



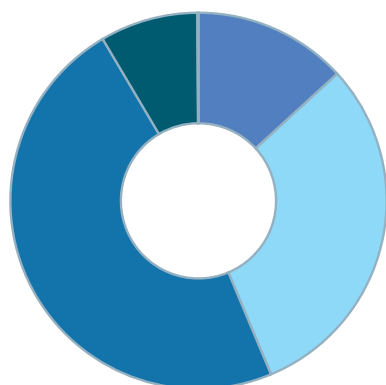
## OBJECTIVE

The Nicola Global Bond Fund's objective is to provide clients of Nicola Wealth with a high level of income and some capital appreciation by investing primarily in a broad range of global fixed income securities. A U.S. dollar series of this fund is also available.

## STRATEGY

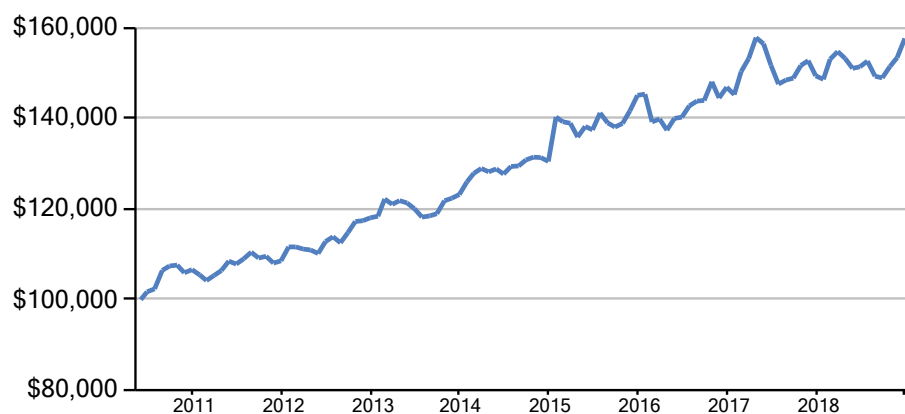
The fund primarily invests in a broad range of debt securities issued in both developed and emerging markets with maturities ranging from short to long term. The fund may invest in securities that are rated below investment grade, engage in securities lending, repurchase and reverse repurchase transactions, use derivatives for both hedging and speculative purposes, and engage in a limited amount of short selling.

### Asset Mix as of December 31, 2018



- Manulife Asset Management Strategic Income Pooled Fund: 13.2%
- PIMCO Monthly Income Fund: 30.5%
- Templeton Global Bond Fund: 47.8%
- Templeton Global Income Fund: 8.4%
- Cash and Cash Equivalents: 0.1%

### \$100,000 Invested Since Inception



### Stated in Canadian dollars

#### Key Statistics

Inception Date	June, 2010
Net Asset Value	\$195.4 Million
NAV Per Unit (Class O)	\$10.96
Number of Assets	4
Net Yield	3.8%
Trailing 12 Month Distribution	4.3%
Duration	1.3 years

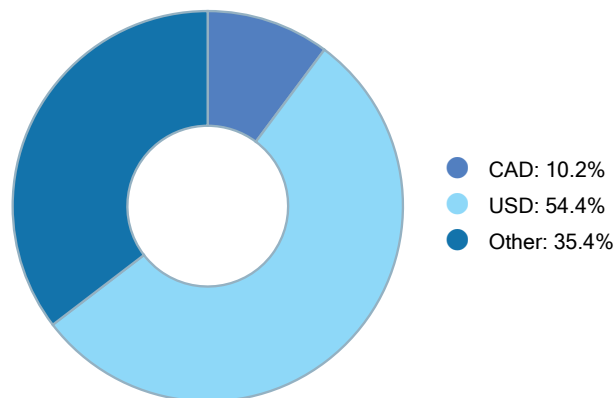
#### Calendar Year Returns

2018	5.5%
2017	1.7%
2016	1.2%
2015	11.2%
2014	5.9%

#### Returns for the period ending December 31, 2018

Year-to-Date	5.5%
1 Year	5.5%
3 Year	2.8%
5 Year	5.1%
10 Year	N/A
Since Inception	5.4%

### Currency Exposure



### Commentary

The Nicola Global Bond fund generally derives its returns from three primary sources: currency, duration, and credit. Uncertainties on trade disputes, global growth, and the path of monetary tightening weighed on markets causing credit spreads to widen. However, select duration and currency exposure in the fund more than offset losses in credit markets.

Duration was a positive contributor to returns for the quarter as core interest rates were lower. As a result, duration exposure (particularly long U.S. duration in the Pimco Monthly Income fund and long Brazilian duration in the Templeton Global Bond fund) boosted returns as investors sought out safe haven assets.

In the Nicola Global Bond fund, we continue to hold select positions in emerging countries including Mexico and Brazil. Recent Presidential elections were held in both countries resulting in leadership that should be economically constructive with continued implementation of structural reform. According to Franklin Templeton, these markets are far more distinct than they were decades ago as countries have diversified their economies and have significantly broadened their local-currency debt markets. Although most emerging markets get painted with the same broad brush during panic selling, we will continue to have exposure to emerging market countries that are more domestically driven with responsible central banks.

For more information on this fund's monthly performance, click [here](#).

---

Past performance is not indicative of future results. All investments contain risk and may gain or lose value. The YTD and 1 year return is a historical simple return. The 3, 5, 10 year and since inception returns are annualized compounded total returns. All returns are net of fund-level fees and expenses, including management fees and performance fees (if applicable). Please refer to the disclosure documents for important disclosure information including terms of redemption and limited liquidity. Nicola Wealth is registered as a Portfolio Manager, Exempt Market Dealer and Investment Fund Manager with the required provincial securities' commissions. Please speak with a Nicola Wealth advisor to discuss if this investment is right for you. Effective Jan. 1, 2019, the fund changed its name from the NWM Global Bond Fund.