



NICOLA WEALTH

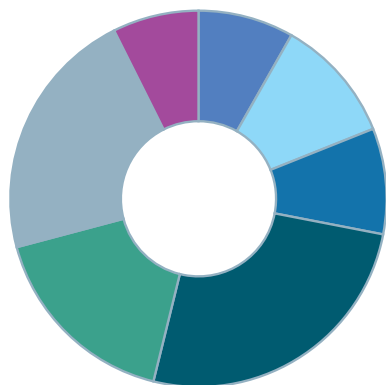
OBJECTIVE

The Nicola Global Real Estate Fund's objective is to provide clients of Nicola Wealth with stable and growing cash distributions as well as long-term capital growth through investment in real estate in Canada, U.S., Europe and Asia.

STRATEGY

The fund obtains exposure to real estate by investing in publicly traded Canadian, U.S., and global publicly traded real estate investment trusts and non-publicly traded vehicles such as Limited Partnerships. The fund may also invest in debentures, bonds, cash and/or money market securities.

Asset Mix as of December 31, 2018



- Invesco Real Estate European Fund: 8.2%
- London Life Real Estate Fund: 10.7%
- Manulife Canadian Property Portfolio: 9.1%
- MEPT Edgemoor LP: 25.8%
- US Real Estate LP: 17.0%
- Publicly Traded Securities: 21.8%
- Cash: 7.4%

Stated in Canadian dollars

Key Statistics

Inception Date	February, 2009
Net Asset Value	\$161.6 Million
NAV Per Unit (Class O)	\$18.10
Number of Assets	13
Trailing 12 Month Distribution	3.5%

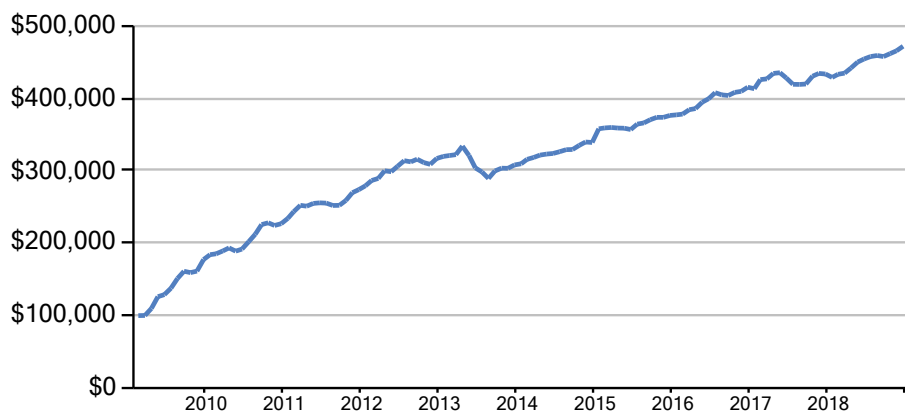
Calendar Year Returns

2018	8.8%
2017	4.4%
2016	10.3%
2015	11.0%
2014	10.1%

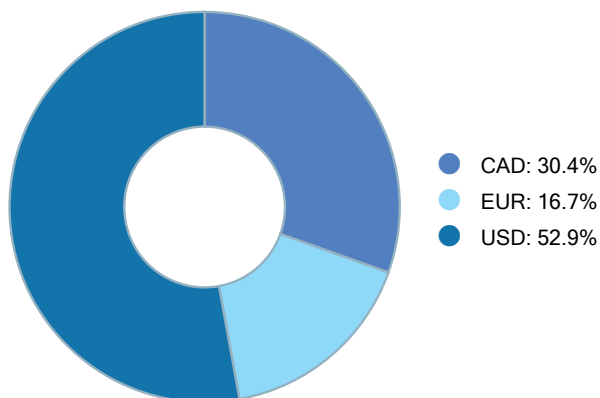
Returns for the period ending December 31, 2018

Year-to-Date	8.8%
1 Year	8.8%
3 Year	7.8%
5 Year	8.9%
10 Year	N/A
Since Inception	17.1%

\$100,000 Invested Since Inception



Currency Exposure

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

MEPT Edgemoor LP	25.84%
US Real Estate LP	17.00%
London Life Real Estate Fund	10.73%
Manulife Canadian Property Portfolio	9.09%
Invesco Real Estate European Fund	8.23%
Pure Multi-Family REIT	5.46%
Tricon Capital Group	4.35%
Allied Properties REIT	2.88%
Dream Industrial REIT	2.68%
InterRent REIT	1.82%
Total	88.08%

Commentary

Despite turbulent times in the equity markets this year, listed Canadian publicly traded REITs performed well. The iShares S&P/TSX REIT Index ETF had a total return of +5.8%. Higher interest rates were supposed to be a headwind for REITs in 2018 as central banks hiked their key rates. However, the relevant rates to watch are the 10-year Government bond yields which ended the year lower than they were at the beginning of the year.

For many years, we have been considering investing in global real estate. Investing globally brings diversification benefits and risk reduction as well as return enhancement. While the environment domestically is still strong and there are still investment opportunities, going global can open additional opportunities to access quality real estate investments. The lack of synchronization in economic cycles around the globe has historically reduced the correlation of real estate returns from market to market. In other words, if Canada's economy hits a soft patch, it may influence returns on domestic real estate returns. European or Asian economies have different drivers than that of Canada so therefore adding real estate in those areas would bring diversification benefits to the portfolio. We have made investments with a private real estate fund manager in Europe and intend to add Asia to the mix shortly. In 2019, we will continue to invest globally as we deliver cash flow and diversification to our unitholders.

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 Real Estate Fund.