NICOLA WEALTH
PUBLIC ASSETS

Nicola Money Market Fund Quarterly Report | Q3 2026

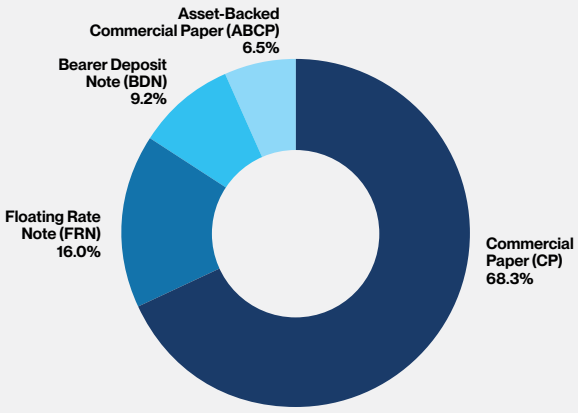
Overview

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

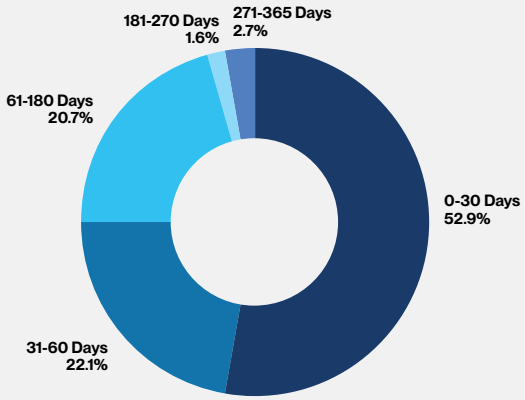
Capital preservation – The Fund invests in high-quality, short-term debt instruments.
Liquidity – Provides access to cash with minimal volatility.
Stable income – Seeks to generate consistent returns with lower risk.
Diversified holdings – Includes treasury bills, commercial paper, and other money market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

HOLDINGS BY ASSET MIX as of September 30, 2026

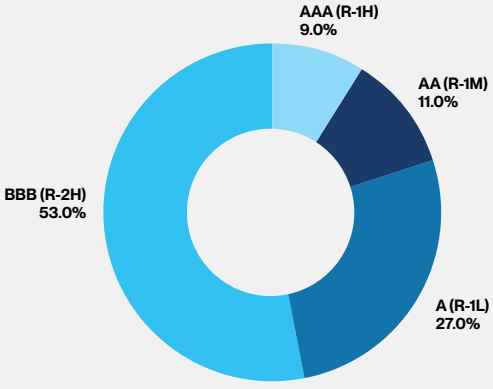


May not add to 100% due to rounding.

HOLDINGS BY TERM TO MATURITY as of September 30, 2026



HOLDINGS BY CREDIT QUALITY as of September 30, 2026



Fund Characteristics

Gross Yield[1]	**2.78%**
Average Credit Quality[2]	**A(R-L1)**
Average Term to Maturity	**51 days**
Number of Holdings	**68**

Returns as of September 30, 2026

YTD	**1.8%**
1 month	**0.2%**
3 month	**0.6%**
6 month	**1.2%**
1 year	**2.5%**
Since inception*	**3.0%**

**August 6, 2024*

Performance

The Nicola Money Market Fund ended Q3 with a yield of 2.5%, maintaining a yield advantage over iShares Premium Money Market ETF (CMR CN, 2.36%). The Fund delivered a quarterly return of 0.61%, outperforming the benchmark return of 0.58%. Throughout the quarter, we continued to focus on maintaining a well-diversified portfolio of short-term securities, with an emphasis on overall portfolio quality while seeking attractive opportunities to enhance portfolio income.

Key Contributors

- **Top holdings:** Positions in Tourmaline Oil, Pembina Pipeline Corp., Nova Scotia Power, and TransCanada Pipelines remained key contributors to portfolio income.
- **Term positioning:** We modestly extended the portfolio's average maturity during the quarter, while maintaining a relatively short and flexible maturity profile. With the interest rate outlook remaining uncertain and market participants generally cautious, this positioning allowed us to capture attractive yields while retaining flexibility.
- **Floating-rate exposure:** Our floating rate notes continued to generate attractive spreads over the Bank of Canada's Canadian overnight rate, supporting the fund's overall yield.

New Positions / Exit

- **Pembina Pipeline:** New issuance from Pembina Pipeline offered yields comparable to those previously available from Enbridge, presenting an attractive relative value opportunity. Early engagement with dealers helped us secure a favourable allocation in the new issuance.
- **Cambium Trust (ABCP backed by National Bank):** We identified attractive relative value in longer-dated issuance from National Bank's new asset-backed commercial paper conduit. We added securities with approximately one year to maturity, taking advantage of the additional spread offered by the new issuance.
- **HCN Canadian Holding:** We initiated a position in HCN Canadian Holdings, an issuer in the senior housing sector. The securities offered competitive yields relative to established issuers such as Canadian Pacific Railway while providing additional portfolio diversification across economic sectors.
- **Portfolio repositioning:** We reduced our exposure to select commercial paper positions, including Suncor Energy and Canadian Utilities, and reallocated those proceeds to attractive opportunities in new issuance, enhancing the portfolio's overall relative value.

Our Thoughts On:

The Market

Macroeconomic and geopolitical developments have continued to shape market conditions throughout the year, with expectations of the Bank of Canada adjusting its interest rate policy as economic conditions evolve. During Q3, concerns about inflation, economic growth, and global trade remained important factors that influenced market sentiment, with investors generally maintaining a cautious approach to the interest rate outlook.

Against this backdrop, we maintained a cautious and flexible approach, keeping the portfolio's overall maturity profile relatively short. This positioning allows us to respond to changing interest rate expectations while continuing to prioritize liquidity, credit quality, and income generation.

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 continue to favour high-quality issuers with strong credit fundamentals, sound balance sheets, and reliable access to funding markets. Credit selection remains disciplined, with capital preservation and liquidity at the forefront of our investment decisions.
- **Valuations:** New issuance during the quarter provided opportunities to capture modestly wider spreads and more attractive relative valuations compared to the previous quarter. We remained selective in deploying capital, focusing on securities offering appropriate compensation for credit and liquidity risks.
- **Technicals:** New issuance activity provided opportunities during the quarter, including offerings from Pembina Pipeline and National Bank's new ABCP conduit ahead of quarter-end. This additional supply broadened our investment opportunities and allowed us to deploy capital at attractive levels while maintaining portfolio quality and liquidity.

We continued to deploy cash selectively into opportunities offering attractive risk-adjusted return potential, while maintaining ample liquidity and flexibility to respond to changing market conditions.

Top 10 Holdings as of September 30, 2026

Holdings	% of NAV
NOVA SCOTIA POWER INC 2.780% Oct 16, 2026	8.0%
TOURMALINE OIL CORP 2.770% Oct 27, 2026	7.9%
HCN CANADIAN HLDNGS-1 LP 2.570% Oct 22, 2026	6.8%
HONDA CANADA FIN INC 2.820% Dec 15, 2026	4.0%
BCI QUADREAL REALTY 2.550% Nov 19, 2026	3.8%
ENBRIDGE INC 2.630% Oct 19, 2026	3.7%
VW CREDIT CANADA INC 3.400% Nov 19, 2026	3.6%
TRANSCANADA PIPELINES 2.700% Oct 20, 2026	3.2%
CANADIAN IMPERIAL BANK 3.040% Oct 28, 2026	2.6%
CAN PACIFIC RAILWAY 2.590% Oct 16, 2026	2.5%
Total	**46.1%**

[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.

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