



# N NICOLA WEALTH MANAGEMENT

## The Pool

The fundamental investment objective of NWM Canadian Tactical High Income is to invest in publicly traded securities that distribute income with a target yield of 4% in excess of the S&P/TSX Composite Index Yield.

## The Strategy

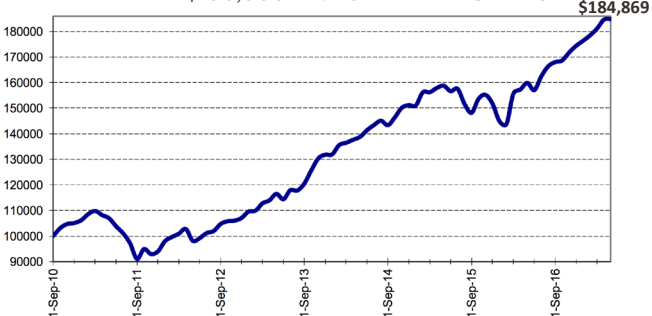
The fund has the ability to use covered call and put strategies, primarily investing in securities that may include: equities, preferred shares, common shares, REITs, high yield bonds, convertible debentures, options, exchange-traded securities, mutual funds, Canadian bonds and foreign bonds. The fund may also invest in cash and money market securities.

## The Manager

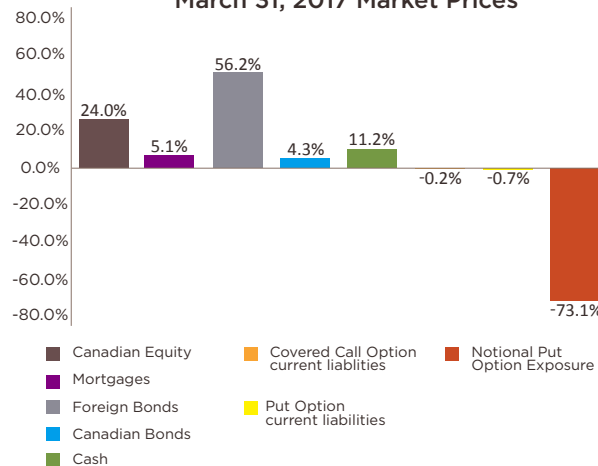
Nicola Wealth Management Ltd. (NWM), the "Fund Manager," is a wealth management and planning firm established in 1994. With a philosophy built on cash flow and diversification, our growing series of funds is managed by members of NWM's Portfolio Management Team.

### PERFORMANCE (cumulative return)

\$100,000 INVESTED AT INCEPTION



### Asset Mix based on March 31, 2017 Market Prices



<b>Total Assets (millions)</b>	<b>\$193.0</b>
<b>12-Month Trailing Cash Flow Distribution</b>	<b>6.7%</b>
<b>Returns for the period ENDING MAY 31, 2017</b>	
1 month	0.1%
3 month	3.6%
6 month	7.6%
1 year	15.6%
2 year	7.9%
3 year	10.0%
4 year	12.3%
5 year	13.5%
6 year	9.6%
<b>Since Inception*</b>	<b>9.7%</b>

\* September 30, 2010

### PERFORMANCE (monthly returns) As of MAY 31, 2017

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	TOTAL
2017	1.1%	1.2%	1.5%	1.9%	0.1%								<b>6.0%</b>
2016	-4.5%	-0.8%	8.3%	1.1%	1.6%	-1.8%	3.4%	2.4%	1.0%	0.4%	1.8%	1.5%	<b>14.9%</b>
2015	-0.1%	3.4%	0.0%	1.1%	0.6%	-1.3%	0.6%	-3.8%	-2.3%	3.7%	1.0%	-2.2%	<b>0.4%</b>
2014	0.1%	2.7%	0.7%	0.9%	0.8%	1.9%	1.4%	1.2%	-1.2%	2.2%	2.5%	0.7%	<b>14.7%</b>
2013	2.3%	0.4%	2.6%	1.0%	2.2%	-1.8%	3.1%	-0.1%	2.3%	4.3%	3.7%	1.2%	<b>23.2%</b>
2012	4.2%	1.7%	1.3%	1.8%	-4.5%	1.1%	2.0%	0.8%	2.7%	1.0%	0.2%	1.0%	<b>14.0%</b>
2011	1.1%	2.2%	1.1%	-1.5%	-1.2%	-2.9%	-2.7%	-3.9%	-6.3%	4.2%	-2.0%	1.1%	<b>-10.6%</b>
2010										3.1%	1.5%	0.4%	<b>5.0%</b>

## Covered Call Option Current Liabilities

This is the current market value of the Covered Call Options written against our underlying long-only stock positions. Writing a Covered Call Option is a strategy that delivers a premium by agreeing to sell a stock we already own at a certain price. Writing (selling) Covered Call Options becomes an obligation to the writer (seller).

## Put Option Current Liabilities

This is the current market value of the Put Options that were written in the portfolio. Writing a Put Option is a strategy that delivers a premium by agreeing to buy a stock at a certain price. Writing (selling) Put Options becomes an obligation to the writer (seller).

## Notional Put Option Exposure

This is the current market value of the Put Options that were written in the portfolio. Writing a Put Option is a strategy that delivers a premium by agreeing to buy a stock at a certain price. Writing (selling) Put Options becomes an obligation to the writer (seller).

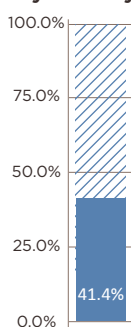
## Collateral Sources

These are assets available to be drawn upon should notional put options be exercised.

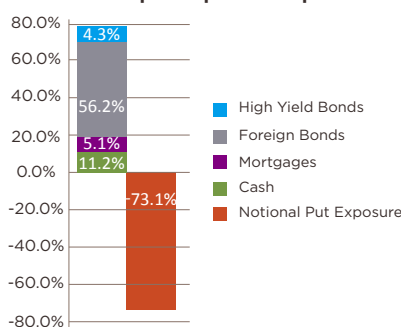
### Top Holdings as of Mar 31, 2017 (excluding cash)

	TOTAL
PIMCO MTHLY INCOME SER I-NL	56.2%
NWM BAL MORTGAGE FD N CL -NL	5.1%
GILDAN ACTIVEWEAR INC	4.5%
NWM BOND FD N CL -NL	4.3%
GUARDIAN CAP GRP LTD-CL A	3.7%
MORNEAU SHEPELL INC	3.5%
CANADIAN PACIFIC RAILWAY LTD	2.9%
KP TISSUE INC	2.0%
STANTEC INC	1.9%
INTACT FINANCIAL CORP	1.5%

### Percentage of equities partially or fully covered



### Collateral sources and notional put option exposure



## Disclosure

- Past performance is not indicative of future results.
- Returns are net of fund expenses.
- Please refer to the NWM Funds Offering Memorandum for additional details and important disclosure information.

NWM is registered as a Portfolio Manager, Exempt Market Dealer and Investment Fund Manager with the required provincial securities' commissions.