



NICOLA WEALTH

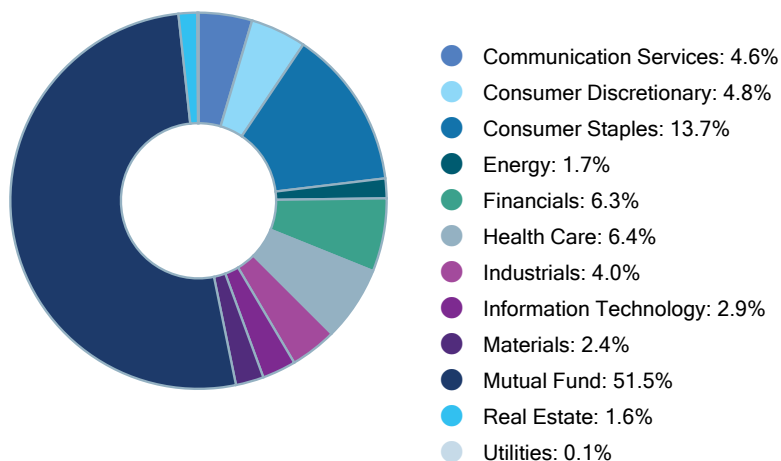
OBJECTIVE

The Nicola Global Equity Fund's objective is to provide clients of Nicola Wealth with long-term capital growth by investing in U.S., Canadian and international equity securities issued by corporations around the world.

STRATEGY

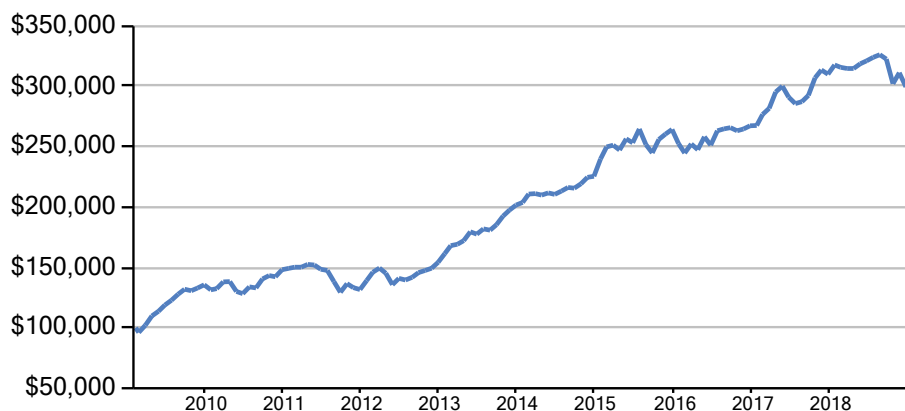
The portfolio uses an active investment strategy with a mandate to invest in global equities diversified by country, sector, market, capitalisation and investment style. The fund primarily invests in third party mutual funds, as well as externally and internally managed segregated security portfolios.

Sector Weighting as of December 31, 2018



Investments with managers are either through a mutual fund or a segregated account. In a segregated account, the Global Equity pool owns individual stocks that our managers decide to buy. Sector weights are driven by stocks held in segregated accounts; investments where we are invested in a mutual fund (as opposed to a segregated account) are shown as a Mutual Fund weight.

\$100,000 Invested Since Inception



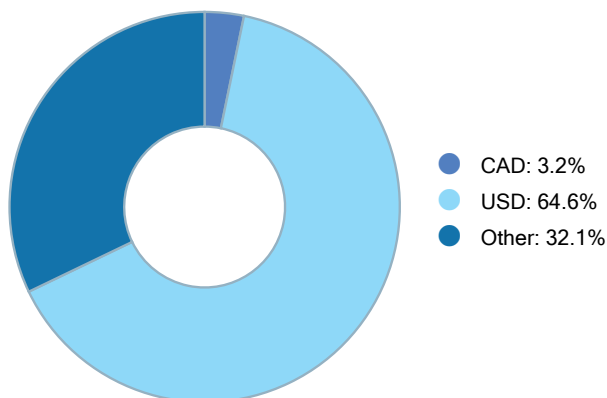
Stated in Canadian dollars

Key Statistics	
Inception Date	February, 2009
Net Asset Value	\$378 Million
NAV Per Unit (Class O)	\$18.23
Number of Fund Managers	6
Trailing 12 Month Distribution	7.3%
Cash, Cash Equivalents	0.3%

Calendar Year Returns	
2018	-3.4%
2017	16.0%
2016	1.1%
2015	17.2%
2014	11.8%

Returns for the period ending December 31, 2018	
Year-to-Date	-3.4%
1 Year	-3.4%
3 Year	4.3%
5 Year	8.2%
10 Year	N/A
Since Inception	11.7%

Currency Exposure



Currency Exposure is impacted by whether we invest in a manager through a mutual fund or a segregated account. For an investment in a mutual fund, the currency denomination of the mutual fund will determine currency exposure. For an investment in a segregated account, the currency of the underlying securities will determine the currency exposure.

Commentary

Most of the major markets were in positive territory as we ended Q3 led by the U.S. at 10.6%. However, all that changed in Q4 with some markets nearing bear market territory (decline of 20% or more in the market). The U.S. market alone dropped 13.5% which was their third worst Q4 since 1950 as increased concerns around geopolitical tensions, trade wars, U.S. mid-term elections, high level Trump Administration resignations, Brexit drama and the fear the Fed may make a policy mistake given the slowdown in the U.S. and global economy.

Both the IMF and OECD lowered their growth projections citing trade issues as a key risk and we see this as one of the factors slowing growth in the world's second largest economy. In Q2, China recorded its slowest pace of GDP growth in 25 years and Q3's real GDP growth was 6.5% which was the weakest rate of growth since the Great Financial Crisis. Late in Q4, China's manufacturing PMI contracted to the lowest levels in 3 years.

In 2019, we expect global growth to continue to moderate; however, with valuations reset lower, no signs of an imminent global recession, and stable corporate earnings growth, the prospects of a continuation of this secular bull market remain favorable.

In Q4 2018, the Nicola Global Equity Fund returned -7.1% vs -8% for the MSCI ACWI (all in CDN\$). The fund outperformed the benchmark due to country selection (underweight U.S.) and sector selection (underweight Financials & InfoTech and overweight Consumer Staples). Style and market-cap had a neutral impact as the fund's defensive style exposure contributed to performance but was offset by the fund's current small-to-mid bias, which detracted relative to large-cap.

The Nicola Global Equity Fund made no significant changes to manager asset mix during the quarter.

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

Top Holdings as of December 31, 2018
(excluding Cash, Money Market & Treasuries)

EdgePoint Global Portfolio	20.44%
BMO Asian Growth & Income	16.96%
Lazard Global Small Cap Equity	14.13%
Visa Inc.	1.62%
HDFC Bank	1.50%
Kimberley Clark Corporation	1.11%
Ahold Delhaize	1.10%
Nestle SA	1.08%
Danone	1.08%
General Mills Inc.	1.07%
Total	60.09%

Top Holdings is impacted by whether we invest in a manager through a mutual fund or a segregated account. Investments in a mutual fund will be represented as one holding; investments in a segregated account will be represented by an individual security.

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 Equity Fund.