Nicola Money Market Fund
Quarterly Report | Q4 2025

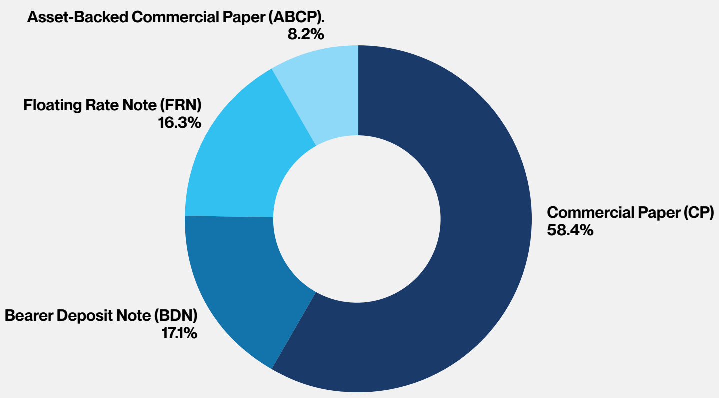
Overview

Nicola Money Market Fund seeks to provide preservation of capital and liquidity while aiming to deliver steady current income by investing primarily in Canadian-dollardenominated, high-quality (investment grade), short-term (typically less than one year) debt securities.

Highlights

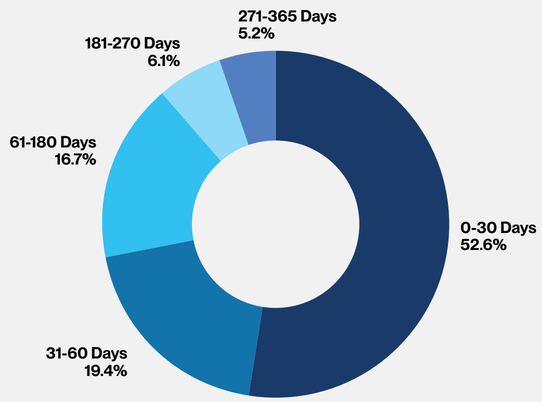
Capital preservation – The Fund invests in high-quality, short-term debt instruments.
Liquidity – Provides access to cash with minimal volatility.
Stable income – Seeks to generate consistent returns with lower risk.
Diversified holdings – Includes treasury bills, commercial paper, and other money market securities.
Low interest-rate sensitivity – Maintains a short duration to reduce exposure to rate changes.

HOLDINGS BY ASSET MIX
as of December 31, 2025

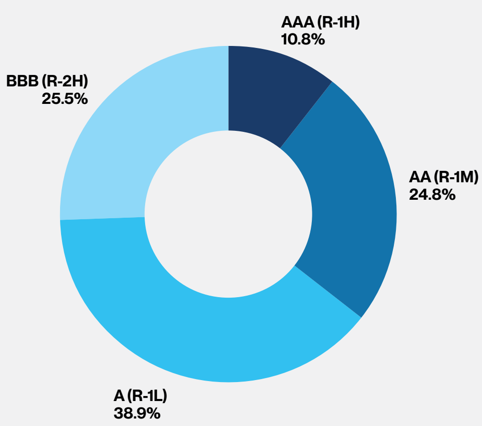


May not add to 100% due to rounding.

HOLDINGS BY TERM TO MATURITY
as of December 31, 2025



HOLDINGS BY CREDIT QUALITY
as of December 31, 2025



Fund Characteristics

Gross Yield[1]	2.79%
Average Credit Quality[2]	A(R-L1)
Average Term to Maturity	66 days
Number of Holdings	92

Returns as of December 31, 2025

YTD	2.9%
1 month	0.2%
3 month	0.7%
6 month	1.4%
1 year	2.9%
Since inception*	3.2%

**August 6, 2024*

Performance

The Nicola Money Market Fund ended Q4 with a yield of 2.79%, offering a yield advantage over the Bank of Canada 1-Month Treasury Bill Index (2.11%). The outperformance reflected our selective credit exposure and balanced duration positioning, as we positioned the portfolio ahead of the Bank of Canada's rate cut in late September.

Key Contributors

- **Top yield holdings:** Tourmaline Oil, Enbridge Inc., Nova Scotia Power, and TransCanada were among the fund's higher-yielding names and continued to support overall income.
- **Term positioning:** We increased exposure to commercial paper maturing in early- to mid-2026 to capture incremental yield while navigating year-end liquidity dynamics, as many issuers temporarily reduce issuance to manage balance sheets.
- **Floating-rate exposure:** Our Floating Rate Notes continued to provide attractive spreads over the Canadian Overnight Rate.

New Positions / Exit

- **Asset-Backed Commercial Paper (ABCP):** In Q4, we selectively added back exposure to bank-sponsored ABCP after having reduced positions earlier in the year. As spreads widened versus OIS, ABCP became more attractive on a relative-value basis compared with other high-quality issuers, including Enbridge Gas and Enbridge Pipe. This allowed the fund to enhance yield while maintaining strong liquidity.

- **Term adjustments:** We reduced exposure to 1-month commercial paper ahead of year-end issuer paydowns and increased allocations to maturities in early- to mid-2026. This positioning improved portfolio yield while keeping overall duration broadly unchanged.

- **Exit:** In December, several issuers—including Enbridge Pipe, Enbridge Gas, Canadian Utilities, Suncor, and TransCanada—paid down outstanding commercial paper as part of typical year-end balance-sheet management. Issuance from Enbridge Gas and Pipe was consolidated into Enbridge Inc, which resulted in higher broker inventories and limited incremental demand from investors already at issuer limits. Having planned for this seasonal pattern and preserved issuer capacity in advance, the fund was able to add high-quality Enbridge Inc commercial paper at attractive levels, with yields around 2.82% compared with more typical levels near 2.74%.

Our Thoughts On:

The Market

In October, the Bank of Canada delivered a widely expected 25 basis point rate cut. Early in the quarter, markets priced in the possibility of additional easing in 2026. However, as economic data surprised to the upside later in Q4, expectations shifted, with markets beginning to price a meaningful probability—around 25%—of a rate hike in 2026.

Given the rapidly evolving political and trade backdrop, we remain cautious in our positioning, recognizing that market expectations can change quickly as new information emerges.

The Fund

The Nicola Money Market Fund remains well diversified and conservatively positioned. Supply tightened toward quarter-end as issuers limited new issuance to manage balance sheets ahead of the Bank of Canada meeting. The Fund also experienced over $32 million in net inflows during the quarter.

Looking ahead, we expect issuance to normalize in the new year, as issuers that paid down balances in December typically return to the market in early January 2026.

Top 10 Holdings as of December 31, 2025

Holdings	% of NAV
TOURMALINE OIL CORP 2.750% Jan 20, 2026	5.3%
ONTARIO POWER GENERATION 2.690% Jan 21, 2026	5.0%
ONTARIO POWER GENERATION 2.600% Apr 15, 2026	4.4%
MUFG BANK LTD/CA 2.400% Jan 28, 2026	4.2%
TOURMALINE OIL CORP 2.750% Jan 21, 2026	4.0%
VW CREDIT CANADA INC 3.400% Feb 19, 2026	3.7%
HONDA CANADA FIN INC 3.000% Jan 06, 2026	2.7%
CANADIAN IMPERIAL BANK 3.040% Jan 28, 2026	2.6%
EQUITABLE BANK 3.300% Feb 19, 2026	2.3%
MANULIFE BANK OF CANADA 2.530% Nov 12, 2026	2.3%
Total	**36.5%**

[1] *Gross Yield represents the estimated income generated from the fund's underlying holdings, including income from externally managed funds. These estimates are based on the best available information and are subject to change without notice.*

[2] *Average Credit Rating and Credit Quality are based on credit ratings sourced from DBRS Morningstar. These ratings offer an assessment of the credit risk associated with the securities and are subject change. While the ratings are intended to provide insight into the relative risk of the securities, they do not guarantee future performance or investment outcomes. For more information, see https://dbrs.morningstar.com/media/DBRSM-Product-Guide.pdf*