



# NICOLA WEALTH

## The Pool

The Nicola Infrastructure and Renewable Resources Limited Partnership combines a fund-of-fund approach with the potential for some direct investing to earn attractive risk adjusted returns. The limited partnership is an investment providing access to a diversified portfolio of farmland, infrastructure, timberland, and other real assets globally.

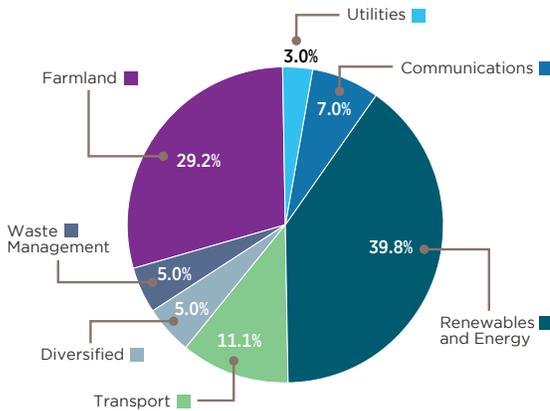
## The Strategy

Similar to large institutional investors, we focus on a fund-of-funds approach where we invest with multiple managers. By diversifying across managers, geographies, and sectors, the portfolio enables investment access across a wide set of attractive opportunities.

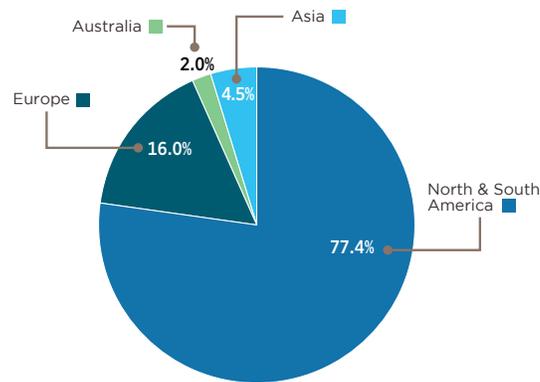
## The Manager

Nicola Wealth Management Ltd. (Nicola Wealth), the “Manager,” is a Vancouver-based wealth management firm established in 1994. Nicola Wealth provides clients with an elevated level of personalized strategic counsel. With a philosophy built on cash flow and diversification, the growing series of funds is managed by members of Nicola Wealth’s Portfolio Management Team.

SUBSECTOR as of Q4, 2020



GEOGRAPHY as of Q4, 2020



Total Assets (millions)	\$91.3
12-Month Trailing Cash Flow Distribution	2.1%
Returns for the period ENDING JUNE 30, 2021	
1 month	0.6%
3 month	0.6%
6 month	0.9%
1 year	-3.6%
2 year	0.3%
3 year	1.7%
4 year	2.9%
Since Inception*	2.5%

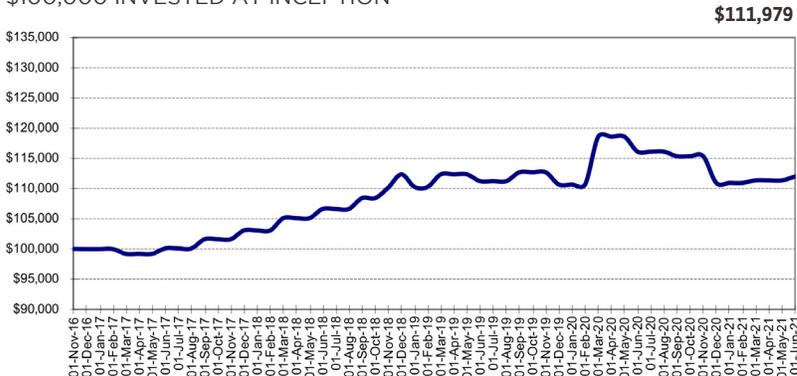
\*November 30, 2016  
\*NIRR Inception September 19, 2018

PERFORMANCE (monthly returns) as of June 30, 2021

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	TOTAL
2021			0.4%			0.6%							0.9%
2020			7.1%			-2.1%			-0.7%			-3.8%	0.2%
2019	-1.8%		1.9%			-1.0%			1.3%			-1.8%	-1.5%
2018			2.0%			1.5%			1.7%		1.6%	2.0%	9.0%
2017			-0.8%			0.9%			1.5%			1.4%	3.1%
2016												0.0%	0.0%

PERFORMANCE (cumulative return)

\$100,000 INVESTED AT INCEPTION



COUNTRIES with Investments





# NICOLA WEALTH

## WHY INFRASTRUCTURE AND RENEWABLE RESOURCES?

Unlike financial assets which derive their value from a contractual claim or intangible assets (such as patents or brand value), real assets are physical assets that have an intrinsic value.

**Infrastructure** (e.g. highways, telecommunication towers, water filtration plants), **renewable energy** (e.g. wind farms, solar), and **renewable resources** (e.g. farmland, timberland) are assets that form the foundation of society's ability to function by providing goods and services which are essential to the wider economy.

### Attractive Long-Term Returns

A diversified index of Real Assets has provided attractive long-term returns of 7.9% since 1996 (to September 2017), matching the performance of equities but with significantly lower volatility.\*

### Inflation Hedge

Agriculture and Timber historically have a high correlation to inflation. As the general level of prices and goods rise, so does the value of farmland and timberland. Additionally, infrastructure contracts often dictate that consumer prices rise in relation to inflation, therefore infrastructure revenues are also linked to inflation.

### Defensive

As noted above, demand for essential goods and services are stable, and, as such, Real Assets provide a means of stable cash flow. In the case of infrastructure often there are few substitutes for the services provided, thus creating a monopolistic environment (i.e. airports). Lack of competition and the essential nature of the service provide investors with reliable returns in both economic expansions and contractions.

### Recent Transactions

In 2020 there have been some notable investments that highlight the type of assets and partners that make the asset class attractive. In late June 2020, Brookfield partnered with several of the world's leading infrastructure investors and operators including Ontario Teachers' Pension Plan Board (one of Canada's largest and most sophisticated pension plans managing over \$200B in assets). The consortium purchased a share of gas pipeline assets from the Abu Dhabi National Oil Company. The pipeline links the low cost of natural gas supply to high in-country demand in Abu Dhabi providing investors with a high quality infrastructure asset with stable long-term cash flows. Also in late June 2020, Fiera Infrastructure partnered with APG Group NV (one of the largest pension plans in the Netherlands managing assets over 500 Billion Euros) to purchase the remaining equity interest in Conterra Networks. Conterra is one of the largest independent broadband fibre service providers in the United States. The Conterra network infrastructure offers virtually unlimited bandwidth capacity at the speed of light. Delivering the highest levels of connectivity and reliability to our customers. Conterra services companies, wireless carriers, schools, and governments providing internet and ethernet solutions.

\* *Pathways: The Real Assets Opportunity, September 2017 Issue 4, Macquarie Infrastructure and Real Assets (MIRA)*

## DISCLOSURE

*Please read the relevant documentation for additional details and important disclosure information, including terms of redemption and limited liquidity. Past performance is not indicative of future results. Returns are net of fund expenses charged to date. This investment is generally intended for tax residents of Canada who are accredited investors. Some residency and citizenship restrictions may apply. An investment in Nicola Infrastructure and Renewable Resources Limited Partnership is an investment in alternative asset classes. Investments in alternative funds are highly illiquid and carry a related degree of risk of financial loss. Nicola Wealth is registered as a Portfolio Manager, Exempt Market Dealer and Investment Fund Manager with the required provincial securities' commissions. All investments contain risk and may gain or lose value. Please speak to your Nicola Wealth advisor for advice based on your unique circumstances. Effective September 19, 2018, the fund changed its name from the NWM Farmland Limited Partnership and expanded its mandate.*