NICOLA WEALTH
PUBLIC ASSETS

Nicola Global Small-Cap Equity Fund Quarterly Report | Q3 2026

Overview

Nicola Global Small-Cap Equity Fund seeks to uncover opportunities in global equity markets by targeting smaller, lesser known companies 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.

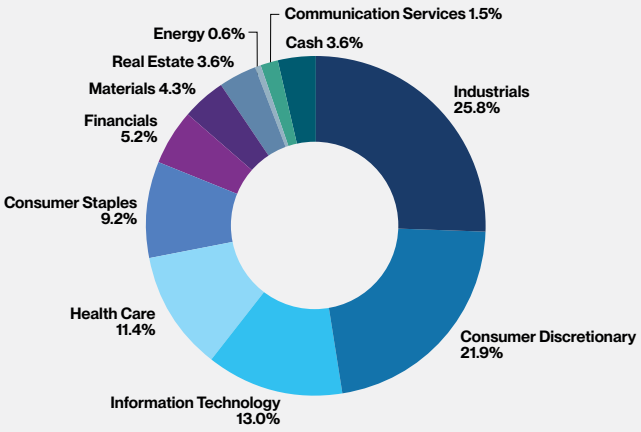
Access a large market – There are 10,000+ companies in the small-cap investment universe.

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.

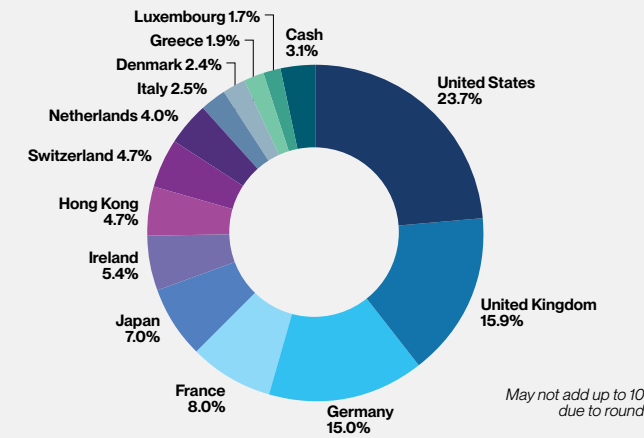
HOLDINGS BY SECTOR as of September 30, 2026



Equity Characteristics

Forward Price-to-Earnings (P/E)	13.9x
Price-to-Book Value Ratio	2.5x
Enterprise Value-to-EBITDA	8.9x
Net Debt-to-EBITDA	2.5x
Median Market Capitalization	US$3.3B
EPS Growth	8.9%
Return on Equity	12.8%
# of Holdings	53
Dividend Yield[1]	3.2%

HOLDINGS BY COUNTRY as of September 30, 2026



May not add up to 100% due to rounding.

Returns as of September 30, 2026

	CAD	USD
YTD	**12.9%**	**8.9%**
1 month	**-1.4%**	**-4.0%**
3 month	**1.0%**	**0.7%**
6 month	**16.4%**	**13.8%**
1 year	**15.0%**	**12.4%**
3 year	**15.8%**	**13.9%**
Since inception*	**11.9%**	**9.2%**

**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

The Nicola Global Small Cap Fund generated a return of +1.0% for Q3, compared with a -3.1% return for the MSCI ACWI Small Cap NTR Index. For the one year period, ending September 30, 2026, the Nicola Global Small Cap Fund has returned +15.0% compared with a +17.9% return for the MSCI ACWI Small Cap NTR Index.

Global equities posted slight gains during Q3 despite a challenging macroeconomic and geopolitical backdrop. Markets weighed persistent geopolitical tensions, elevated energy prices, and rising interest rates against resilient economic data and continued corporate earnings growth. For the quarter, international and emerging markets small caps outperformed (+3.1% and +0.3% respectively), while U.S small caps underperformed (-7.4%).

The Fund outperformed during the quarter due to security selection in Europe and allocation to the industrials sector. Despite elevated energy prices and rising yields, many of our European holdings rebounded from the initial sell-off sparked by the Middle East conflict as earnings confirmed resilient underlying businesses. Main detractors were security selection in Japan and in the materials sector. Our export-focused and industrial sector holdings in Japan were negatively impacted by a strengthening Yen and rising yields during the quarter.

New Investments / Exits

During the quarter, the Fund added

Carl Zeiss Meditec AG (AFX.DE) – Carl Zeiss is a leading provider of diagnostic and treatment solutions for eye diseases and advanced visualization tools for microsurgery. We view the company as an attractive business, supported by favorable market positions, demographic tailwinds, growing demand for premium solutions and improved access to health care. Its longer-term prospects should also benefit from cost-cutting initiatives and a recovery in select end markets.

Springer Nature AG & CO KGAA (SPG) – Springer Nature is the world's second-largest research journal publisher, accounting for roughly 14% of global article volumes across approximately 3,400 journals. Its main business is publishing peer-reviewed scientific journals, anchored by its flagship Nature brand, the highest reputable journal brand in the industry, alongside academic books and a growing suite of research services spanning the major scientific disciplines. We believe that recent concerns over AI disruption are overdone and the company's competitive advantages (primarily the reputation of its journals and its detailed peer review process) are sustainable. In addition, a shift to an open access model supports higher growth and expanding margins going forward.

Ensign Energy Services Inc (ESI) – The Fund fully exited its holding in Canadian oilfield services company ESI during the quarter based on our view that Ensign's future potential upside is no longer sufficient to compensate for its balance sheet risk.

Our Thoughts On:

The Market

Going into the final quarter of 2026, we see opportunities for markets from the de-escalation in the Middle East conflict, continued investments in AI, and solid earnings growth. These opportunities are balanced by risks around on-going geo-political risks, sustainability of current AI capex spending levels, and rising interest rates globally.

The Fund

As a result, the Fund remains underweight certain cyclical sectors (financials, energy, materials) and well-diversified (53 positions, average position size: 1.8%). 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 September 30, 2026

Holdings	Weight	Description
Affiliated Managers Group, Inc	3.4%	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.
Tecan Group AG	2.9%	Swiss-based provider of laboratory automation and diagnostic instruments for the life sciences and healthcare industries worldwide.
Perrigo Company plc	2.8%	Global consumer self-care over-the-counter health and wellness solutions provider.
Benchmark Electronics inc.	2.7%	U.S.-based provider of electronic manufacturing services and engineering solutions.
Greencore Group plc	2.5%	Ireland-based convenience food manufacturer supplying sandwiches, ready meals, salads, and other prepared foods to major UK retailers.
Sanmina Corporation	2.5%	U.S.-based provider of electronic manufacturing and supply chain solutions for industries including healthcare, automotive, and communications.
De'Longhi S.p.A.	2.5%	Italian manufacturer of small household appliances, best known for coffee machines, heaters, air conditioners, kitchen appliances and other consumer products sold worldwide.
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.
Plexus Corporation	2.4%	US-based electronic manufacturing services provider servicing the industrial, healthcare, aerospace and defense industries
Watches of Switzerland Group	2.4%	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.
Total	**26.7%**	

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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