NICOLA WEALTH
PUBLIC ASSETS

Nicola Global Small-Cap Equity Fund Quarterly Report | Q1 2026

Overview

Nicola Global Small-Cap Equity Fund seeks to uncover opportunities in global equity markets by targeting smaller, lesser knowncompanies with strong fundamentals and high growth potential. This strategy aims to capitalize on market inefficiencies in the small-cap space providing investors with a globally diversified portfolio of overlooked opportunities poised for long-term capital growth.

Highlights

Uncovering overlooked opportunities – Small-cap companies typically have less coverage than large-cap companies and are generally less understood and relatively unknown, and not popular which may provide compelling opportunities to capitalize on under priced opportunities.

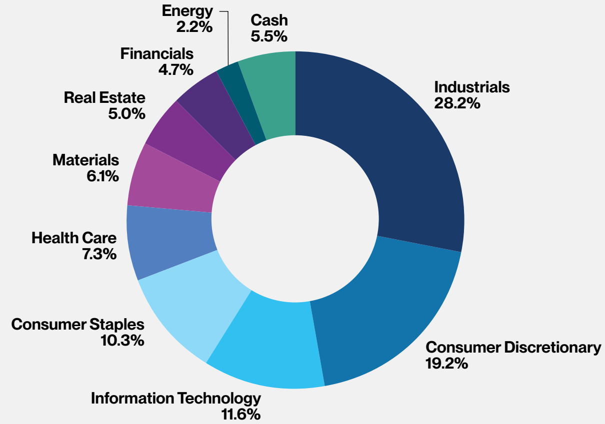
Access a large market – There are 10,000+ companies in the small-cap investment universe.

Focus on fundamentals – The Fund targets companies with strong future revenue growth, solid profitability, margin expansion prospects, robust cash flows, solid balance sheets, quality management teams, and good earnings growth.

Bottom-up value investing – Focusing on value means never paying full price – low absolute, low relative to peers, low relative to own history, and low relative to the broader market.

Broad diversification – The Fund is diversified across geographies and industries, which is central to managing risk levels. The Fund may also use currency hedges as appropriate with the use of currency forwards.

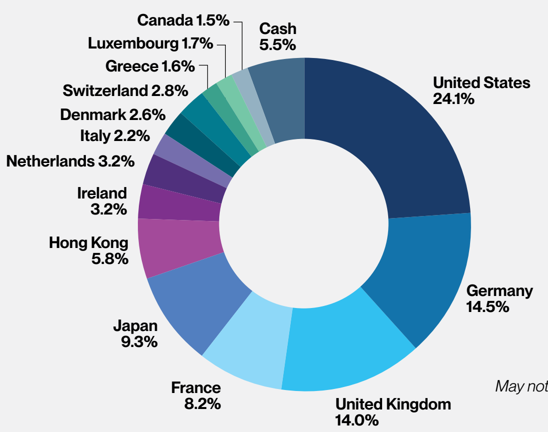
HOLDINGS BY SECTOR
as of March 31, 2026



Equity Characteristics

Forward Price-to-Earnings (P/E)	12.6x
Price-to-Book Value Ratio	2.4x
Enterprise Value-to-EBITDA	8.8x
Net Debt-to-EBITDA	1.8x
Median Market Capitalization	US$3.4B
EPS Growth	8.1%
Return on Equity	12.3%
# of Holdings	50
Dividend Yield[1]	3.4%

HOLDINGS BY COUNTRY
as of March 31, 2026



May not add up to 100% due to rounding.

Returns as of March 31, 2026

	CAD	USD
YTD	-3.0%	-4.3%
1 month	-9.2%	-11.0%
3 month	-3.0%	-4.3%
6 month	-1.2%	-1.2%
1 year	12.7%	16.5%
3 year	10.1%	9.1%
Since inception*	9.2%	6.9%

April 30, 2022

Calendar Year Returns

	CAD	USD
2025	16.0%	21.5%
2024	11.8%	2.9%
2023	10.6%	13.3%
2022**	1.4%	-4.2%

***Return for the fund's first calendar year reflects performance from inception to December 31 of that year.*

Performance

(All performance in CAD)

For Q1 2026, the Nicola Global Small Cap Fund (CAD) returned -3.0% vs +2.6% for the MSCI ACWI Small Cap NTR Index. For the trailing 1-year, the Nicola Global Small Cap Fund (CAD) was +12.7% vs +22.1% for the MSCI ACWI Small Cap NTR Index.

Despite a strong start to the year, global small cap markets corrected in March as concerns mounted over the impact on growth and inflation of higher oil prices stemming from the conflict in Iran. For the quarter, U.S. (+4.1%) small caps outperformed, while International (+0.4%) and Emerging Markets (+0.9%) small caps underperformed.

The Fund underperformed during the quarter due to security selection in Europe and Industrials. In March, the conflict in Iran caused international markets (an area the fund is overweight) to underperform the U.S. due to their higher reliance on oil imports. Within Europe, our cyclical stocks (Consumer Discretionary, Industrials) were the worst performers. Main relative contributors to performance during the month were our holdings in the United States and Consumer Staples. Our U.S. consumer staples holdings (Coca-Cola Consolidated, Edgewell) were some of the largest contributors as they benefited from a rotation away from cyclical sectors into more defensive areas during the sell-off in March.

New Investments / Exits

During the quarter, the Fund added **Tecan Group AG**, a leading manufacturer of precision instruments for the pharma and diagnostics industries. The shares have seen a meaningful sell-off due to biopharma market weakness, de-stocking, and tariffs. Over the long term, we believe Tecan is well-positioned for a recovery in bio-pharma markets, increasing penetration of automation technology, and higher outsourcing of instrument manufacturing.

The Fund fully exited its remaining small position in **G8 Education**, an Australian community-focused childcare firm, due to a change in the investment thesis.

Our Thoughts On:

The Market and Fund

The first quarter of 2026 saw several economic and geopolitical developments. While the future of the Middle East conflict remains uncertain, we expect tensions will ease over the near term as the continued closure of the Strait of Hormuz is unsustainable. However, the impact of this event on growth and inflation over the short and long term remains uncertain. As a result, the Fund remains underweight in certain cyclical sectors (Financials, Energy, Materials) and well-diversified (50 positions, average position size: 2.0%). At the stock level, we continue to focus on good businesses with pricing power, solid balance sheets, and strong free cash flow generation.

Top 10 Holdings as of March 31, 2026

Holdings	Weight	Description
Affiliated Managers Group, Inc	3.0%	U.S.-based global asset management company that invests in boutique investment firms, providing them with strategic, operational, and distribution support while maintaining their investment independence.
ISS A/S	2.6%	Danish-based global provider of facility management and workplace services, delivering cleaning, catering, technical, and support services to corporate and public sector clients across Europe, North America, and Asia.
LANXESS AG	2.6%	German-based chemical manufacturer of specialty additives, consumer protection chemicals, and industrial chemicals.
TAG Immobilien AG	2.5%	Residential property manager in Germany and Poland.
Sopra Steria Group	2.5%	France-based European IT consultancy providing digital transformation services across public and private sectors, including financial services, aerospace, and defense.
Watches of Switzerland Group	2.5%	International luxury watch and jewellery retailer based in the UK, operating a network of showrooms and online platforms offering high-end timepieces and related products in the UK, US and Europe.
LEG Immobilien SE	2.5%	Top-three German residential property manager with a concentrated portfolio in the country's densest population region.
Edgewell Personal Care Co.	2.5%	Edgewell Personal Care Company U.S.-based personal care products company focused on shaving, sun care, skin care, and feminine hygiene brands sold globally.
QinetiQ Group plc	2.4%	Service-based UK defence contractor providing defence training and testing services to military equipment and systems.
Takuma Co., Ltd.	2.4%	Leading manufacturer of waste treatment facilities and biomass plants in Japan.
Total	**25.5%**	

Total may differ slightly due to rounding of individual holdings.

[1] Dividend Yield represents the weighted average yield of the fund's underlying equity holdings. It is calculated as the weighted average of the forward estimated 12-month dividends divided by the most recent closing price.

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.

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