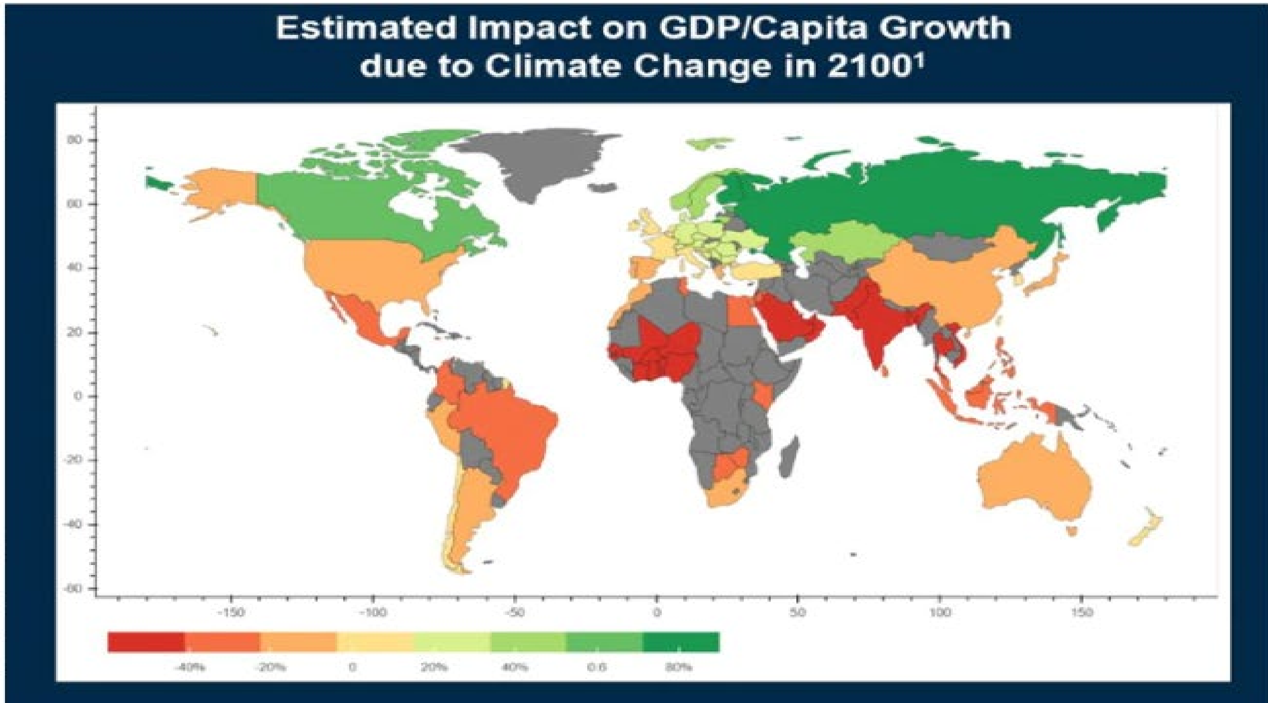
CLIMATE CHANGE

The World Will Likely Miss 1.5 Degrees C—Why Isn't Anyone Saying So?

gh many scientists say it's inevitable that the world will overshoot 1.5 degrees Celsius of warming, the global climate talks unfolding in Egypt are bound to the target

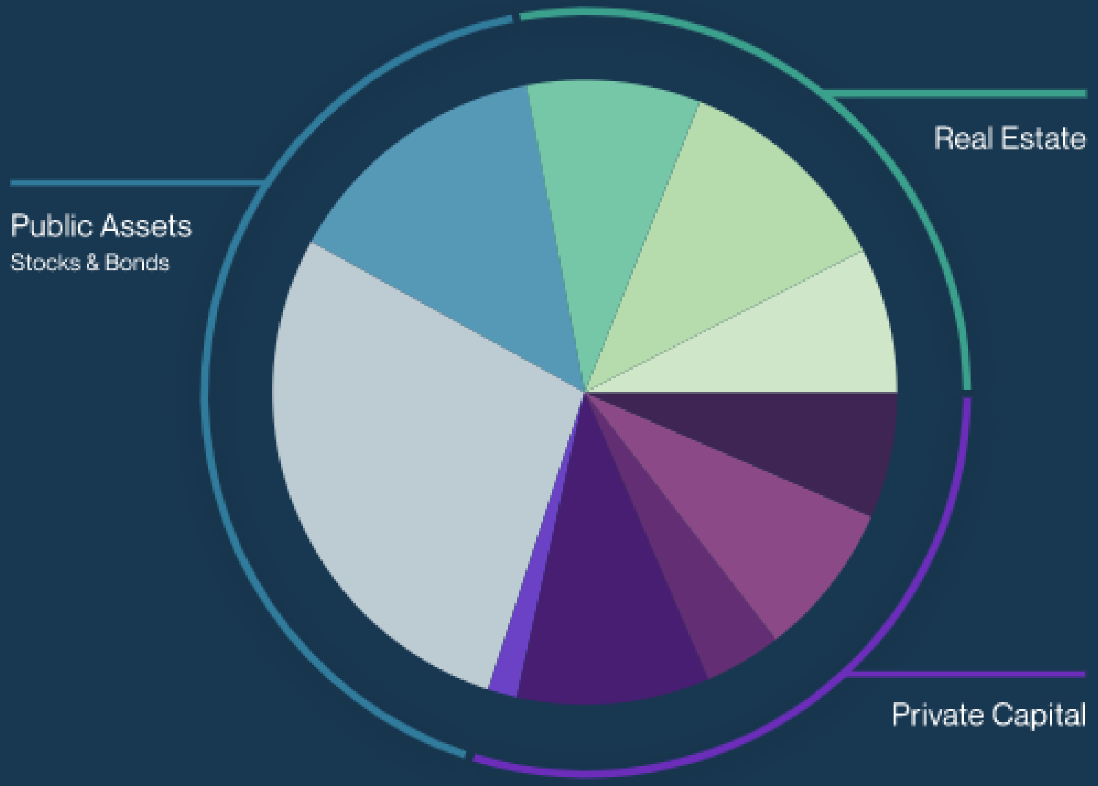
KEEP 1.5°C ALIVE

READ THIS NEXT



Beyond stocks and bonds

To minimize the inevitable ups and downs that come with a reliance on the stock market, our approach to investing includes additional alternative asset classes such as private equity, mortgages, private debt, and institutional grade real estate.



Toggle between tabs:

Diversified Asset Allocation | Typical Asset Allocation

Real Estate

Learn More

- Canadian Real Estate
- U.S. Real Estate
- Value Add Real Estate

Private Capital

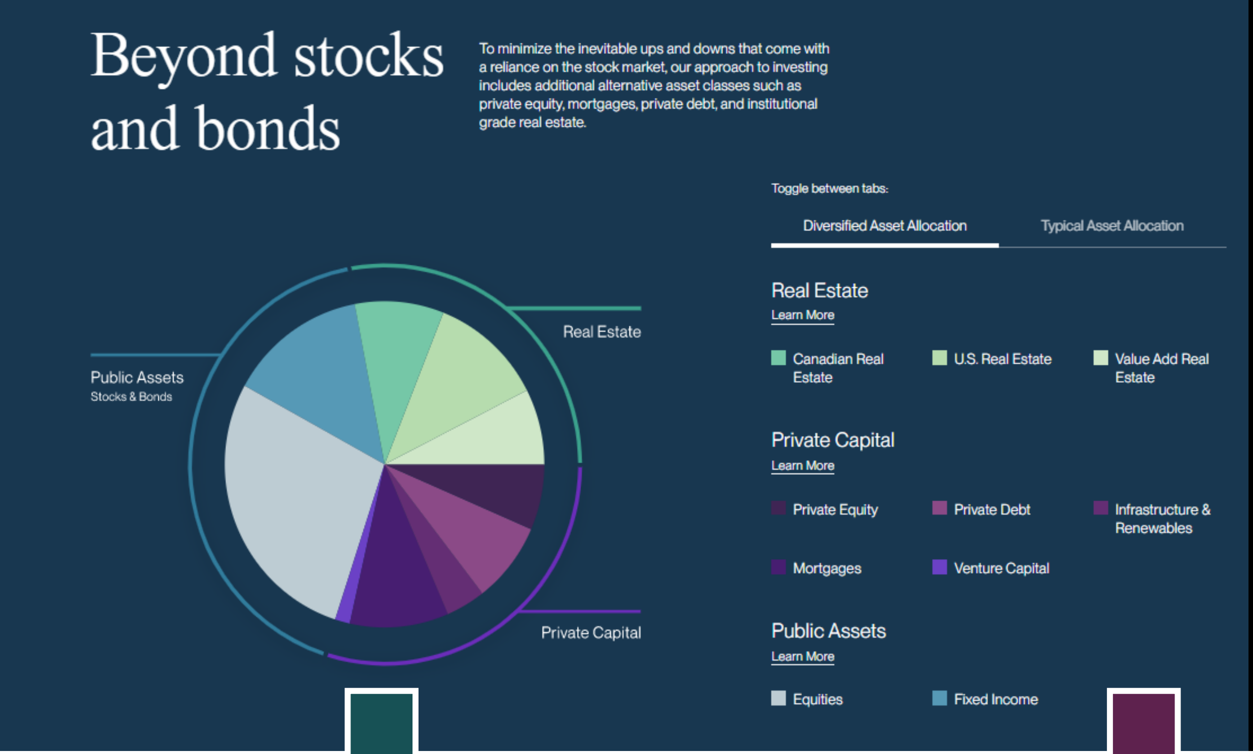
Learn More

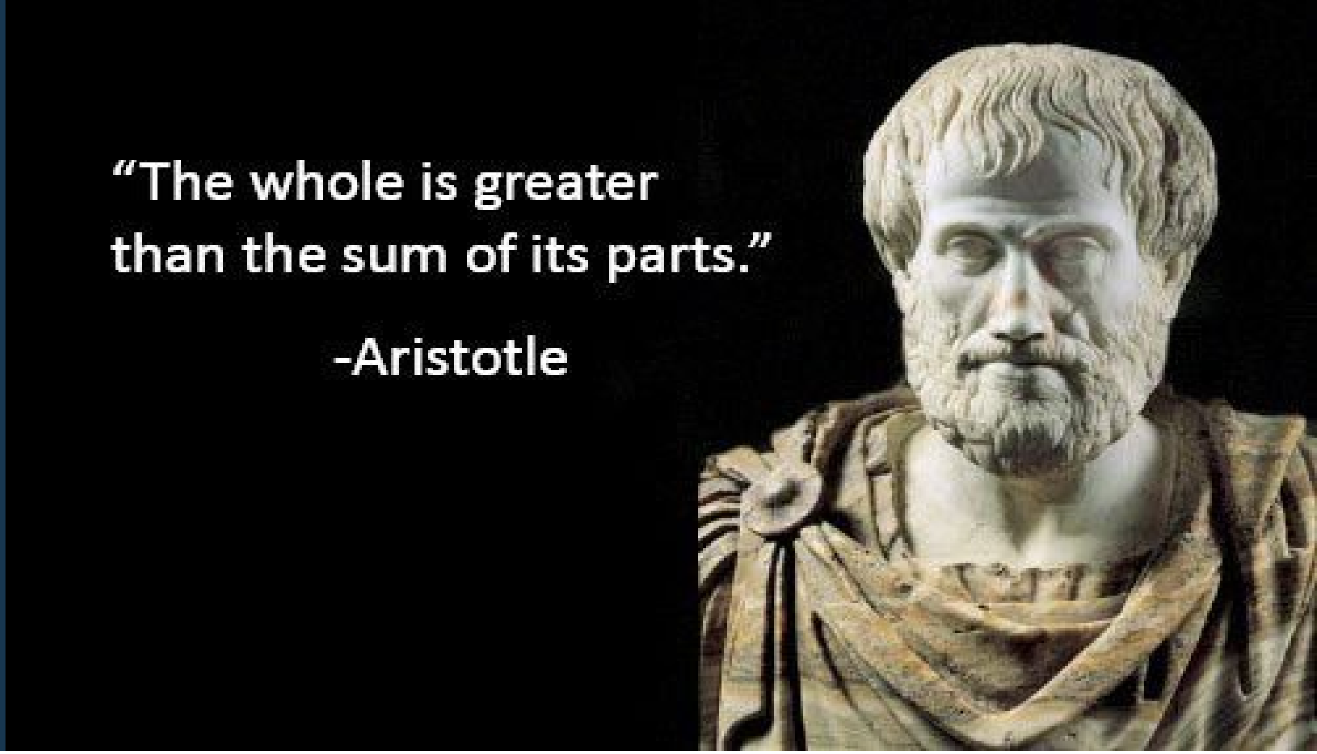
- Private Equity
- Private Debt
- Infrastructure & Renewables
- Mortgages
- Venture Capital

Public Assets

Learn More

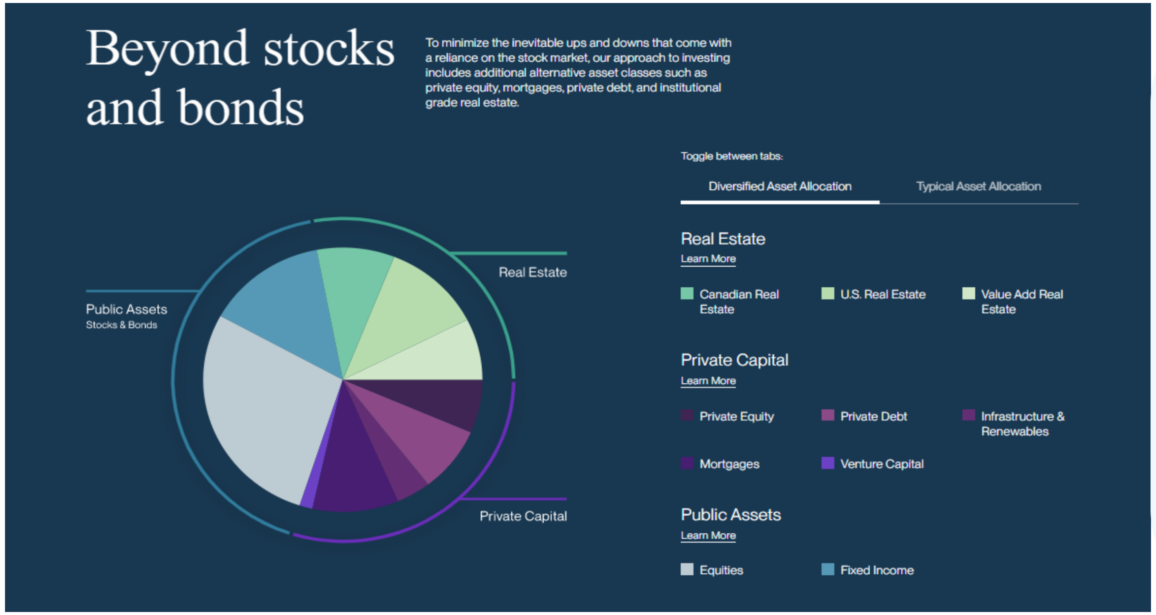
- Equities
- Fixed Income

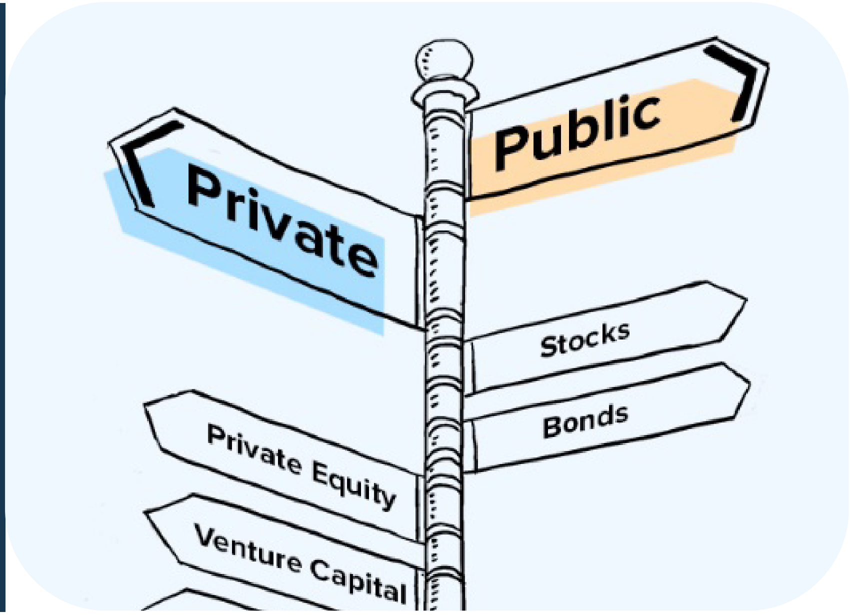




The Whole (Strategy)
Asset Allocation

The Parts (Tactical)
Execute well in each asset class





SEI Neutral Balanced F

Total Return %	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD
Investment	11.56	9.04	4.30	5.08	7.02	-3.49	12.89	7.40	8.41	-9.35	3.24
Category	12.80	8.71	5.37	4.73	7.13	-3.04	12.65	7.38	9.36	-10.73	3.58
Index	11.55	10.43	6.08	5.94	7.82	-0.41	13.65	9.64	8.27	-10.37	3.62
Quartile Rank											
Percentile Rank	43	32	13	82	31	39	55	29	86	31	65
# of Invest. in Cat.	653	926	1,105	1,168	1,258	1,373	1,574	1,584	1,457	1,612	1,500
Category Name	CA119	CA119	CA119	CA119	CA119	CA119	CA119	CA119	CA119	CA136	CA136

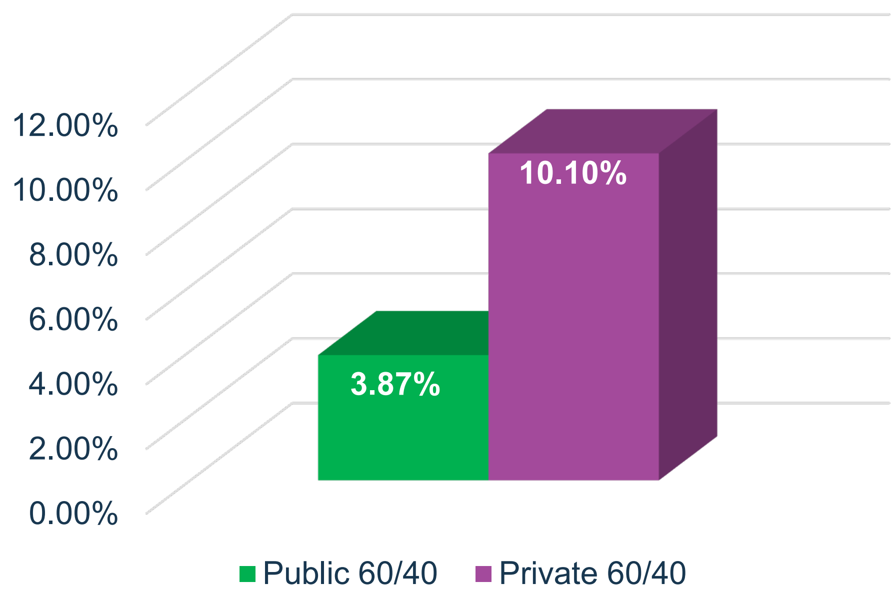
CAD | YTD Investment as of Feb 16, 2023 | Category: Global Neutral Balanced as of Feb 16, 2023 | Index: Morningstar Can Neu Gbl Tgt Alloc NR CAD as

Trailing Returns Day End | Month End | Quarter End

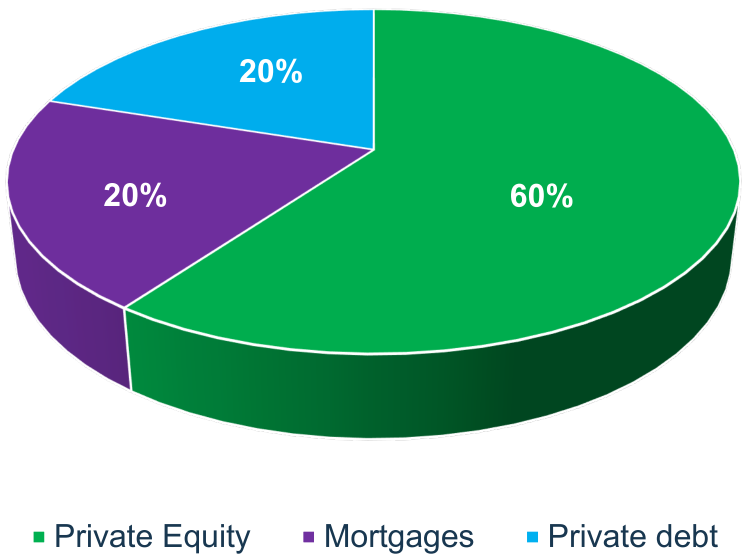
Total Return %	1-Day	1-Week	1-Month	3-Month	YTD	1-Year	3-Year	5-Year
Investment	-0.25	-0.53	-0.48	3.59	3.24	-3.46	1.89	3.67
Category	-0.28	-0.40	0.03	3.57	3.58	-4.27	1.59	3.58
Index	-0.30	-0.43	0.20	3.32	3.62	-3.86	2.13	4.61
Quartile Rank								
Percentile Rank	41	72	83	49	65	29	41	45
# of Invest. in Cat.	1,500	1,500	1,500	1,500	1,500	1,416	1,192	1,011

60/40: Public vs. Private

5 Year Annualized Returns



Private Asset Allocation



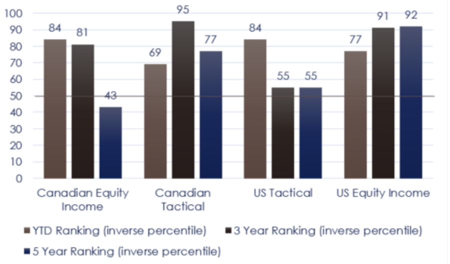
Performance Summary

- 11 public pools. 7 equity, 3 fixed income, and 1 balanced
- Returns compared to Morningstar data base (peers in each category)
- Based on YTD 2022, 3-year and 5-year from September 30, 2022
- 32 possible data points
- **31 data points either Q1or Q2 performance**
- **25 data points Q1 Performance**

Fund Performance

Fund Name	YTD Return	3 Year Return	5 Year Return
Canadian Equity Income	-6.28%	5.47%	4.23%
Canadian Tactical	-4.87%	4.97%	3.16%
US Tactical (USD)	-11.67%	3.86%	3.46%
US Equity Income (USD)	-18.23%	9.63%	10.44%

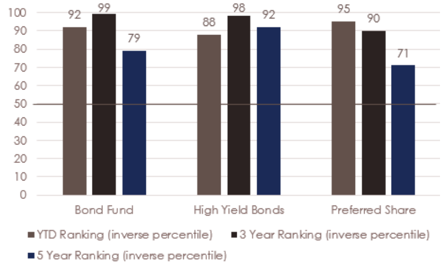
Fund Name	YTD Ranking (inverse percentile)	3 Year Ranking (inverse percentile)	5 Year Ranking (inverse percentile)
Canadian Equity Income	84	81	43
Canadian Tactical	69	95	77
US Tactical	84	55	55
US Equity Income	77	91	92



Fund Performance

Fund Name	YTD Return	3 Year Return	5 Year Return
Bond Fund	-2.21%	3.38%	3.53%
High Yield Bonds	-1.30%	4.67%	4.49%
Preferred Share	-11.45%	7.13%	1.96%

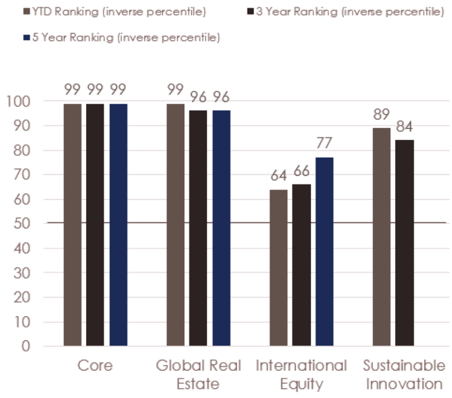
Fund Name	YTD Ranking (inverse percentile)	3 Year Ranking (inverse percentile)	5 Year Ranking (inverse percentile)
Bond Fund	92	99	79
High Yield Bonds	88	98	92
Preferred Share	95	90	71



Fund Performance

Fund Name	YTD Return	3 Year Return	5 Year Return
Core	4.61%	8.75%	8%
Global Real Estate	-5.44%	2.98%	5.49%
International Equity	-20.22%	0.28%	2.76%
Sustainable Innovation (USD)	-18.06%	7.08%	

Fund Name	YTD Ranking (inverse percentile)	3 Year Ranking (inverse percentile)	5 Year Ranking (inverse percentile)
Core	99	99	99
Global Real Estate	99	96	96
International Equity	64	66	77
Sustainable Innovation	89	84	



Return to Asset Management

Real Estate

We are a dedicated team of experienced real estate professionals overseeing $9.6B worth of real estate in Canada and the United States.

Property Map

Our Strategies

Creating cash flow and wealth through real estate.

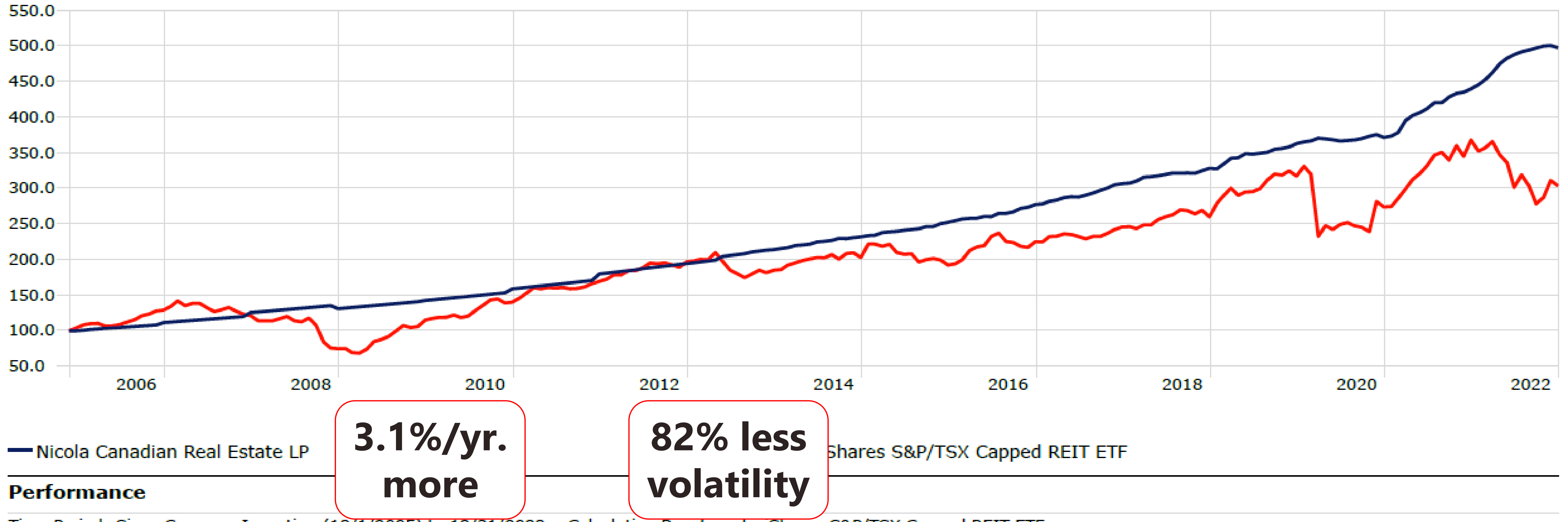
$9.6B	324	19M+	$1.0B
in real estate assets under management	properties and value add projects located across Canada and the U.S.	square feet	in assets acquired in the last 12 months

as of December 31, 2022

Nicola Canadian Real Estate LP vs iShares S&P/TSX Capped REIT ETF

Time Period: Since Common Inception (12/1/2005) to 12/31/2022

Currency: Canadian Dollar



Performance

Time Period: Since Common Inception (12/1/2005) to 12/31/2022 Calculation Benchmark: iShares S&P/TSX Capped REIT ETF

	Return	Cumulative Return	Std Dev	Beta	Sharpe Ratio (geo)	Overall Capture Ratio	Worst Quarter	Correlation
Nicola Canadian Real Estate LP	9.84	397.08	2.80	0.01	2.96	-1.48	-1.82	0.04
iShares S&P/TSX Capped REIT ETF	6.71	203.33	15.77	1.00	0.33	1.00	-30.36	1.00

Source: Morningstar

OAKTREE　ABOUT　STRATEGIES　RESPONSIBILITY　INSIGHTS　Investors　Careers　Contact Us　Login

MEMOS FROM HOWARD MARKS

DEC 13, 2022

Download PDF

Listen to Memo

Archived Memos

SUBSCRIBE

Sea Change

sea change (idiom): a complete transformation, a radical change of direction in attitude, goals . . . (*Grammarist*)

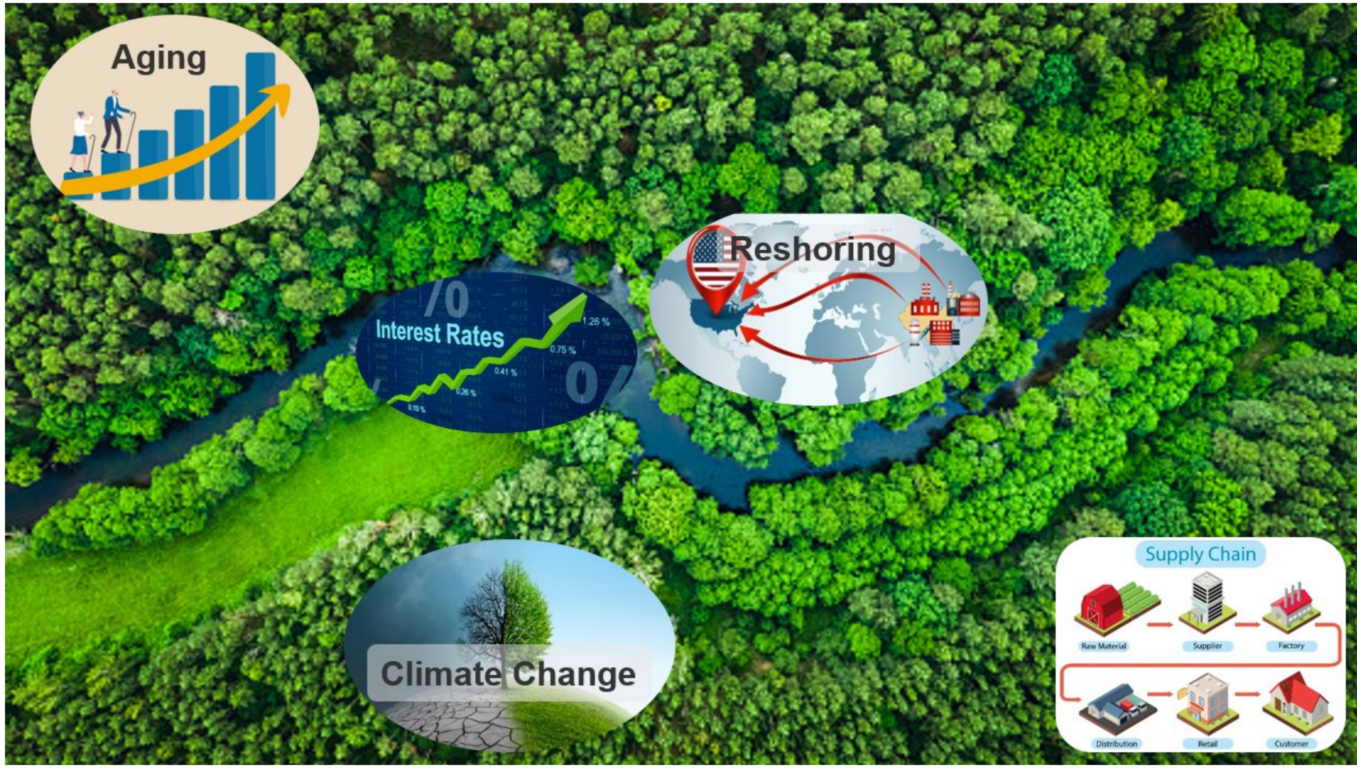
In my 53 years in the investment world, I've seen a number of economic cycles, pendulum swings, manias and panics, bubbles and crashes, **but I remember only two real sea changes. I think we may be in the midst of a third one today.**

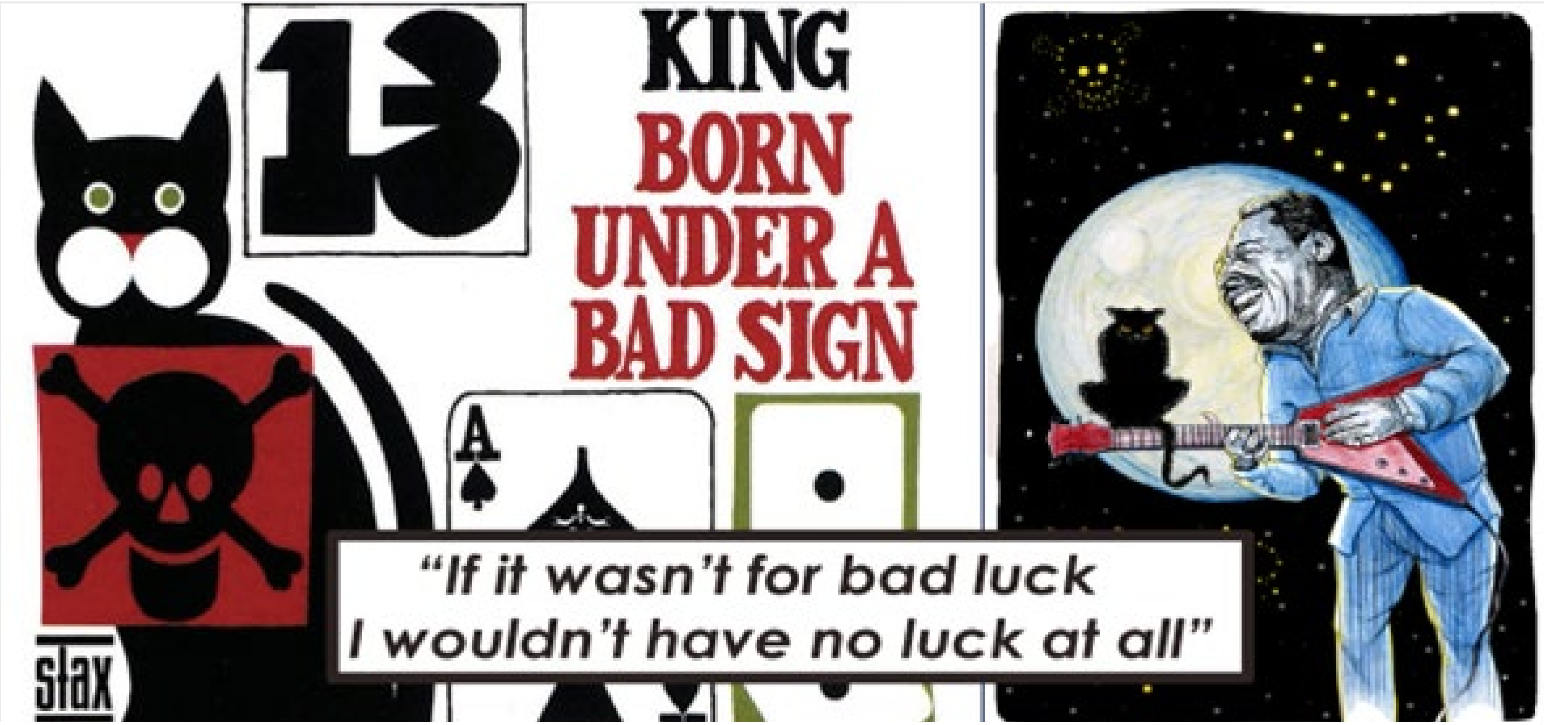
As I've recounted many times in my memos, when I joined the investment management industry in 1969, many banks – like the one I worked for at the time – focused their equity portfolios on the so-called "Nifty Fifty." The Nifty Fifty comprised the stocks of companies that were considered the best and fastest-growing – so good that nothing bad could ever happen to them. For these stocks, everyone was sure there was "no price too high." But if you bought the Nifty Fifty when I started at the bank and held them until 1974, you were sitting on losses of more than 90% . . . from owning pieces of the best companies in America. Perceived quality, it turned out, wasn't synonymous with safety or with successful investment.

Meanwhile, over in bond-land, a security with a rating of single-B was described by Moody's as "failing to possess the characteristics of a desirable investment." Non-investment grade bonds – those rated double-B and below – were off-limits to fiduciaries, since proper financial behavior mandated the avoidance of risk. For this reason, what soon became known as high yield bonds couldn't be sold as new issues. But in the mid-1970s, Michael Milken and a few others had the idea that it should be possible to issue non-investment grade bonds – and to invest in them prudently – if the bonds offered enough interest to compensate for the risk of default. In 1978, I started investing in these securities – the bonds of perhaps America's riskiest public companies – and I was making money steadily and safely.

s Sees Third Sea Change Underway in Markets

rg Television · Jan 18, 2023





Return expectations 10 years equities and US bonds (nominal and before fees)

Company	US Equities	Developed Market Equities	Emerging Market Equities	US Bonds
Blackrock	5.00%	7.00%	6.20%	0.80%
JP Morgan	4.10%	5.50%	7.20%	2.50%
Morningstar	-0.10%	4.80%	4.50%	1.00%
Research affiliates	2.00%	6.30%	7.90%	1.10%
Vanguard	4.70%	8.00%	8.00%	1.25%

Future Value Balanced Portfolio (net of fees and inflation)	$1,136.02	After inflation / fee IRR (10 years)	1.28%

Results Since 2020

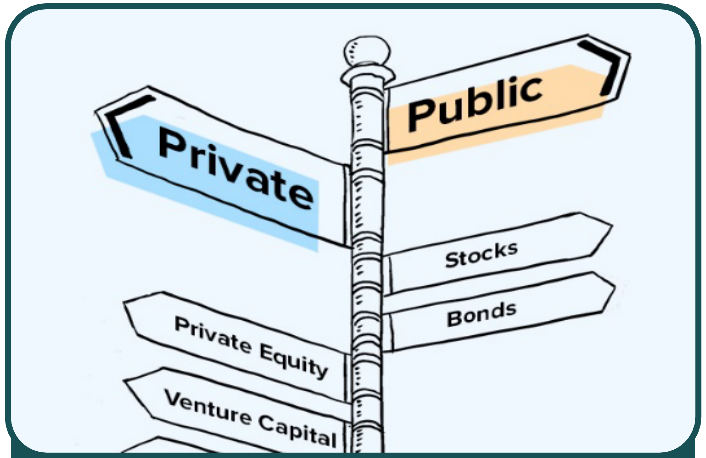
Morningstar Neutral Balanced = 1.9% per year before inflation and fees

Equal to a net after-inflation return of about -3% to -4% per year

How and where can we add value?

- Industrial / residential
- Repositioning assets
- Special situations (storage)
- Build to own

- Private assets (mortgages and private debt)
- Separately managed accounts (SMA's)
- Floating rate debt



- Directly manage assets
- Value / cash flow approach

Advanced Planning Tools

Compensation Analysis

- Dividends vs. Salary for compensation
- Impact of Active Business Tax rate
- When both make sense
- When to use IPPs vs. RRSPs

Compensation Analysis - British Columbia

Salary + Registered Savings VS Dividends + Corporate Savings (2023)

Pre-Tax Income	Corporate Active Tax Rate	Corporate Passive Tax Rate	Top Personal Tax Rate	Annual Investment Return	Inflation Factor	Div. Payout Ratio	Current Year YMPE	CPP Non Contribution Threshold	2023 CPP Tier 1 Rate (Self Employed)	2025 + CPP Tier 2 Rate	Current Year CPP maximum premium Tier 1	Current Max CPP Benefit - Monthly	CPP Enhancement 65 from 2… Bene…
150,000	27.0%	50.17%	53.5%	6.0%	2.0%	82.0%	$ 66,600	$3,500	11.90%	8.00%	$7,509	$1,307	50%

Summary of Results

	After-Tax Compensation				Salaried Income Results				Dividend Income Results				Dividends vs. Salar…
Years	After-Tax Compensation Salary	Dividend	Difference ($)	(%)	Before-tax savings	CPP notional account	Total Registered and CPP Notional	After Tax registered	Before Tax corporate	RDTOH Recover Annually	Total Corporate	Corporate after Tax	Before Tax
5	466,003	$ 451,867	$ (14,136)	-3.1%	$ 167,531	$ 47,061	$ 214,592	$ 77,902	$ 121,057	$ 370	$ 121,427	$ 77,058	$ (93,164)
10	969,142	$ 948,506	$ (20,636)	-2.2%	$ 409,161	$ 110,954	$ 520,115	$ 190,260	$ 292,994	$ 896	$ 293,890	$ 186,502	$ (226,225)
15	1,513,784	$ 1,491,783	$ (22,001)	-1.5%	$ 751,769	$ 194,522	$ 946,290	$ 349,572	$ 533,210	$ 1,631	$ 534,841	$ 339,410	$ (411,449)
20	2,103,804	$ 2,084,791	$ (19,013)	-0.9%	$ 1,231,510	$ 302,635	$ 1,534,145	$ 572,652	$ 864,746	$ 2,645	$ 867,391	$ 550,446	$ (666,754)
25	2,740,571	$ 2,731,059	$ (9,512)	-0.3%	$ 1,896,980	$ 441,282	$ 2,338,262	$ 882,096	$ 1,318,076	$ 4,031	$ 1,322,108	$ 839,010	$ (1,016,154)
30	3,427,916	$ 3,435,677	$ 7,761	0.2%	$ 2,813,439	$ 617,818	$ 3,431,257	$ 1,308,249	$ 1,933,479	$ 5,914	$ 1,939,393	$ 1,230,739	$ (1,491,864)

Estate Planning and Philanthropy

- Tax impact on income and asset building
- Timing and structure of philanthropic gifts
- Projections as to estate growth and foundations or DAFs
- Tax liabilities in estates and how to mitigate them

Estate and Philanthropy Projections

No or little p;lanning

Age	Gross estate	Tax estimate plus probate fees	Net Estate after taxes and chsaritable gifts	Donor advised Func	Cumulative charitable gifts	Total = net estate after taxes+DAF + lifetime gifts	Total Spendable Income
47	$ 98,070,250	$ 12,082,379	$ 85,987,870	$ -	$ -	$ 85,987,870	$ 953,363
50	$ 126,256,610	$ 16,047,631	$ 110,208,979	$ 3,632,007	$ 356,764	$ 114,197,750	$ 4,031,623
55	$ 192,063,407	$ 25,401,170	$ 166,662,237	$ 11,102,869	$ 2,347,076	$ 180,112,181	$ 9,994,393
60	$ 299,216,016	$ 40,819,164	$ 258,396,851	$ 20,714,678	$ 6,516,986	$ 285,628,515	$ 17,225,512
65	$ 311,817,377	$ 42,230,806	$ 269,586,571	$ 82,415,202	$ 23,125,124	$ 375,126,897	$ 26,061,295
70	$ 382,007,419	$ 52,132,083	$ 329,875,336	$ 102,291,993	$ 46,629,922	$ 478,797,251	$ 37,758,261
75	$ 467,880,619	$ 64,953,947	$ 402,926,672	$ 120,017,407	$ 75,073,125	$ 598,017,204	$ 48,183,309
80	$ 574,908,208	$ 81,258,656	$ 493,649,552	$ 137,825,052	$ 107,693,581	$ 739,168,185	$ 61,230,558
85	$ 710,275,406	$ 102,094,998	$ 608,180,408	$ 158,670,190	$ 145,209,777	$ 912,060,375	$ 77,671,263

Estate / Philanthropy little planning

Age	Gross estate	Tax estimate plus probate fees	Net Estate after taxes and chsaritable gifts	Donor advised Fund
47	$ 84,596,500	$ 24,937,415	$ 59,659,085	$ -
$ 50	$ 111,004,265	$ 32,733,360	$ 78,270,905	$ -
$ 55	$ 176,774,341	$ 52,020,147	$ 124,754,194	$ -
$ 60	$ 284,660,451	$ 83,442,717	$ 201,217,734	$ -
$ 65	$ 324,768,232	$ 96,173,432	$ 228,594,800	$ -
$ 70	$ 406,993,467	$ 121,298,136	$ 285,695,332	$ -
$ 75	$ 511,009,419	$ 152,198,583	$ 358,810,835	$ -
$ 80	$ 643,439,813	$ 191,265,663	$ 452,174,150	$ -
$ 85	$ 813,168,574	$ 241,326,991	$ 571,841,583	$ -

Tax Analysis of Investment

- Tax efficiency of non-registered assets
- Corporate vs. personal investing
- Using life insurance, debt restructuring, and philanthropy to reduce taxable income

2016-2020 TAXABLE ANALYSIS OF INVESTMENT PORTFOLIO

	Assumptions	Corporate (Passive)	Corporate (Active)	Personal	Exchange Rate
4	Maximum Tax Rates	50.70%	27.00%	53.50%	1.26
6	Expected Tax Rates	50.70%	27.00%	30.00%	
7	*BC Tax Rates Used				

10			Starting Balance	Net Deposits	Ending Balance	Return Net of Fee($)	Return Net of Fee(%)	Taxal…
11	CANADIAN DOLLAR ACCOUNTS							
12	Registered Accounts							
13	2020		29,024	0	30,903	1,880	6.46%	
14	2020		88,526	6,000	100,544	6,017	6.36%	
15	2020		2,340,472	(76,500)	2,375,272	111,300	4.78%	
16	2020		147,591	0	155,983	8,392	5.67%	
17	2020		88,818	6,000	100,857	6,039	6.37%	
18		Cad Totals	2,694,431	(64,500)	2,763,559	133,628	4.90%	
19	Non-Registered Accounts							
20	2020		33,785,857	(464,627)	34,976,640	1,655,409	4.91%	
21	2020		6,537,548	(47,130)	6,900,594	410,177	6.28%	
22	2020		5,778,733	(31,000)	6,136,672	388,939	6.75%	
23	2020		1,112,177	69,575	1,140,649	(41,103)	-3.62%	
24		Cad Totals	47,214,315	(473,182)	49,154,555	2,413,422	5.01%	

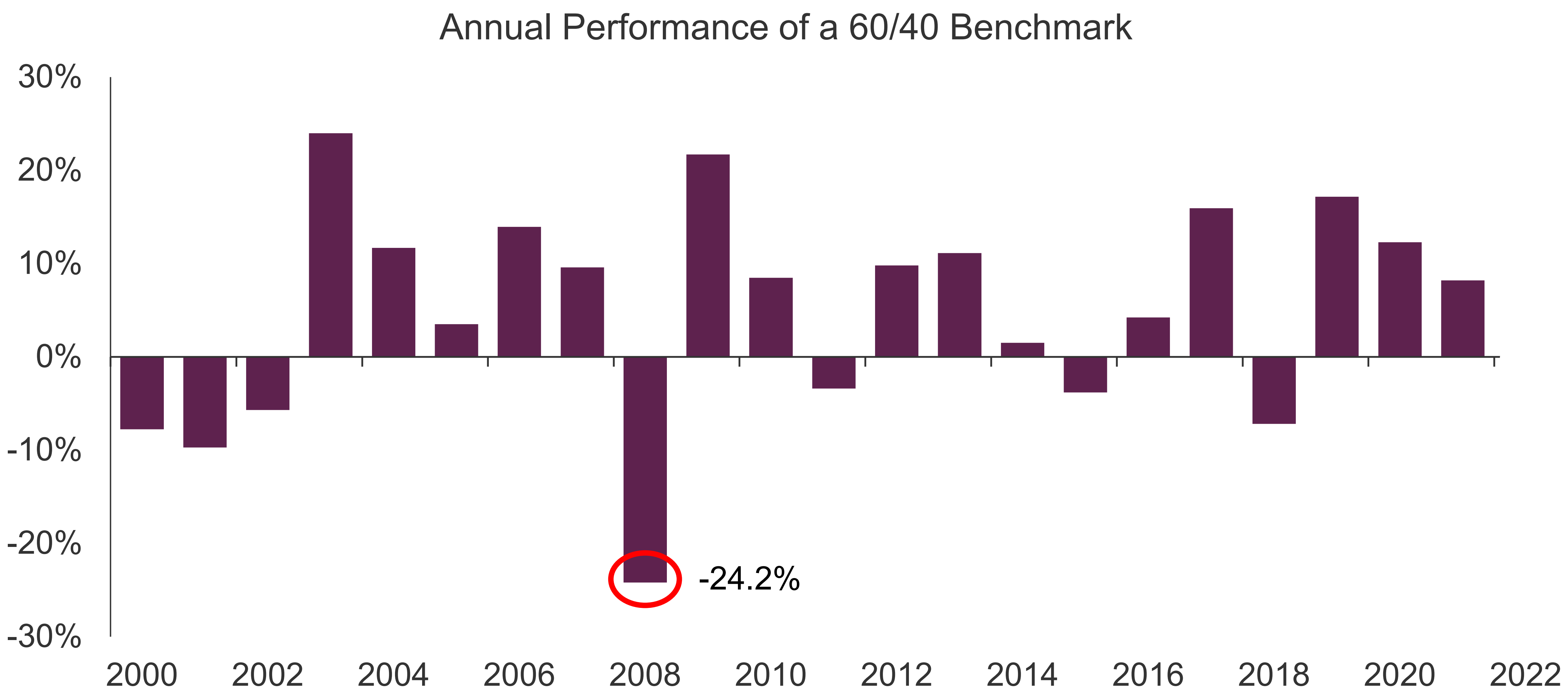
Nicola Wealth
Public Assets

Ben Jang

Portfolio Manager

NICOLA WEALTH

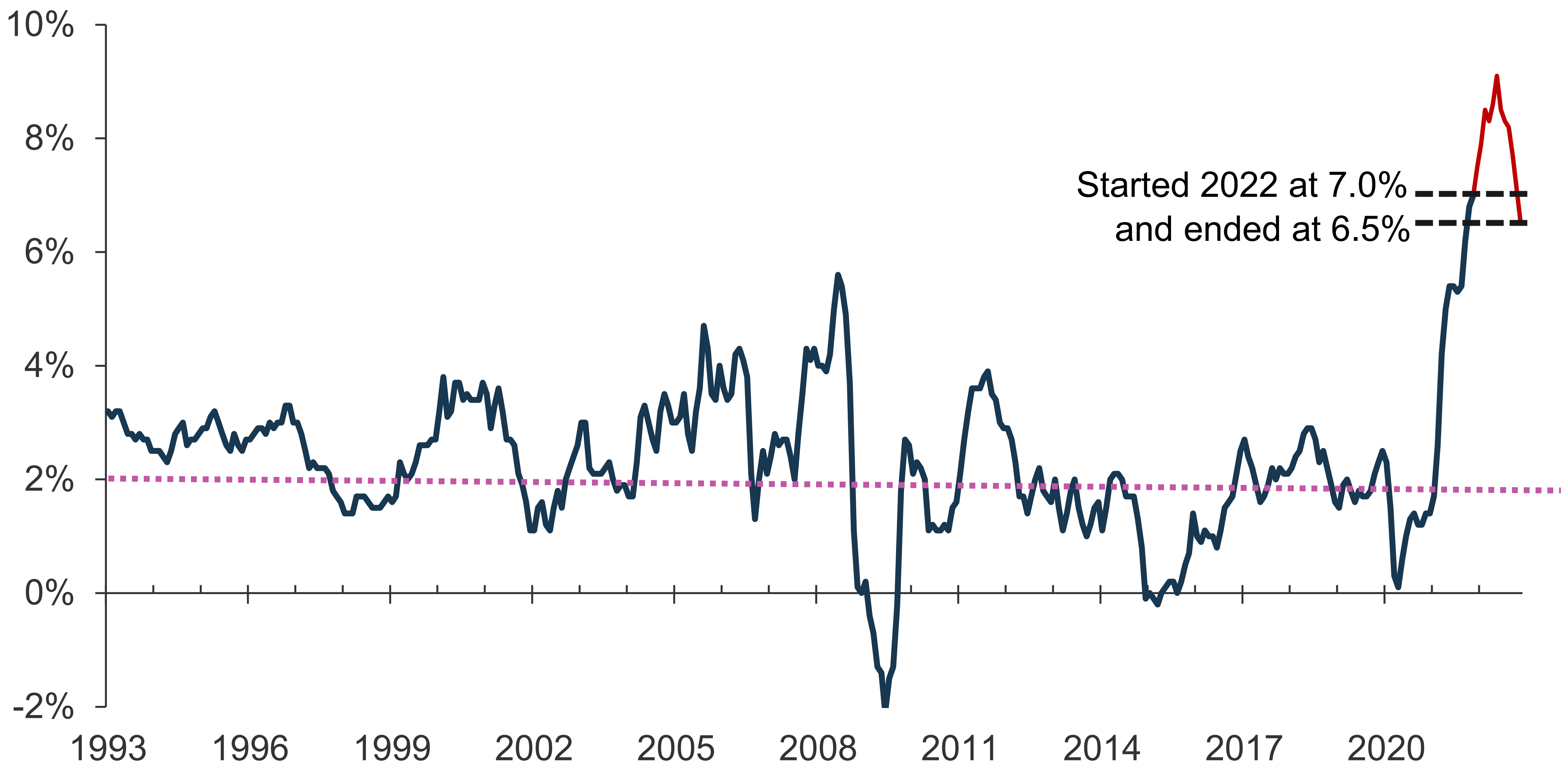
2022 was a Terrible Year



Source: Financial Times: Battered 60-40 portfolios face another challenging year, Adrienne Klasa, January 10 2023; Bloomberg; The 60/40 Returns are made up of the following constituents: MSCI All World (60%), Bloomberg Global Aggregate (40%).

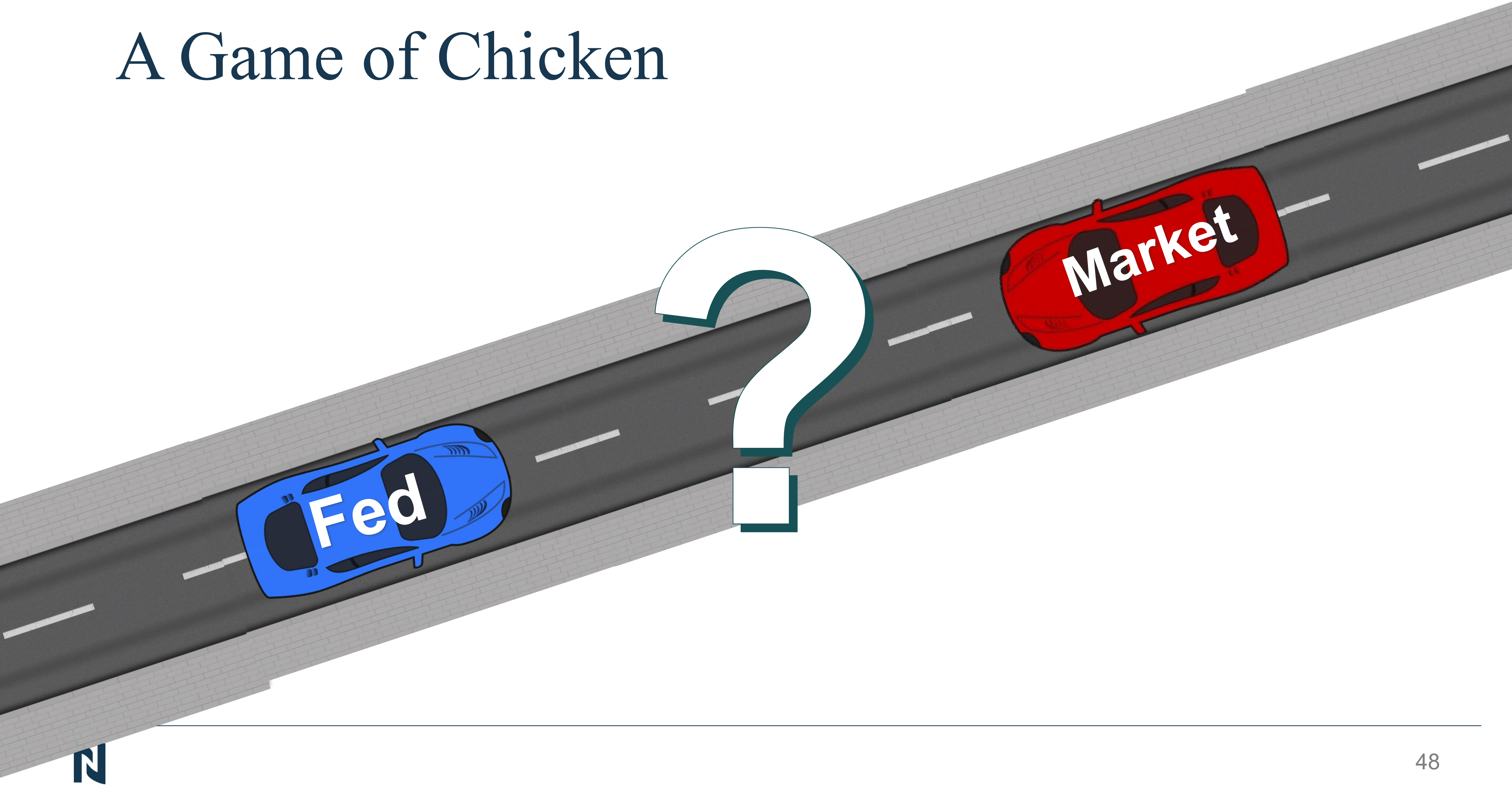
- What happened in public markets in 2022?
- What do we expect going forward?
- How are we positioned to take advantage of the current environment?

Inflation Started and Ended the Year at High Levels



Source: Bloomberg

A Game of Chicken



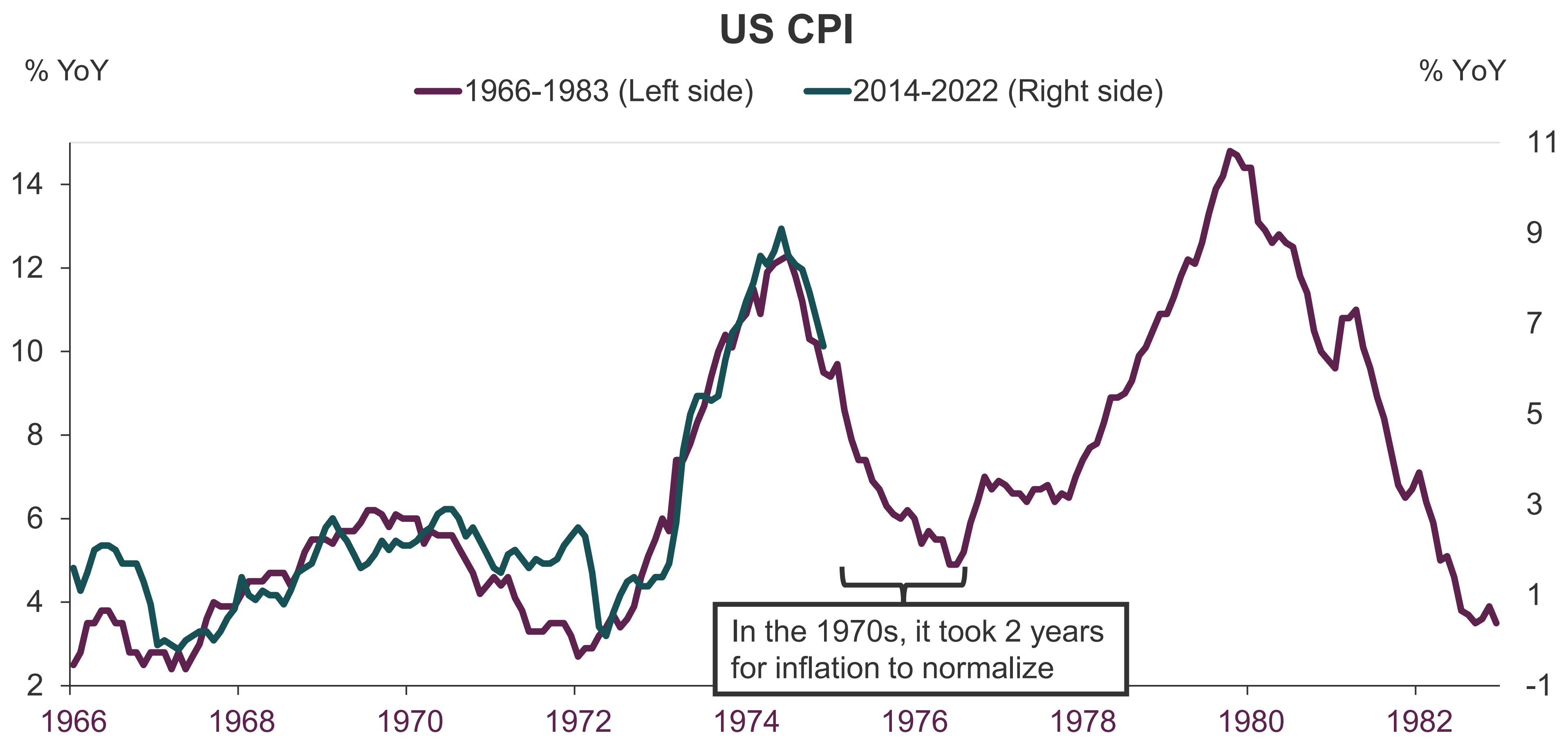
US Inflation

Source: Bloomberg; https://www.federalreserve.gov/newsevents/speeches.htm

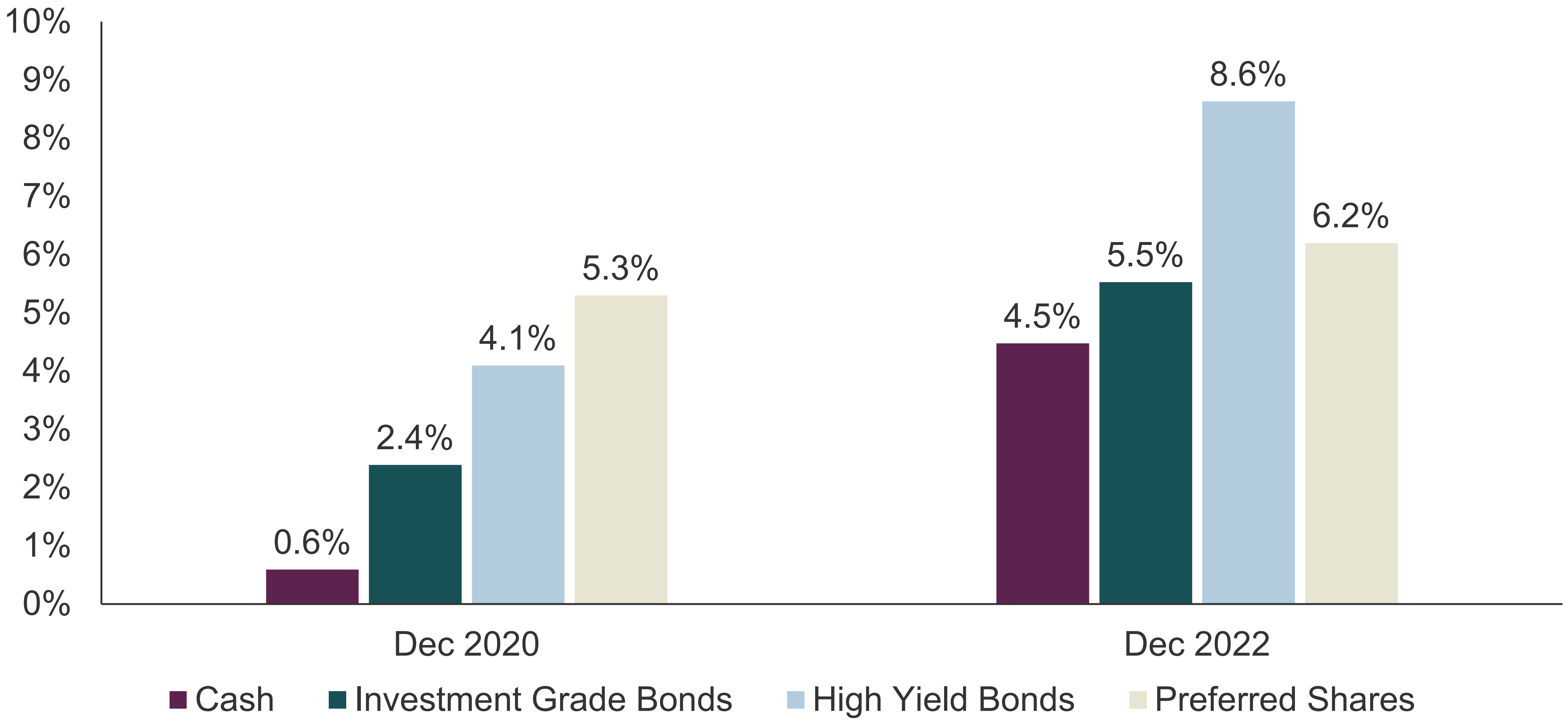

Inflation
USA


Houston, we have a problem
MISSION CONTROL CENTER
esa
JAXA
BME
SURGEON

Historically, Inflation Took Time to Normalize

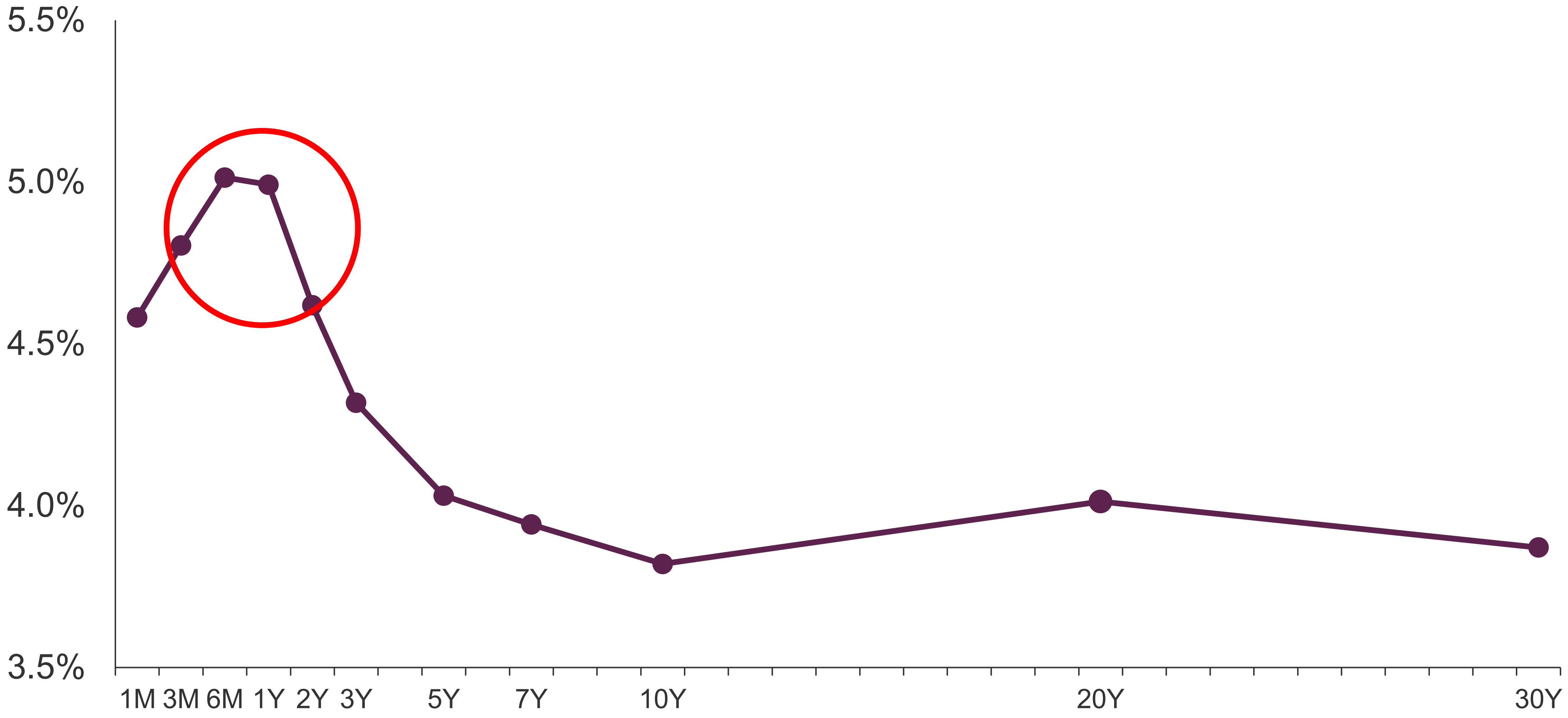


Fixed Income Yields Are Attractive



Source: Bloomberg; Investment Grade: LQD US Equity; High Yield: HYG US Equity; Preferred: CPD CN Equity; Cash: HISA CN Equity; Dec 30, 2020 vs Dec 31, 2022

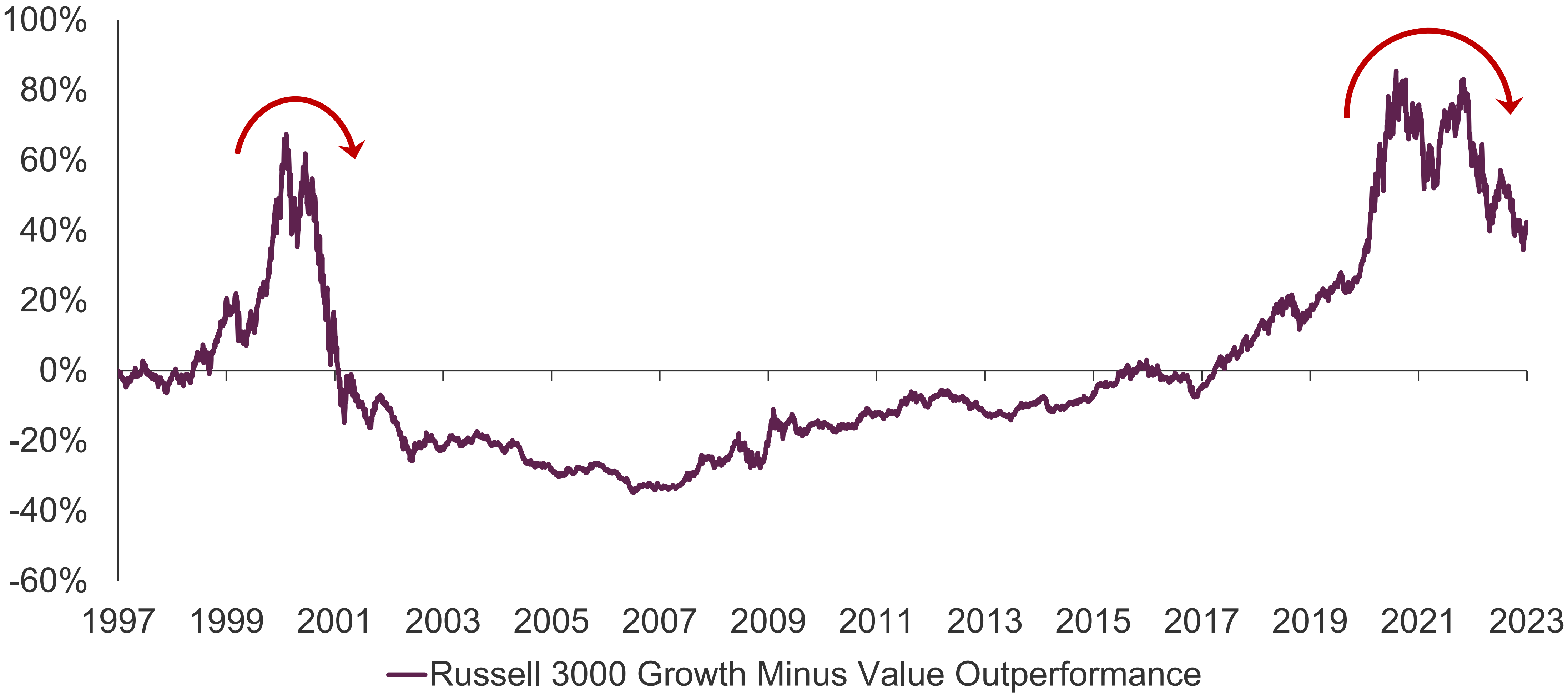
US Yield Curve is Inverted



Source: Bloomberg; US Treasury Actives Curve. Data as of February 18, 2023.

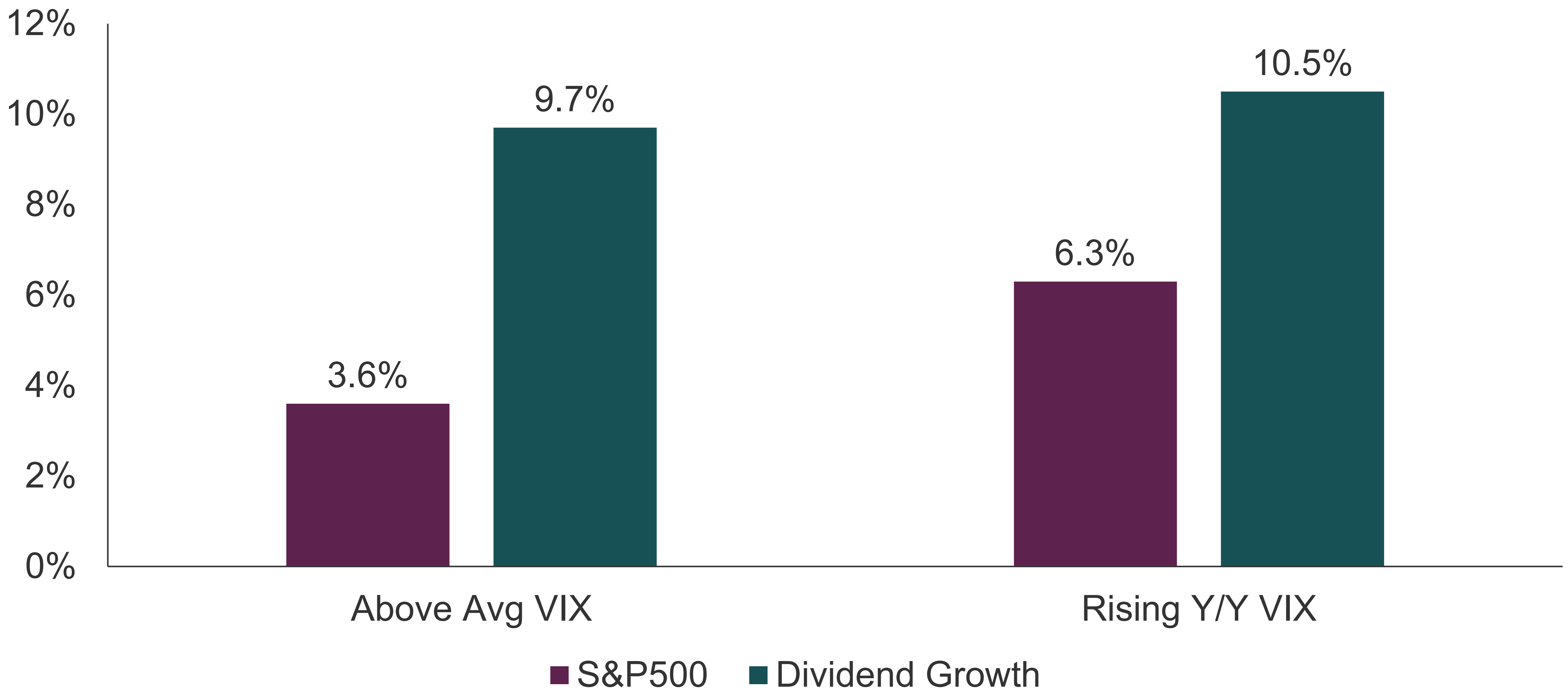
Investors are Defensively Positioned

Value to Outperform Growth



Source: Raymond James Research, pg 15, Institutional Equity Strategy 2023 Outlook, Tavis McCourt, CFA, Dec 13, 2022; Bloomberg

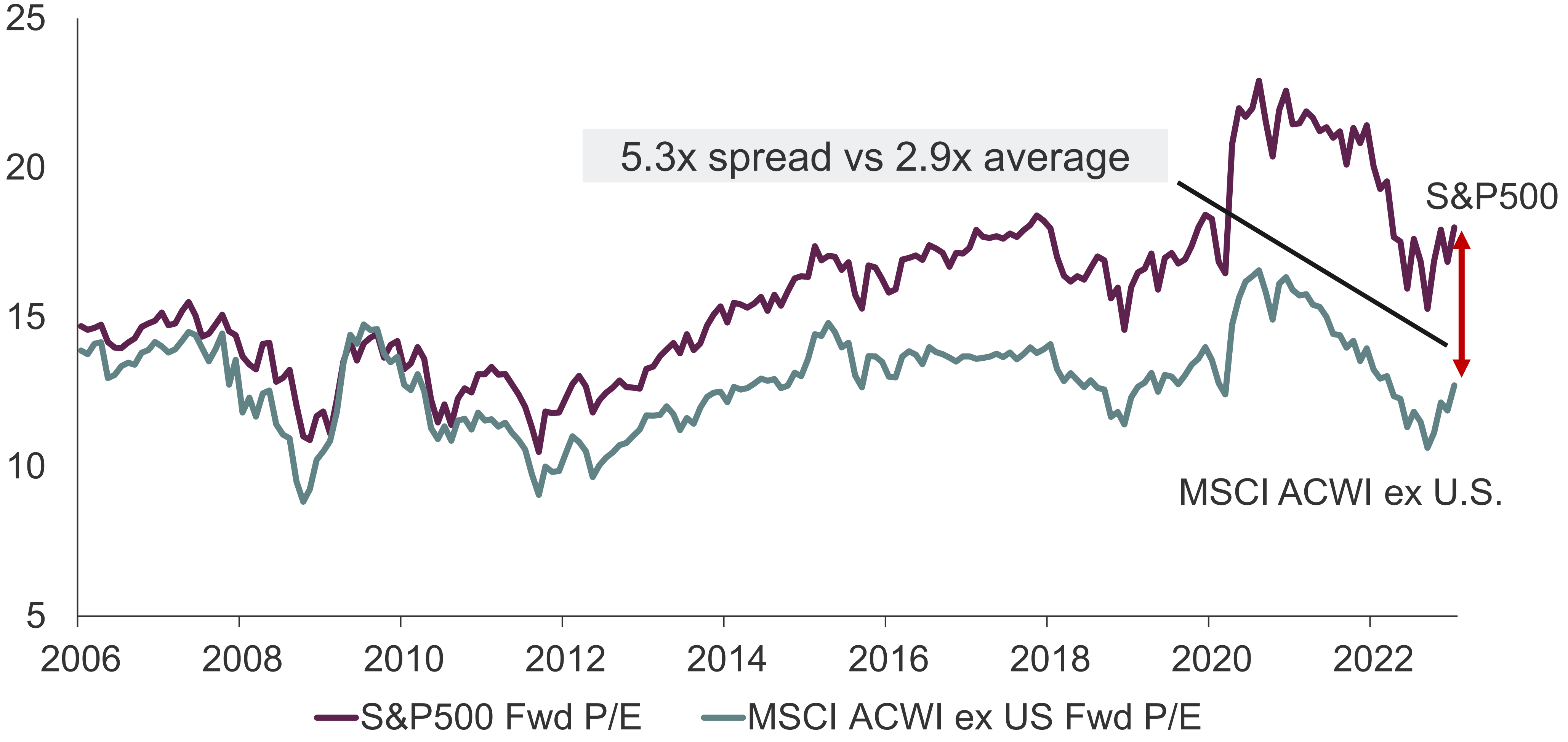
Dividend Growth Stocks Perform Well in Volatile Times



Source: BMO Capital Markets Investment Strategy Group, US Strategy Comment, Brian G. Belski, Nicholas Roccanova, CFA, Andrew Birstingl, pg 3, Jan 20, 2022

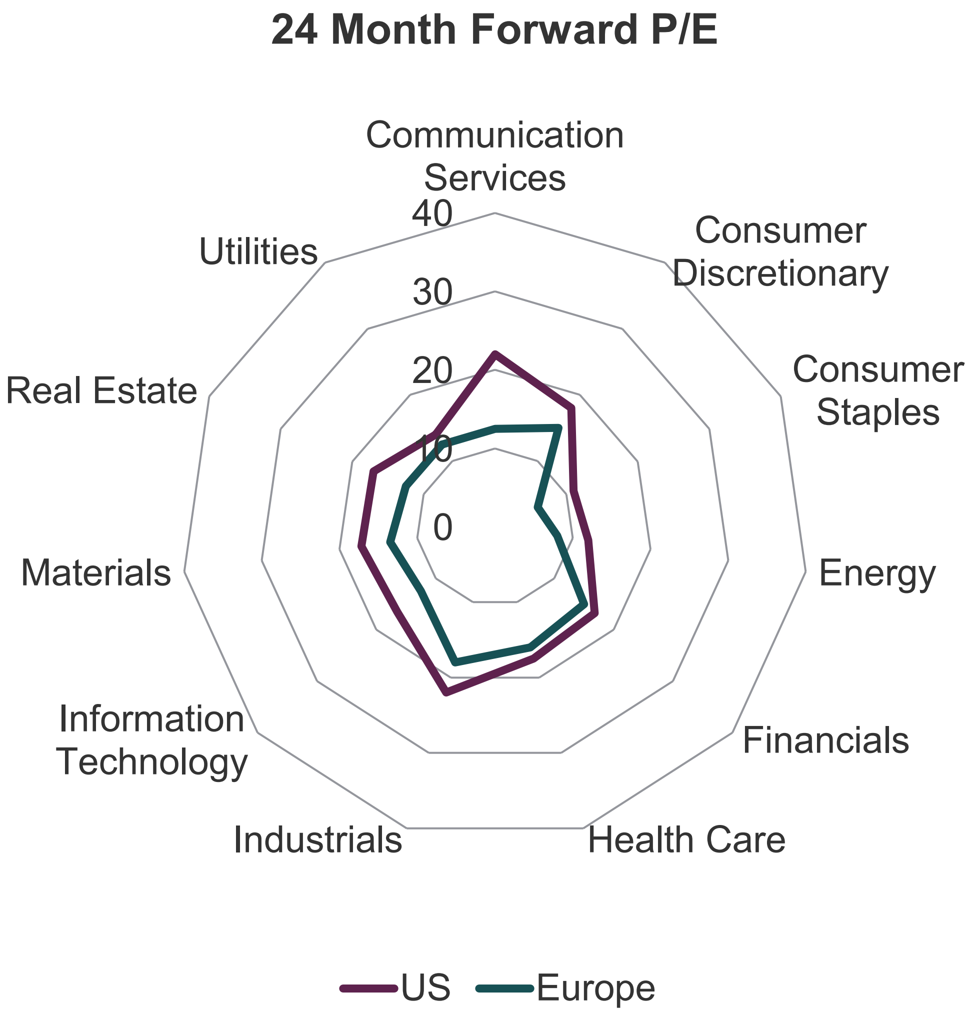
REITS are Attractive

International Equities are Cheaper than US Equities



Source: Bloomberg

European Equities are Cheaper in Every Sector



Source: 12 month data: Bloomberg; iShares Core MSCI Europe ETF, iShares Core S&P 500. Data as of February 18, 2023.
24 month data: FactSet, Goldman Sachs Global Investment Research: Europe Weekly Kickstart. Data as of February 17, 2023.

How Do We Find Alpha in Public Markets?

- Bonds are Back
- Remain Diversified
- Volatility = Opportunity

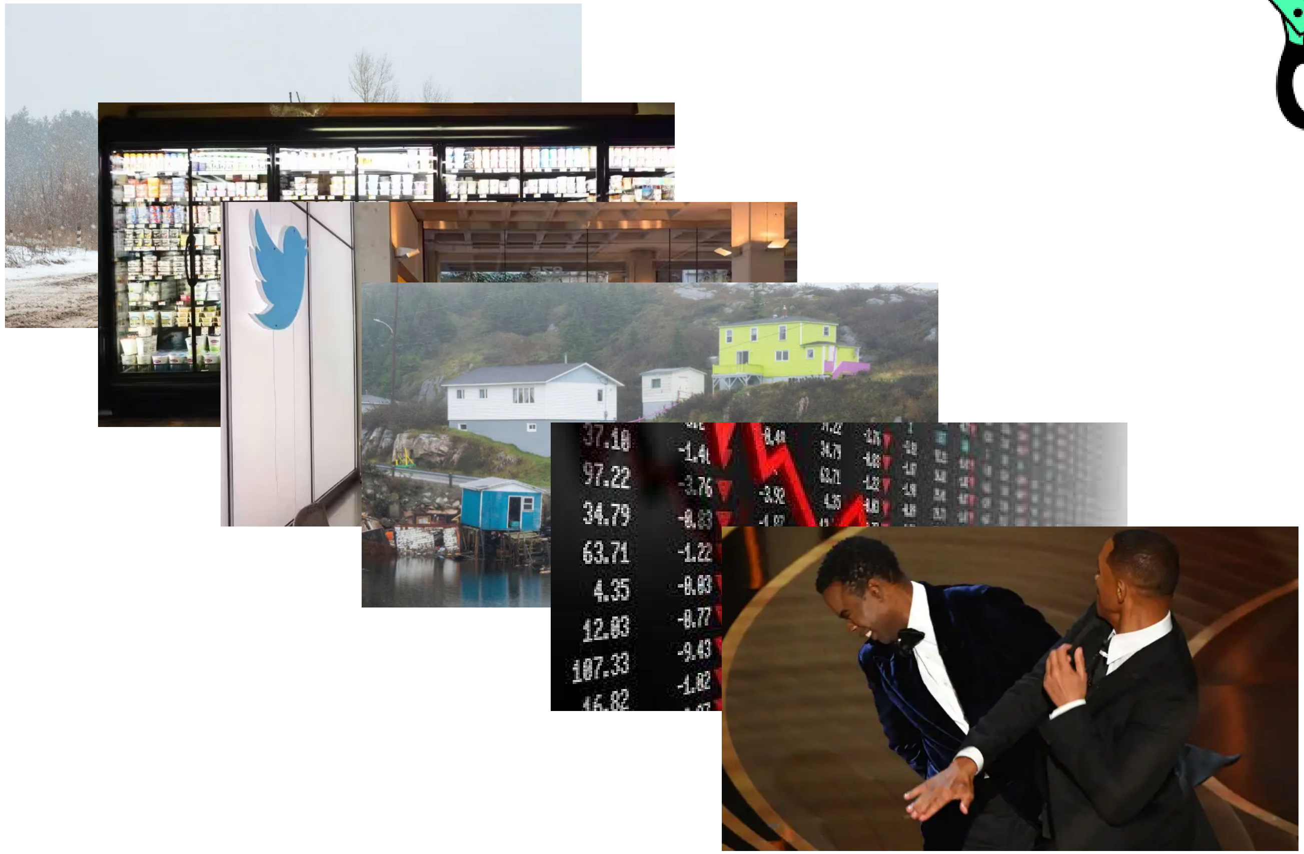
Nicola Wealth
Private Capital

Bijal Patel

CFO & Head of Nicola Wealth Private Capital

NICOLA WEALTH
PRIVATE CAPITAL

Private Capital was not immune to the macro conditions in 2022



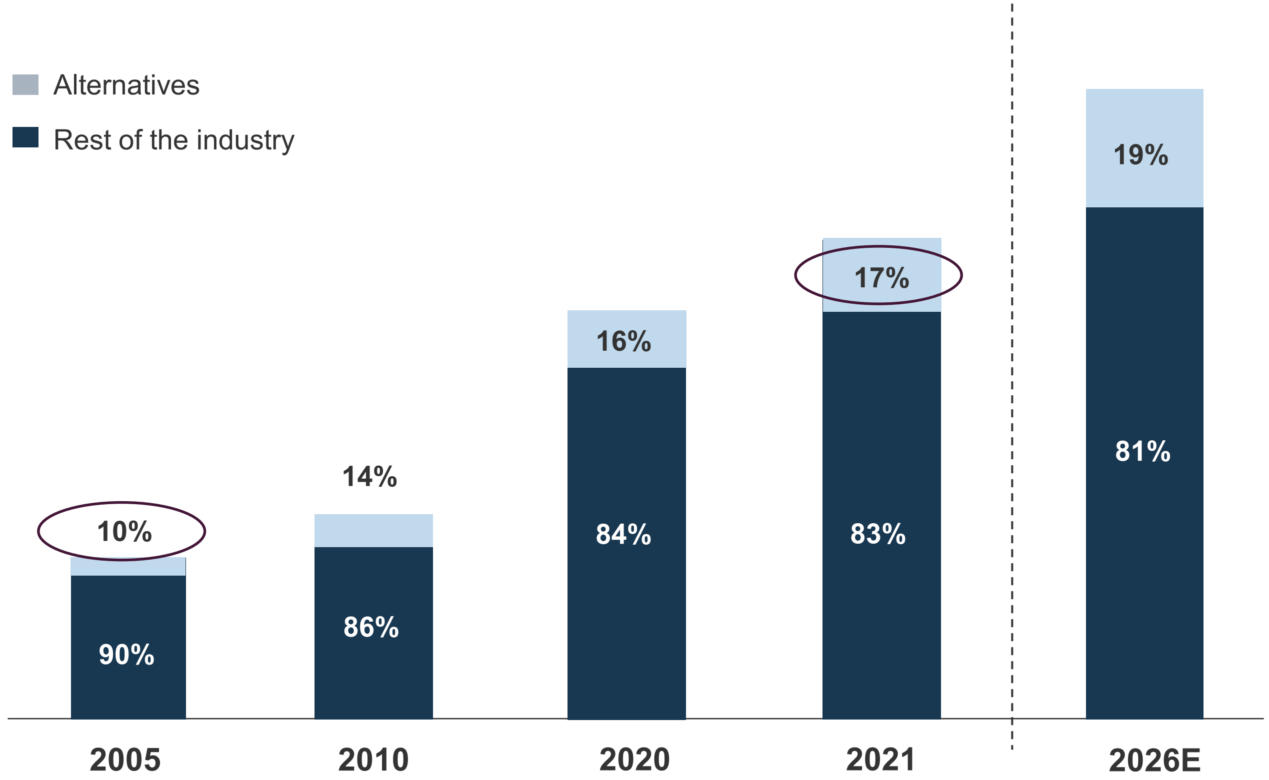
Finding Alpha

Pick Great Partners

Active Management

Portfolio Construction

Alternatives are becoming an increasing part of the investing landscape

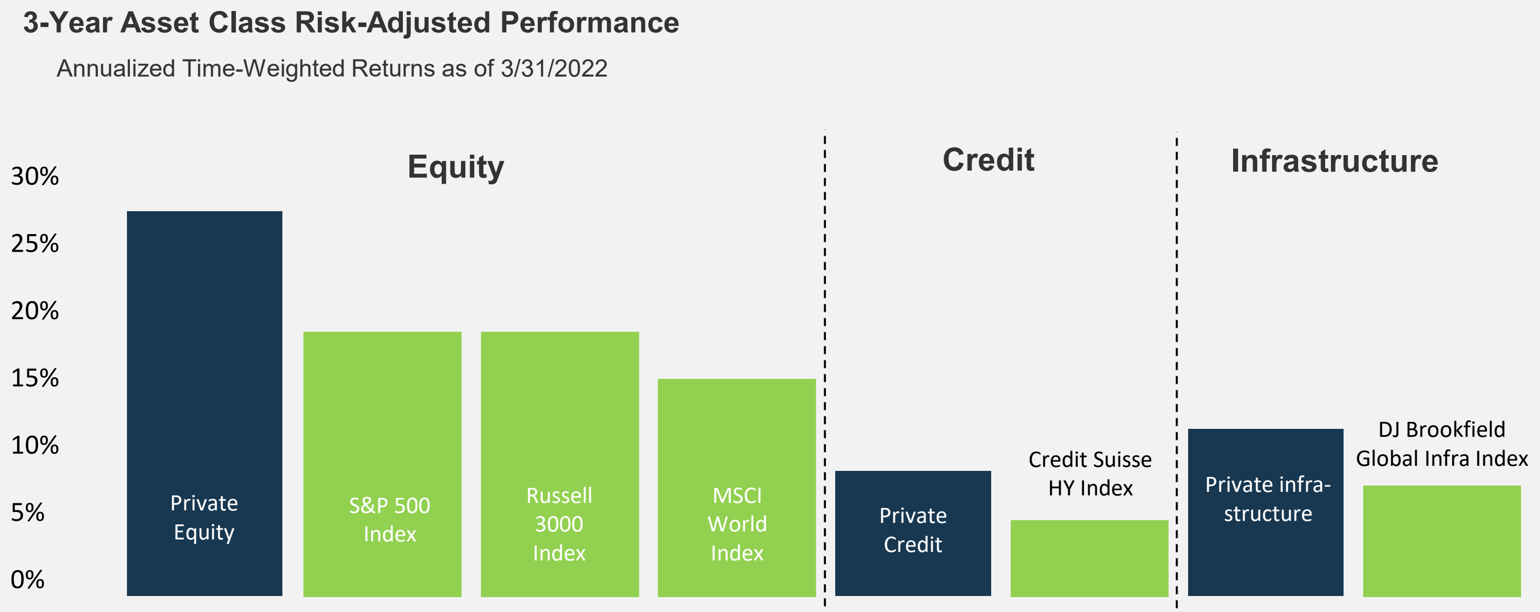


Source: PitchBook | Geography Global
*Historical AUM and forecasts generated on January 5, 2023
Alternatives include private equity, private debt, real assets

Mix up 70%

AUM up 9%

Why are investors increasing allocations to private capital?



Source: Hamilton Lane data, Bloomberg as of August 2022. For illustrative purposes only. Actual results may vary.

Enhanced returns

Historically less volatility

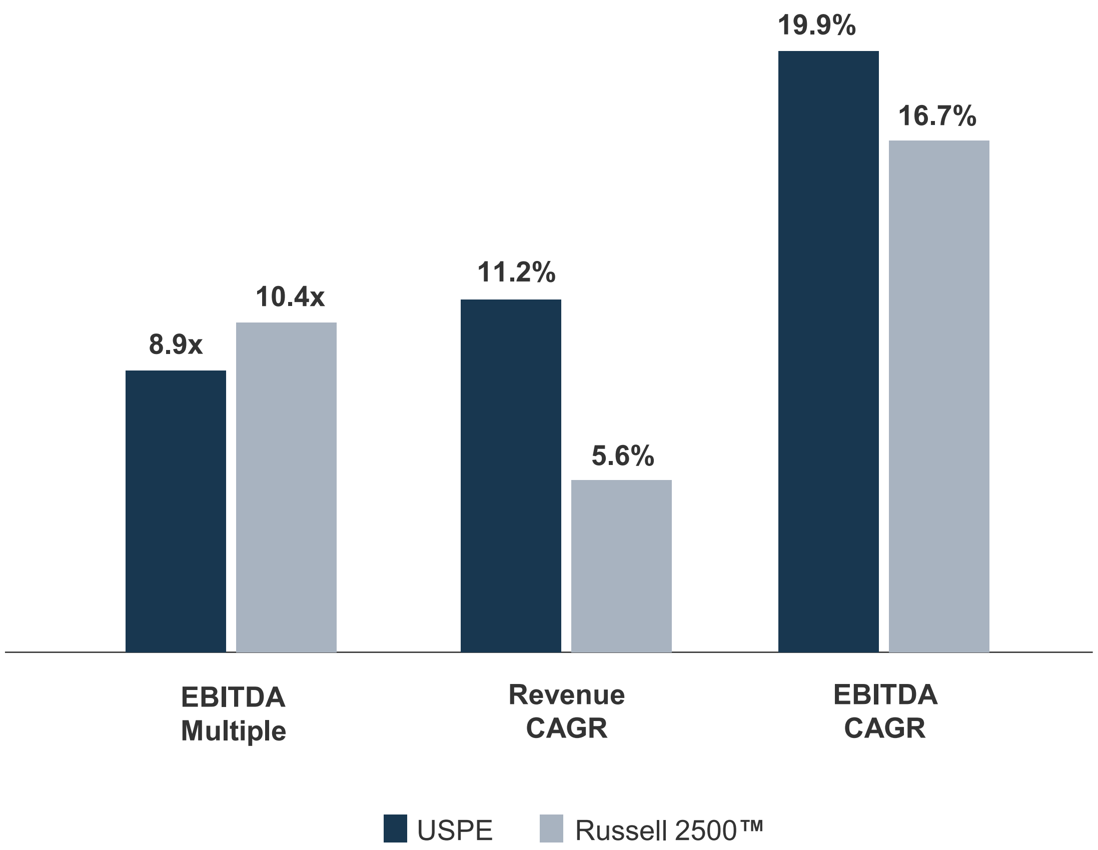
Emergence of retail

Past performance is not indicative of future results. All investments contain risk and may gain or lose value

Why invest in private equity?

US PRIVATE EQUITY VS RUSSELL 2500™

Median Operating Metrics Data as of December 31, 2020, Returns as of March 31, 2022



Sources: Cambridge Associates LLC Private Investments Database (as reported by Investment managers), FactSet Research Systems, and Frank Russell Company.

Access to more companies

Active value-adding ownership

Higher risk-adjusted returns

Themes for private equity investors going into 2023

	Gulf War	Dot. Com	Global Financial Crisis	COVID
Global PE IRR (1stQ)	**29%**	**21%**	**16%**	**35%**
S&P 500 PME (1st Q)	**21%**	**8%**	**15%**	**19%**

Valuations

Current vintages

•Source: IMF, World Bank, Federal Reserve, National Bureau of Economic Research, Burgiss. Global PE returns represent the average (median) Private Equity, Venture Capital and Private Debt returns of the vintage years shown in each period. Data as of Q3'2021. 6. S&P 500 PME returns as of Q3'2021. S&P 500 PME returns represent the public market equivalent returns that would have been generated in the S&P 500, assuming the same cash flows / timing of investments as in the Burgiss Buyout benchmark universe.

Why invest in infrastructure?

Essential Services

Adjustable Pricing

Government Counterparties

High Barriers to Entry

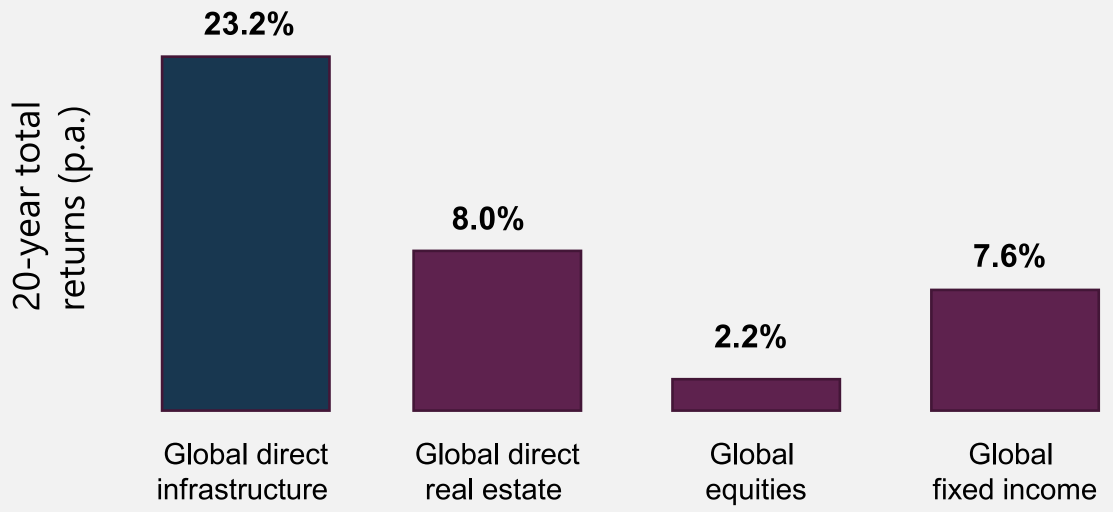
Inflation Protection

Predictable Cash Flows

Low Volatility

Infrastructure remains well positioned for current macro environment

Low growth / high inflation



https://www.blackrock.com/institutions/en-us/literature/investor-guide/2023-private-markets-outlook.pdf

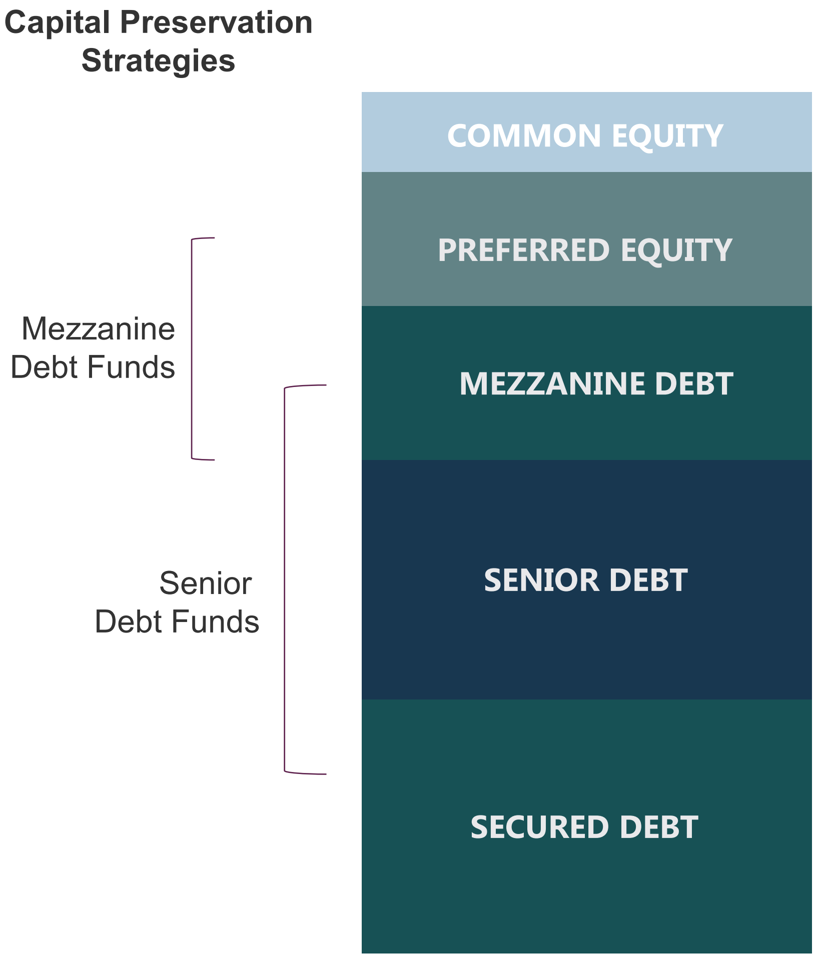
Outperformance in inflationary periods

Energy security / Carbon reduction

Digitalization

Past performance is not indicative of future results. All investments contain risk and may gain or lose value

Why invest in private debt and mortgages?



ILLUSTRATIVE CORPORATE STRUCTURE

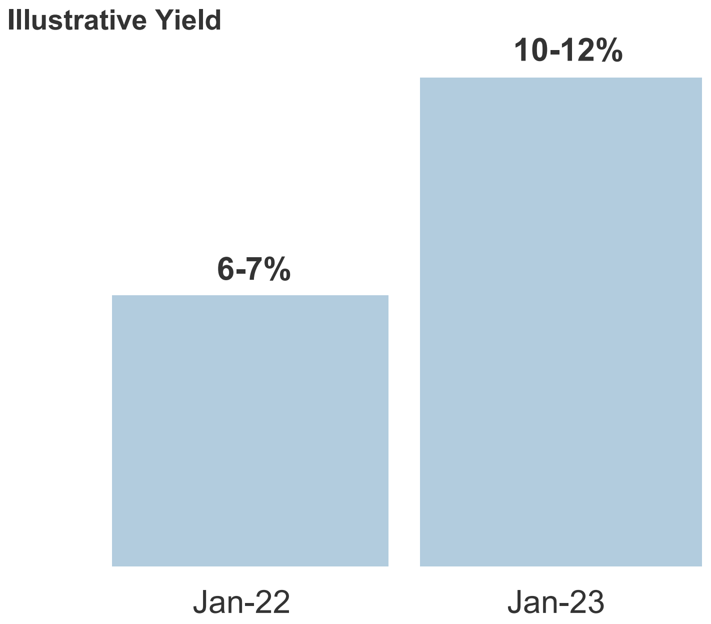
Stable Income

Downside Protection

Lower volatility than public securities

Past performance is not indicative of future results. All investments contain risk and may gain or lose value

Themes for private debt and mortgage investors going into 2023



https://www.hamiltonlane.com/en-us/insight/never-got-fired-for-senior-credit

Banks losing share

Covenants are stronger

Yields will be strong

Defaults are stable, for now

These are the current opinions of the presenter, and such opinions are subject to change without notice

The Nicola Wealth Private Capital Advantage

1

Scale

$3B AUM

20

Private Equity / Venture Capital
~$900M

Private Debt
~$800M

Mortgages
~$950M

Infrastructure
$200M

The Nicola Wealth Private Capital Advantage

2

Products

Breaking down traditional barriers to private capital

Traditional	$ M deposit	10+ year hold	5-10 companies
Nicola Wealth Private Capital	Low minimum	Ongoing liquidity	>100 companies

The Bottom Line

1. Focus on **longer term value**
2. Pressure on equity **valuations**
3. **Rising rates** helping Fixed Income
4. **Infrastructure** has the wind at its back

Nicola Wealth
Real Estate

Mark Hannah

Managing Director, Nicola Wealth Real Estate

NICOLA
WEALTH
REAL ESTATE

Nicola Wealth Real Estate Webcast, February 2023

NICOLA WEALTH

REAL ESTATE

$9.6B in real estate assets under management (AUM)

324 properties and value add projects across Canada and the U.S.

19M+ square feet

$1.0B in assets acquired in the last 12 months

Numbers as of December 31, 2022

Select 2022 Acquisitions


2330 Government Street
Victoria, BC


294 Bernard Avenue
Kelowna, BC


Advanced Self Storage
New Westminster, BC


3751 Fraser Street
Denver, CO


Luma Headwaters
Orlando, FL
Partner: Venterra Realty


845 Avenue G
Dallas, TX
Partner: CanTex Capital


Advanced Industrial Park
Phoenix, AZ
Partner: ViaWest Group

Select 2022 Projects Under Construction


Fifth + Columbia
Vancouver, BC


Advanced Self Storage
Squamish, BC


Red Rocks Self Storage Aurora
Denver, CO


Bernard Block
Kelowna, BC
Partner: Mission Group


North Valley Business Park, Phoenix, AZ
Partner: Hopewell Development


601 Milner, Toronto, ON

Select 2022 Fully Leased Buildings


The Nickel
Vancouver, BC


Northwoods Business Park
North Vancouver, BC


Pinnacle Peak
Commerce Centre
Phoenix, AZ

Nicola Wealth Real Estate's 2022 Snapshot

$1B In new acquisitions
- Closed 50 deals

230 Lease deals
- Totaling 1.8M square feet

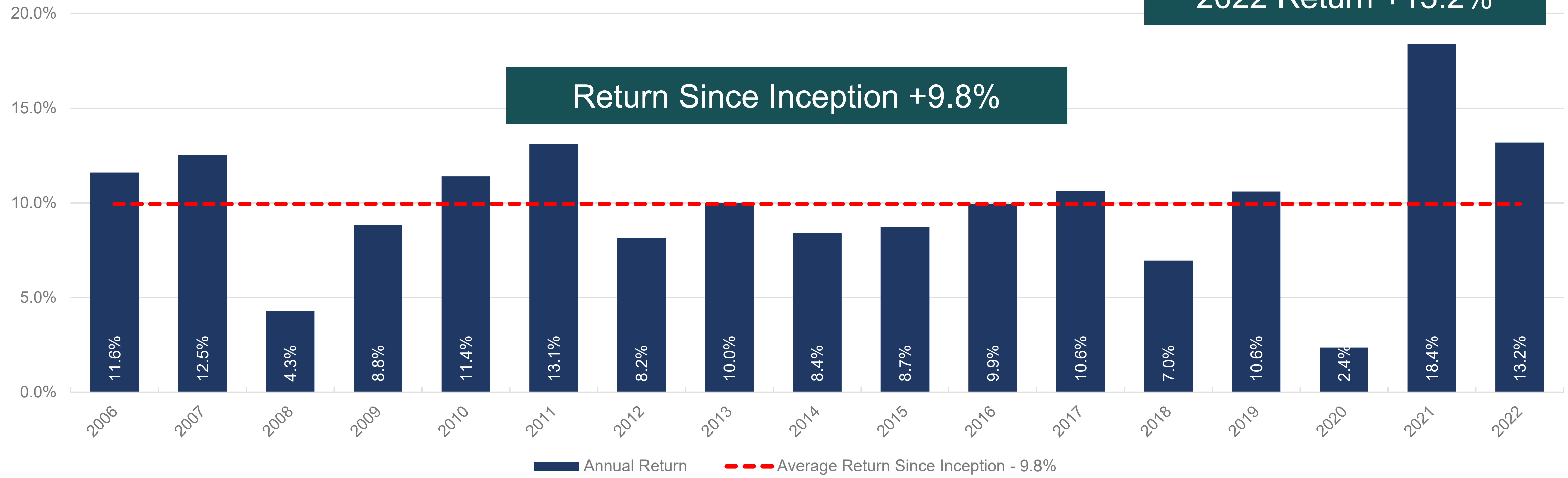
4M Square feet in development
- Over 20 projects

1,106 New self storage units added
- Now 8 operating locations

Nicola Canadian Real Estate LP

Annual Returns Since Inception

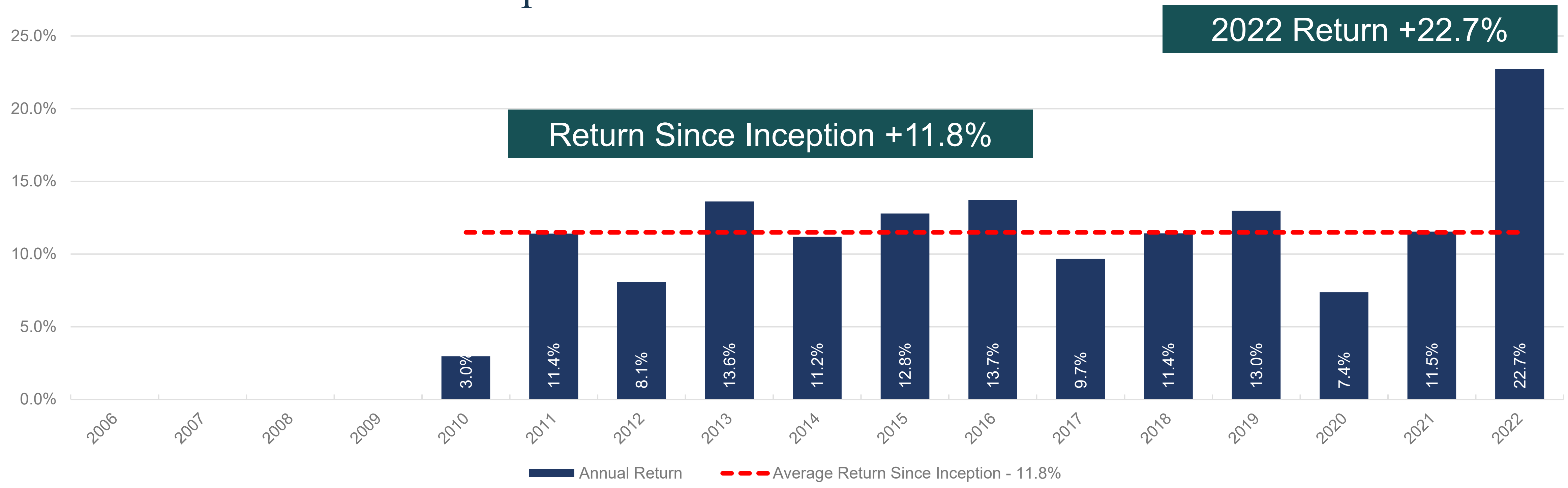
2022 Return +13.2%



Past performance is not indicative of future results. All investments contain risk and may gain or lose value. All returns are net of fund-level fees and expenses, including management fees and performance fees (if applicable). Please read the Limited Partnership Agreement and disclosure documents for important disclosure information including terms of redemption and limited liquidity. Nicola Wealth Management Ltd. (Nicola Wealth) is registered as a Portfolio Manager, Exempt Market Dealer and Investment Fund Manager with the required provincial securities' commissions. This is not a sale solicitation. This investment is only available for sale to residents of Canada who are accredited investors. Please speak with a Nicola Wealth advisor to discuss if this investment is right for you. Effective January 1, 2019 Nicola Canadian Real Estate LP, Nicola U.S. Real Estate LP, and Nicola Value Add Real Estate LP adopted new mandates and changed names from SPIRE Real Estate LP, SPIRE US LP, SPIRE Value Add LP. Distributions are not guaranteed and may vary in amount and frequency over time. For a complete listing of Nicola Wealth Real Estate portfolios, please visit realestate.nicolawealth.com.`

Nicola U.S. Real Estate LP

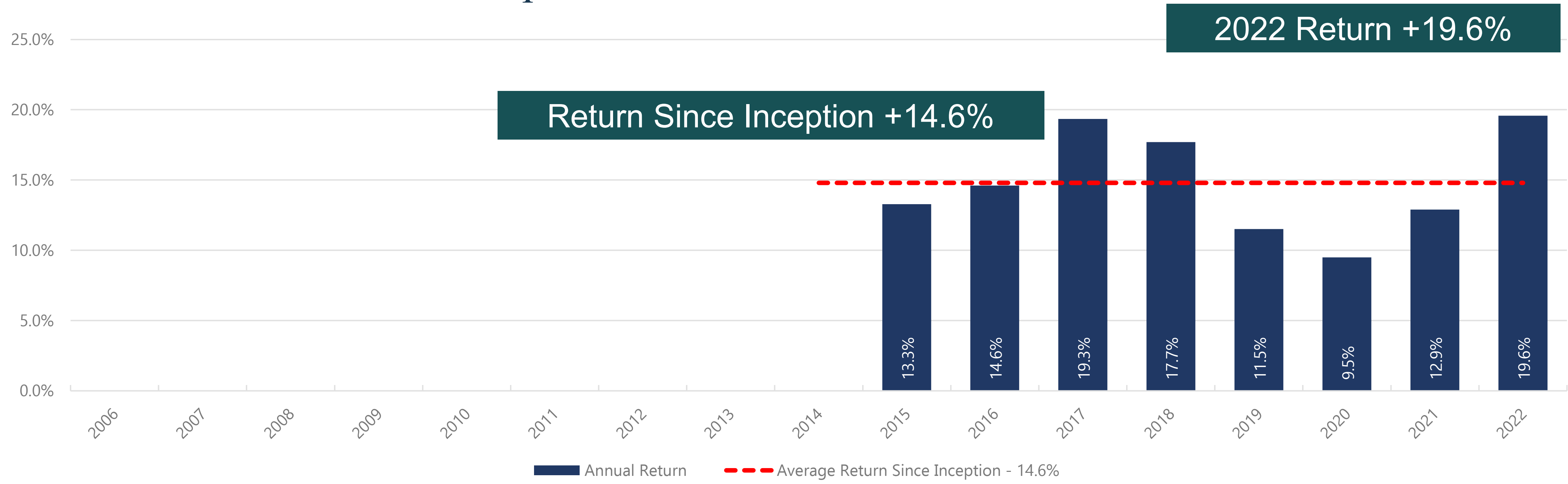
Annual Returns Since Inception



Past performance is not indicative of future results. All investments contain risk and may gain or lose value. All returns are net of fund-level fees and expenses, including management fees and performance fees (if applicable). Please read the Limited Partnership Agreement and disclosure documents for important disclosure information including terms of redemption and limited liquidity. Nicola Wealth Management Ltd. (Nicola Wealth) is registered as a Portfolio Manager, Exempt Market Dealer and Investment Fund Manager with the required provincial securities' commissions. This is not a sale solicitation. This investment is only available for sale to residents of Canada who are accredited investors. Please speak with a Nicola Wealth advisor to discuss if this investment is right for you. Effective January 1, 2019 Nicola Canadian Real Estate LP, Nicola U.S. Real Estate LP, and Nicola Value Add Real Estate LP adopted new mandates and changed names from SPIRE Real Estate LP, SPIRE US LP, SPIRE Value Add LP. Distributions are not guaranteed and may vary in amount and frequency over time. Nicola U.S. Real Estate LP was set up in July 2007 but opened to investors in June 2010 and all returns are calculated from June 2010. For a complete listing of Nicola Wealth Real Estate portfolios, please visit realestate.nicolawealth.com.

Nicola Value Add Real Estate LP

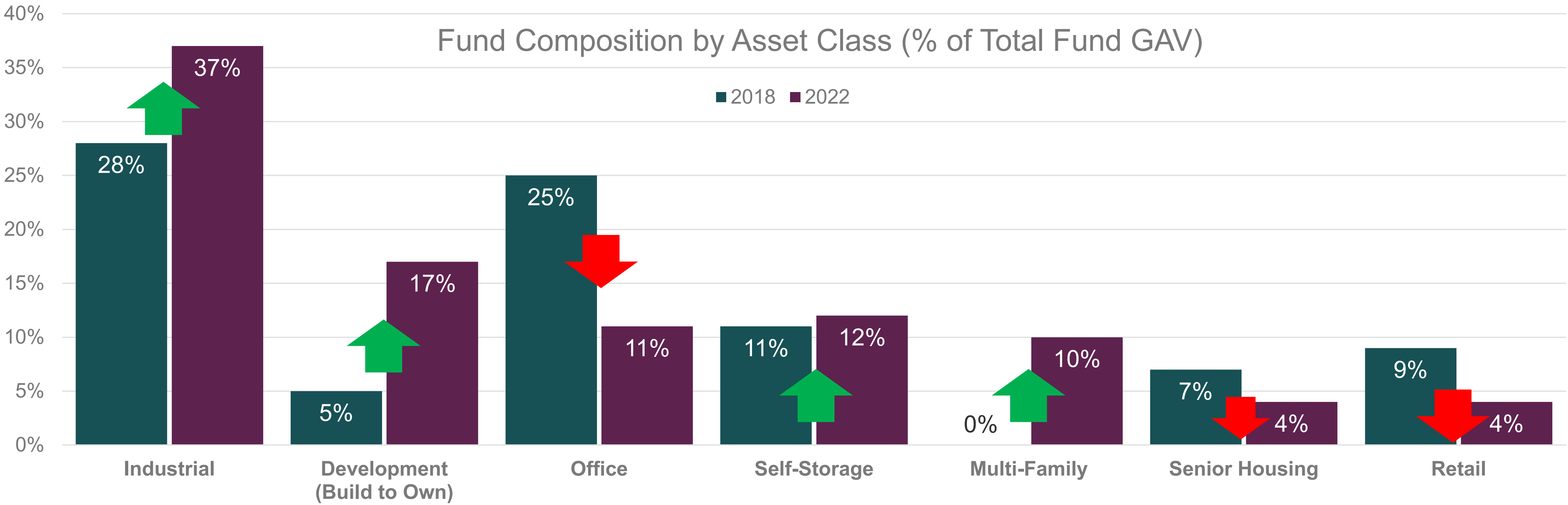
Annual Returns Since Inception



Past performance is not indicative of future results. All investments contain risk and may gain or lose value. All returns are net of fund-level fees and expenses, including management fees and performance fees (if applicable). Please read the Limited Partnership Agreement and disclosure documents for important disclosure information including terms of redemption and limited liquidity. Nicola Wealth Management Ltd. (Nicola Wealth) is registered as a Portfolio Manager, Exempt Market Dealer and Investment Fund Manager with the required provincial securities' commissions. This is not a sale solicitation. This investment is only available for sale to residents of Canada who are accredited investors. Please speak with a Nicola Wealth advisor to discuss if this investment is right for you. Returns are calculated on a monthly basis and may differ from client returns which are updated with a 1 month lag. Effective January 1, 2019 all funds branded NWM were changed to the fund family name Nicola. Effective January 1, 2019 Nicola Canadian Real Estate LP, Nicola U.S. Real Estate LP, and Nicola Value Add Real Estate LP adopted new mandates and changed names from SPIRE Real Estate LP, SPIRE US LP, SPIRE Value Add LP. Distributions are not guaranteed and may vary in amount and frequency over time. Nicola U.S. Real Estate LP was set up in July 2007 but opened to investors in June 2010 and all returns are calculated from June 2010. For a complete listing of Nicola Wealth Real Estate portfolios, please visit realestate.nicolawealth.com.

Nicola Canadian Real Estate LP

Fund Composition: 2018 to 2022



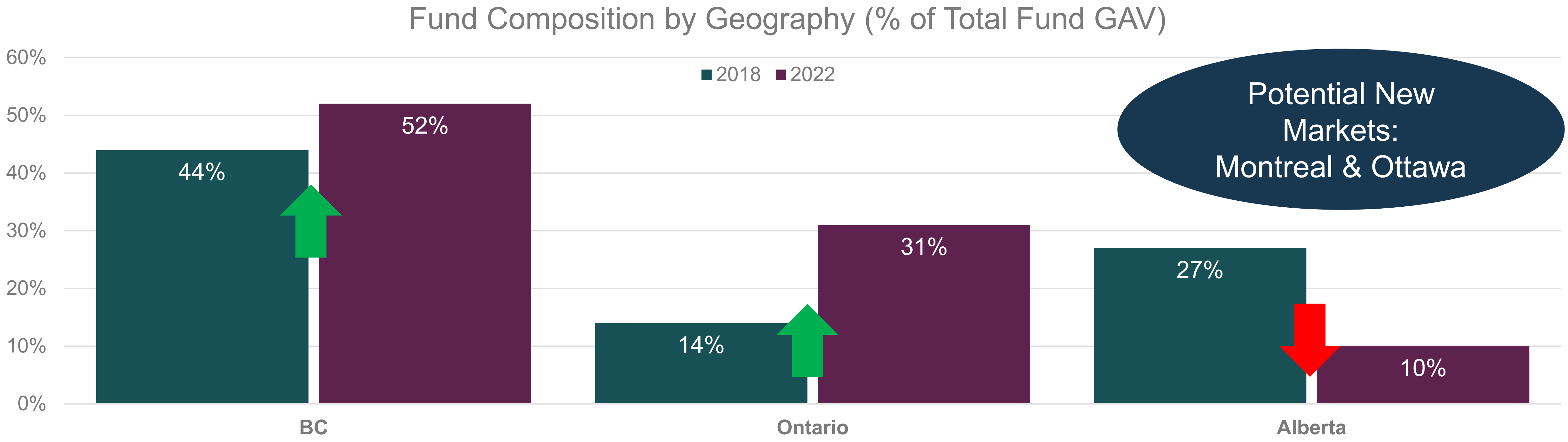






Nicola Canadian Real Estate LP

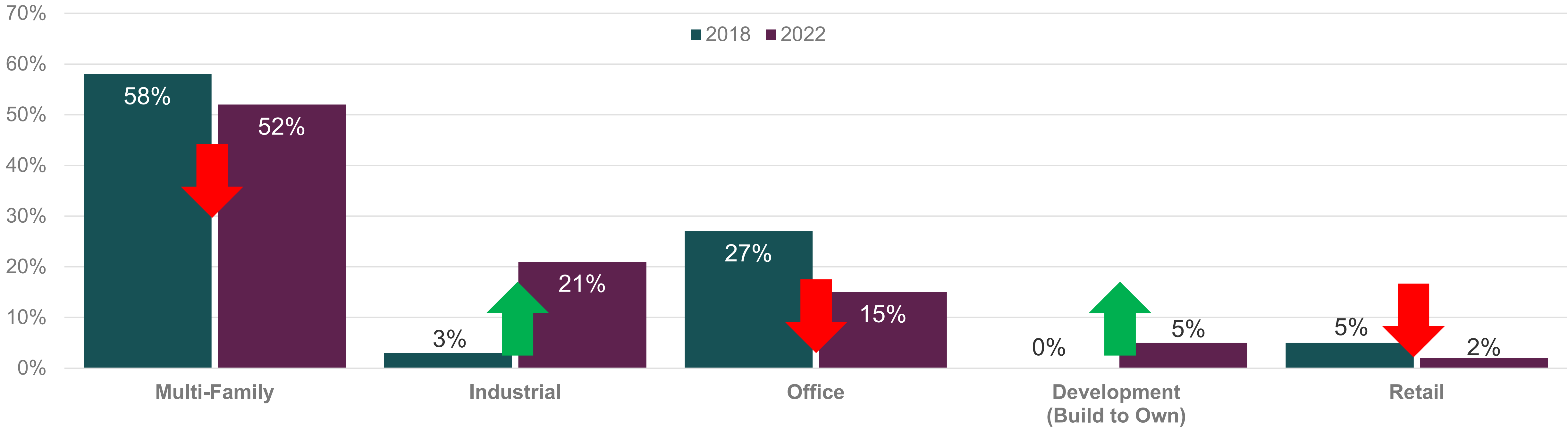
Fund Composition: 2018 to 2022



Nicola U.S. Real Estate LP

Fund Composition: 2018 to 2022

Fund Composition by Asset Class (% of Total Fund GAV)

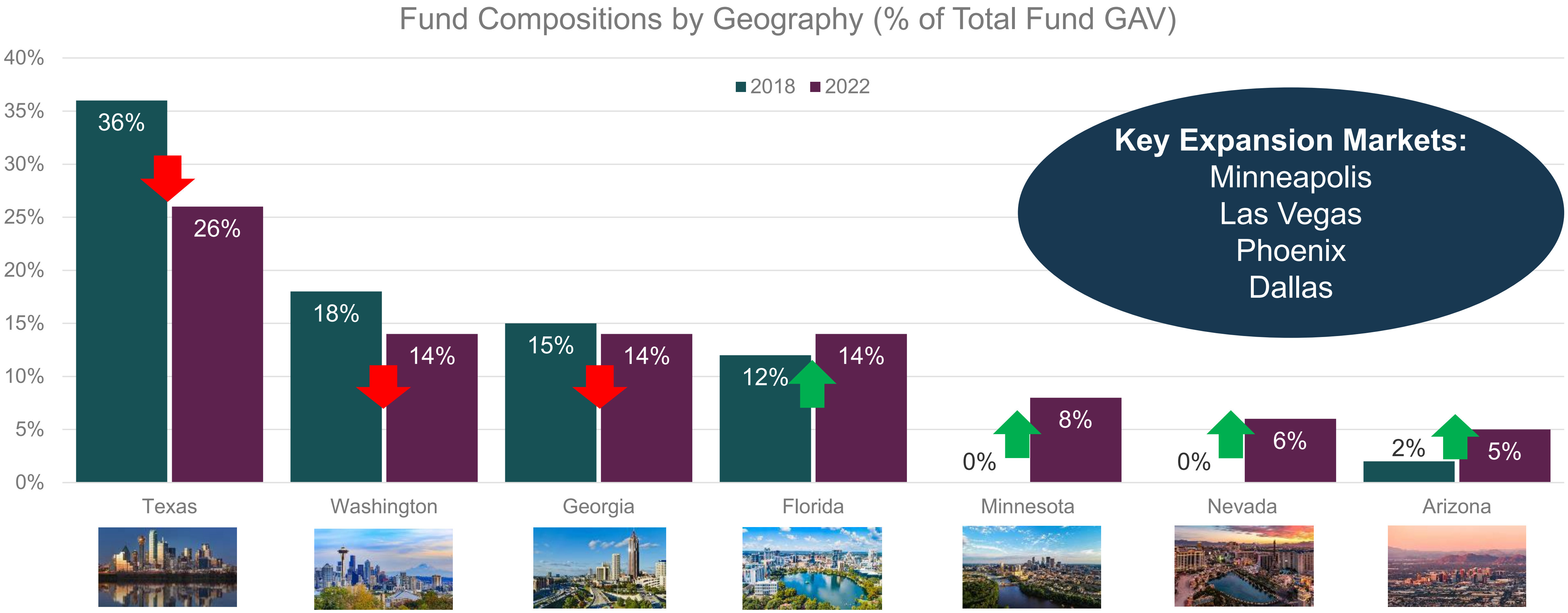






Nicola U.S. Real Estate LP

Fund Composition: 2018 to 2022



Nicola Wealth Real Estate Team

We have a proprietary in-house real estate team comprised of over 65 people across multiple disciplines

Asset Management

Liz Firer-Gillespie Vice President | **Stephanie Marshall** Director | **Dan Quon** Sr. Asset Manager | **Jason Penner** Sr. Asset Manager | **Colin McBride** Sr. Asset Manager | **Peter Harvie** Sr. Asset Manager | **Stephanie Loucas** Sr. Asset Manager | **Mohit Kahlon** Asset Manager | **Vicky Hou** Asset Manager

Development

Josh Anderson Vice President | **Andre Linaksita** Senior Manager

Finance

Meaghan Sarazin Vice President

Insurance

Lynn Wong Manager

Leasing

Roz McQueen Director | **Sveto Zvijerac** Director

Legal

Lisa Bernath Legal Operations Manager

Mortgages

Matthew Middleton Director

Investments

Mark Hannah Managing Director | **Alex Messina** Vice President | **Ron Bastin** Vice President | **Matthew Schaeffers** Director | **Shaun Blythen** Director | **Touraj Manshadi** Manager | **Wyatt Rybchinsky** Manager | **Justin Pang** Manager

Multi-Family Rental | *The James at Harbour Towers*

ADDRESS

345 Quebec Street, Victoria, BC

ASSET TYPE

Multi-Family Rental

BUILDING SIZE

219 Units

COMPLETE

2020

Multi-Family Rental | *Venterra US Portfolio*

# of Properties

78

# of Residential Units

21,600

KEY MARKETS

Houston
Dallas-Fort Worth
San Antonio
Atlanta
Orlando
Tampa
Jacksonville
Nashville
Oklahoma City

PARTNER

VENTERRA

Industrial | *880 Avonhead Road*

ADDRESS

880 Avonhead Road, Mississauga, ON

ASSET TYPE

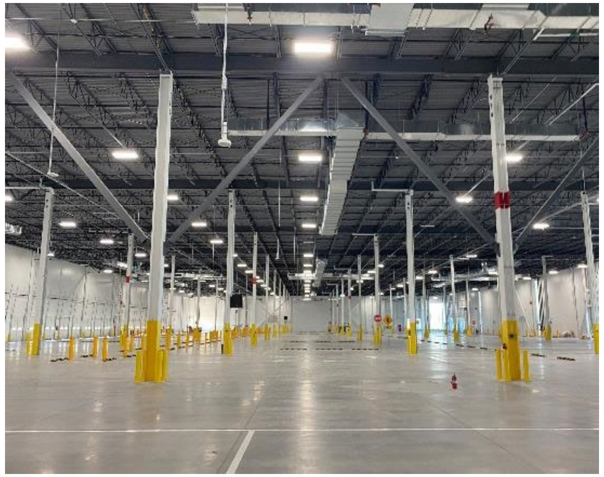
Industrial

BUILDING SIZE

274,447 sf

COMPLETION

2021



Build to Own | *Compass Logistics Center*

ADDRESS

6150 S. Pecos Road, Las Vegas, NV

ASSET TYPE

Industrial

BUILDING SIZE

150,120 sf

COMPLETION

2023

Industrial Outside Storage (IOS) | *3815 Donna Street*

ADDRESS

3815 Donna Street, Las Vegas, NV

ASSET TYPE

Industrial Outdoor Storage (IOS)

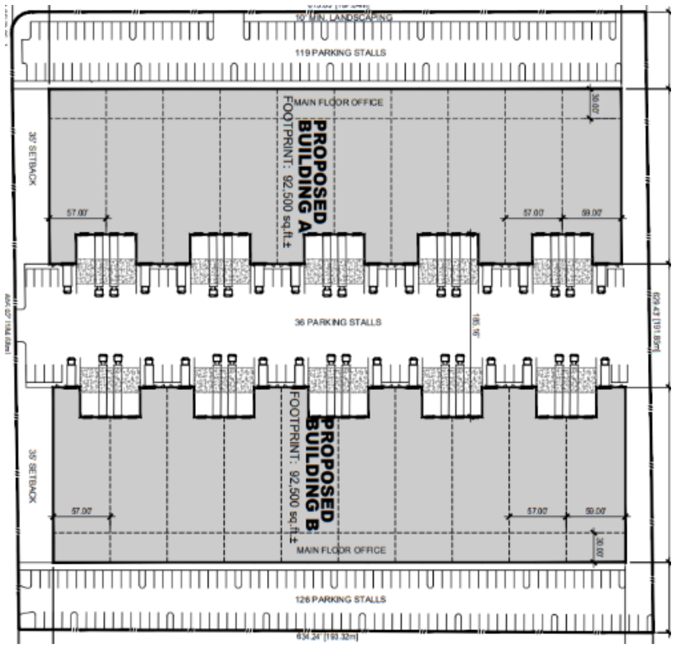
LAND AREA

9.1 acres

YEAR ACQUIRED

2022

FUTURE REDEVELOPMENT PLAN



Small-Bay Industrial | *208-220 Wyecroft Road*

ADDRESS

208-220 Wyecroft Road, Oakville, ON

ASSET TYPE

Small-Bay Industrial

RENTABLE AREA/TENANTS

112,179 sf – 33 tenants

YEAR ACQUIRED

2021

Self-Storage | *Squamish Self Storage Phase 1 & 2*

ADDRESS

39480 Queens Way, Squamish, BC

ASSET TYPE

Self-Storage

BUILDING SIZE

Phase 1 – 876 lockers
Phase 2 Under Construction – 676 lockers

ACQUIRED/COMPLETE

Phase 1 – Acquired 2019
Phase 2 – Completion 2023

Covered Land Play | *Northgate Executive Center*

ADDRESS

115-155 NE 100th Street, Seattle, WA

ASSET TYPE

Office – Covered Land Play

LAND AREA

6.7 acres

BUILDING SIZE

200,558 sf

YEAR ACQUIRED

2021

Creative Office | *5th & Columbia*

ADDRESS

2055 Columbia Street, Vancouver, BC

ASSET TYPE

Creative Office

BUILDING SIZE

25,000 sf

COMPLETION

2023

Question & Answer

David Sung, CFP, CLU, CHS, CIM
President
Client Relationship Manager

John Nicola, CFP, CLU, CHFC
Chairman &
Chief Executive Officer

Mark Hannah
Managing Director
Nicola Wealth Real Estate

Bijal Patel, MBA, LLB
Chief Financial Officer &
Head of Private Capital

Ben Jang, CAIA, CIM, DMS
Portfolio Manager
Public Assets

Thank You

NICOLA WEALTH

This presentation contains the current opinions of the presenter and such opinions are subject to change without notice. This material is distributed for informational purposes only and is not intended to provide legal, accounting, tax or specific investment advice. Please speak to your Nicola Wealth Advisor regarding your unique situation. Forecasts, estimates, and certain information contained herein are based upon proprietary research and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Nicola Wealth fund returns are quoted net of fund-level expenses. Past performance is not indicative of future results. All investments contain risk and may gain or lose value. Projected returns are estimates only. Returns are not guaranteed.

The Nicola Wealth inclusion policy is based on clients' weights at calendar month end. The composite returns are asset-weighted based upon ending monthly market value. The Nicola Core mandate may change throughout time. Additional information regarding policies for calculating and reporting returns is available upon request. The composite returns presented represent past performance and is not a reliable indicator of future results, which may vary.

Morningstar Canadian Neutral Balanced is a proprietary index developed by Morningstar Canada based on the CIFSC Fund categories (cifsc.org).

The S&P/TSX Capped REIT ETF seeks to provide long-term capital growth by replicating the performance of the S&P/TSX Capped REIT Index, net of expenses. The Index comprises securities of Canadian real estate investment trusts ("REITs") listed on the TSX, selected by S&P using its industrial classifications and guidelines for evaluating issuer capitalization, liquidity and fundamentals. iShares® ETFs are managed by BlackRock Asset Management Canada Limited ("BlackRock Canada"). Commissions, trailing commissions, management fees and expenses all my be associated with investing in iShares Funds. The indicated rates of return for the S&P/TSX Capped REIT ETF are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or operational charges or income taxes payable by any securityholder that would have reduced returns.

Comparisons of the historical performance of Nicola Wealth funds or models to the historical performance of indexes, mutual funds or other investment vehicles should only be undertaken with consideration of the differences that exist between the underlying investments that comprise the compared investment vehicles. Indexes may be primarily composed of a single asset type/asset class (i.e. 100% equities or 100% bonds) whereas Nicola Wealth funds may or may not contain a combination of exchange-traded equities, marketable bonds, private investments, other alternative investment classes and exempt products. When making any comparison of historical performance, these differences and their impact on the performance of each comparable should be taken into account.

Hypothetical performance results have many inherent limitations, only some of which are described below. No representation is being made that any account will or is likely to produce profits or losses similar to those shown. In fact, there are frequent sharp differences between hypothetical performance results and the actual results subsequently produced by any particular trading approach (continued on next).

1) Hypothetical performance results are limited in that they are generally prepared with the benefit of hindsight.
2) Hypothetical trading does not involve financial risk and no hypothetical trading record can completely account for the impact of financial risk in actual trading. The ability to withstand losses or adhere to a particular trading program in spite of trading losses are material points which can adversely affect actual trading results.
3) Numerous other limiting factors related to the behavior and performance of markets in general and/or to the implementation of any specific trading approach cannot be fully accounted for in the preparation of hypothetical performance results all of which can adversely affect actual trading results when compared to the hypothetical model.

Slide 25

Fund Short Name on Slide "Canadian Equity Income" = Legal Fund Name "Nicola Canadian Equity Income Fund"
Fund Short Name on Slide "Canadian Tactical" = Legal Fund Name "Nicola Canadian Tactical High Income Fund"
Fund Short Name on Slide "US Tactical" = Legal Fund Name "Nicola US Tactical High Income Fund"
Fund Short Name on Slide "US Equity Income" = Legal Fund Name "Nicola US Equity Income Fund (USD)"
Fund Short Name on Slide "Bond Fund" = Legal Fund Name "Nicola Bond Fund"
Fund Short Name on Slide "High Yield Bonds" = Legal Fund Name "Nicola High Yield Bond Fund"
Fund Short Name on Slide "Preferred Share" = Legal Fund Name "Nicola Preferred Share Fund"
Fund Short Name on Slide "Core" = Legal Fund Name "Nicola Core Portfolio Fund"
Fund Short Name on Slide "Global Real Estate" = Legal Fund Name "Nicola Global Real Estate Fund"
Fund Short Name on Slide "International Equity" = Legal Fund Name "Nicola International Leaders Fund"
Fund Short Name on Slide "Sustainable Innovation" = Legal Fund Name "Nicola Sustainable Innovation Fund"

Effective January 1, 2019 Nicola U.S. Real Estate LP adopted a new mandate and changed its name from SPIRE US LP. Distributions are not guaranteed and may vary in amount and frequency over time. Returns for Nicola U.S. Real Estate LP are calculated on a monthly basis and may differ from client returns which are updated with a 1-month lag. Nicola U.S. Real Estate LP was set up in July 2007 but opened to investors in June 2010 and all returns are calculated from June 2010. For a complete listing of Nicola Wealth Real Estate portfolios, please visit realestate.nicolawealth.com. Effective Jan. 1, 2019 the Nicola Canadian Real Estate LP adopted a new mandate and changed its name from SPIRE Real Estate LP, and the Nicola Value Add Real Estate LP adopted a new mandate and changed its name from SPIRE Value Add LP. This investment is only available for sale to residents of Canada who are accredited investors. Please speak with a Nicola Wealth advisor to discuss if this investment is right for you.

Nicola Wealth is registered as a Portfolio Manager, Exempt Market Dealer and Investment Fund Manager with the required securities commissions. This is not a sales solicitation.