Nicola Money Market Fund Quarterly Report | Q2 2026

NICOLA WEALTH
PUBLIC ASSETS

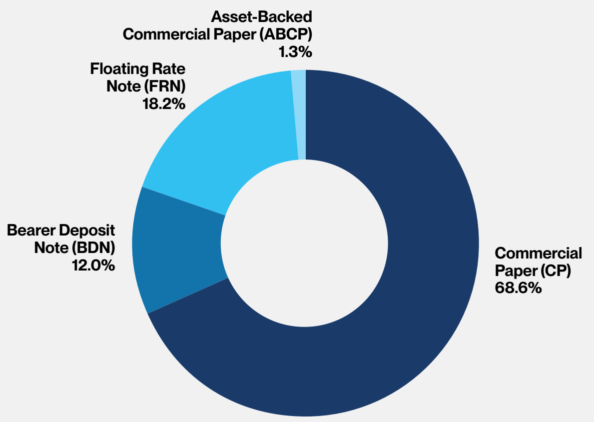
Overview

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

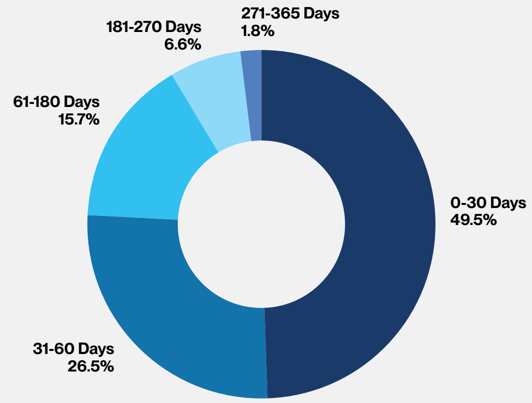
Capital preservation – The Fund invests in high-quality, short-term debt instruments.
Liquidity – Provides access to cash with minimal volatility.
Stable income – Seeks to generate consistent returns with lower risk.
Diversified holdings – Includes treasury bills, commercial paper, and other money market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

HOLDINGS BY ASSET MIX as of June 30, 2026

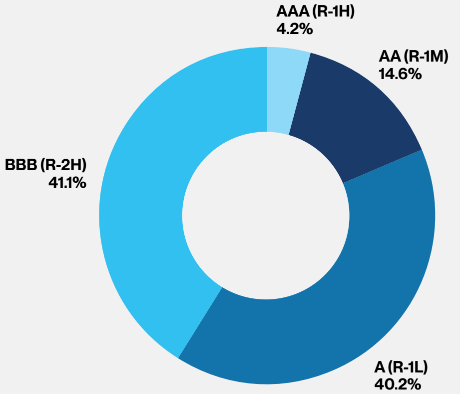


May not add to 100% due to rounding.

HOLDINGS BY TERM TO MATURITY as of June 30, 2026



HOLDINGS BY CREDIT QUALITY as of June 30, 2026



Fund Characteristics

Gross Yield[1]	**2.81%**
Average Credit Quality[2]	**A(R-L1)**
Average Term to Maturity	**56 days**
Number of Holdings	**78**

Returns as of June 30, 2026

YTD	**1.2%**
1 month	**0.2%**
3 month	**0.6%**
6 month	**1.2%**
1 year	**2.6%**
Since inception*	**3.0%**

**August 6, 2024*

Performance

The Nicola Money Market Fund ended Q2 with a yield of 2.54%, maintaining a yield advantage over the iShares Premium Money Market ETF (CMR CN, 2.35%). The Fund delivered a quarterly return of 0.61%, outperforming iShares Premium Money Market ETF which returned 0.59%. This outperformance was primarily driven by our selective credit exposure and balanced duration positioning.

Key Contributors

- **Top holdings:** Positions in Tourmaline Oil, Enbridge Inc., Nova Scotia Power, and TransCanada remained key contributors to portfolio income.
- **Term positioning:** We shortened the portfolio's average maturity during the quarter as Bank of Canada rate expectations shifted, maintaining flexibility amid an uncertain rate outlook
- **Floating-rate exposure:** Our Floating Rate Notes continued to generate attractive spreads over the Canadian Overnight Rate, supporting overall yield.

New Positions / Exit

- **Canadian Pacific Railway:** We participated in newly issued commercial paper from Canadian Pacific Railway, adding another R-2H issuer to the portfolio.
- **TransCanada Pipeline:** Our exposure to TransCanada declined during the quarter as the company reduced its commercial paper outstanding. We expect to add the issuer back to the portfolio as new issuance becomes available.

Our Thoughts On:

The Market

The interest rate outlook continued to evolve throughout the quarter as market expectations for Bank of Canada policy shifted several times. While geopolitical risks eased somewhat from earlier in the year, uncertainty around inflation, economic growth, and trade continued to influence market sentiment.

Given this backdrop, we maintained a cautious and flexible approach by keeping the portfolio' maturity profile relatively short. This positioning allows us to respond as the interest rate outlook evolves while continuing to focus on preserving liquidity, maintaining credit quality, and generating competitive income.

The Fund

The Fund remains well diversified, with an emphasis on liquidity, high-quality issuers, and short-dated maturities. Our positioning reflects a disciplined assessment of credit fundamentals, relative value, and market conditions:

- **Fundamentals:** We remain focused on issuers that meet our investment criteria, supporting our objectives of liquidity and capital preservation. remain focused on issuers with resilient credit fundamentals and conservative balance sheets that support capital preservation and liquidity.
- **Valuations:** All-in yields remain attractive relative to recent history, although spreads have tightened modestly, particularly in higher-quality segments. We remain selective in deploying capital, focusing on opportunities that provide adequate compensation for liquidity and credit risk rather than reaching for incremental yield.
- **Technicals:** Market technicals remained supportive despite uneven quarter-end supply. As several issuers reduced outstanding balances for balance sheet management purposes and issuance from some core names remained limited, opportunities became more narrowed. We selectively deployed cash into investments that met our investment criteria while maintaining ample liquidity.

We continued to deploy cash selectively as attractive opportunities emerged while maintaining ample liquidity. We remain well positioned to respond as market conditions continue to evolve.

Top 10 Holdings as of June 30, 2026

Holdings	% of NAV
TOURMALINE OIL CORP 2.780% Aug 26, 2026	10.2%
VW CREDIT CANADA INC 3.410% Aug 19, 2026	4.2%
CAN PACIFIC RAILWAY 2.530% Jul 15, 2026	3.9%
TRANSCANADA PIPELINES 2.740% Jul 06, 2026	3.9%
ENBRIDGE INC 2.820% Jul 13, 2026	3.7%
ENBRIDGE GAS INC 2.370% Jul 02, 2026	3.6%
HONDA CANADA FIN INC 2.750% Sep 15, 2026	3.4%
TRANSCANADA PIPELINES 2.740% Jul 10, 2026	3.1%
CANADIAN IMPERIAL BANK 3.050% Jul 28, 2026	3.0%
CAN PACIFIC RAILWAY 2.530% Jul 20, 2026	2.7%
Total	**41.7%**

[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*

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.