

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2020

Fixed Income Private Portfolio

NBI Canadian Preferred Equity Private Portfolio

Notes on forward-looking statements

This report may contain forward-looking statements concerning the Fund, its future performance, its strategies or prospects or about future events or circumstances. Such forward-looking statements include, among others, statements with respect to our beliefs, plans, expectations, estimates and intentions. The use of the expressions "foresee", "intend", "anticipate", "estimate", "assume", "believe" and "expect" and other similar terms and expressions indicate forward-looking statements.

By their very nature, forward-looking statements imply the use of assumptions and necessarily involve inherent risks and uncertainties. Consequently, there is a significant risk that the explicit or implicit forecasts contained in these forward-looking statements might not materialize or that they may not prove to be accurate in the future. A number of factors could cause future results, conditions or events to differ materially from the objectives, expectations, estimates or intentions expressed in such forward-looking statements. Such differences might be caused by several factors, including changes in Canadian and worldwide economic and financial conditions (in particular interest and exchange rates and the prices of other financial instruments), market trends, new regulatory provisions, competition, changes in technology and the potential impact of conflicts and other international events.

The foregoing list of factors is not exhaustive. Before making any investment decision, investors and others relying on our forward-looking statements should carefully consider the foregoing factors and other factors. We caution readers not to rely unduly on these forward-looking statements. We assume no obligation to update forward-looking statements in the light of new information, future events or other circumstances unless applicable legislation so provides.

This interim management report of fund performance contains financial highlights, but does not contain the complete interim financial statements of the investment fund. You can get a copy of the interim financial statements at your request, and at no cost, by calling 1-888-270-3941 or 514-871-2082, by writing to us at National Bank Investments Advisory Service, 500, Place d'Armes, 12th floor, Montreal, Quebec, H2Y 2W3, by visiting our website at www.nbinvestments.ca, by visiting SEDAR's website at www.sedar.com, or by contacting your advisor. You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Results of Operations

For the six-month period ended June 30, 2020, the NBI Canadian Preferred Equity Private Portfolio's Series N units returned -11.61% compared to -11.19% for the Fund's benchmark, the S&P/TSX Preferred Share Index (CAD). Unlike the benchmark, the Fund's performance is calculated after fees and expenses. Please see the *Past Performance* section for the returns of all of the Fund's series, which may vary mainly because of fees and expenses.

Certain series of the Fund, as applicable, may make distributions at a rate determined by the manager. This rate may change from time to time. If the aggregate amount of distributions in such series exceeds the portion of net income and net realized capital gains allocated to such series, the excess will constitute a return of capital. The manager does not believe that the return of capital distributions made by such series of the Fund have a meaningful impact on the Fund's ability to implement its investment strategy or to fulfill its investment objective.

The Fund's net asset value dropped by 22.24% over the period, from \$733.14 million as at December 31, 2019 to \$570.12 million as at June 30, 2020.

The decline stemmed mainly from net redemptions by unitholders of the Fund and market fluctuations.

2020 started with positive momentum with many markets reaching record highs up until mid-February. However, fears of global pandemic quickly turned to reality, sending markets across the world in a downward spiral.

In this context, the Canadian preferred share market has been hit hard by the falling rate environment and the credit spreads widening occurred during the period. A particularly difficult context for Financial and Energy companies, which account for a large part of this investment universe and the lack of liquidity at the height of the market panic, didn't help either.

Although preferred equities rebounded substantially from their lows in March, the S&P/TSX Preferred Share Index posted a loss of 11.19% for the whole semester. While none of the different structures have been spared, floating rate issues lost nearly a quarter of their value, significantly underperforming both fixed-reset and fixed rate perpetual names. Floating rate Energy issuers suffered the most, losing over a third of their value, while floating rate Telecoms and fixed-reset Real Estate issuers didn't fare much better. The only preferred shares generating positive returns in the first half of the year were fixed rate perpetual Utilities and Consumer staples names, which gained about 1.6% and 1%, respectively.

Under these circumstances, the Fund underperformed its benchmark. Security selection in the fixed-floating space was the main detractor, especially within the Energy and Utilities sectors. Meanwhile, an overweight position in the fixed-floating Communication sector also had a negative impact on the Fund, as this sector underperformed the benchmark.

Security selection in perpetual issues was strong relative to the benchmark, especially in the Financials sectors while an overweight position in floating rate issues also contributed positively to performance.

Recent Developments

During the first half of 2020, the portfolio manager continued to position the quality of issues for "a lower for longer" interest rate environment within the fixed reset allocation by reducing exposure to fixed resets with low reset levels and by increasing the allocation to fixed reset issues with high reset levels and issues with floor features. The portfolio manager also reduced exposure to floating rate preferred shares and increased exposure to perpetuals.

The Fund remains overweight floating rate securities and underweight the fixed-floating space. Sector wise, the portfolio manager remains overweight the Energy, Utilities and Telecommunication Services sector and underweight Banks and Financials.

COVID-19 will remain front and center for financial markets. Governments have and will continue to respond with drastic measures that are necessary to bridge the gap until the economy can fully re-open. The portfolio manager is confident that these decisions will eventually work but the duration and severity of the impact on economic growth remains uncertain, especially in certain sectors. Second quarter growth will be extremely weak, but the portfolio manager is expecting activity to resume in the third quarter of 2020, albeit at a subdued pace. The portfolio manager expects Canada rates to be kept low for a long period of time, but volatility will present tradeable opportunities. Credit will continue to perform well, especially with government yields anchored. However, the portfolio manager does not expect a straight-line recovery and volatility will remain above average.

The Canadian preferred shares market has performed much better in the second quarter but continued to lag other asset classes and remained attractive versus the equity market and fixed income. The market should remain volatile over the next months and quarters and follow the volatility of the bond and equity markets driven by headlines on the Covid-19 and the success of the reopening of the economy. The portfolio manager thinks most of the outperformance of the preferred shares market for the remainder of 2020 will come from the compression of credit spreads and he thinks there is significant upside with the asset class on a 12-month horizon. The primary market should continue to be quiet as valuations remains expensive for issuers. Flows into the ETFs will continue to be an important driver of daily volatility. In this environment, most of the preferred shares are attractive but the portfolio manager thinks the fixed reset issues with a mid reset level (between 300 bps and 400 bps) are providing the best risk reward.

On April 30, 2020, the Fund's independent review committee (the "IRC") was reduced to three members when Jacques Valotaire and Jean-François Bernier resigned as IRC members.

On May 6, 2020, the Fund's risk level was modified from "low" to "low to medium" during the year. This change aims to more accurately reflect the Fund's actual risk level.

Related Party Transactions

National Bank of Canada ("the Bank") and its affiliated companies' roles and responsibilities related to the Fund are as follows:

Trustee, Custodian, and Registrar

Natcan Trust Company ("NTC"), a direct or indirect wholly-owned subsidiary of the Bank, is the Fund's trustee. In this capacity, it is the legal owner of the Fund's investments.

NTC acts as registrar for the Fund's securities and the names of securityholders. NTC also acts as the Fund's custodian. The fees for NTC's custodial services are based on the standard rates in effect at NTC.

Agent for securities lending transactions

NTC acts as the agent for securities lending transactions acts on behalf of the Fund in administering securities lending transactions entered into by the Fund. NTC is an affiliate of the Manager.

Fund Manager

The Fund is managed by National Bank Investments Inc. ("NBII"), which is a wholly-owned subsidiary of the Bank. Therefore, NBII provides or ensures the provision of all general management and administrative services required by the Fund's current operations, including investment consulting, the arrangement of brokerage contracts for the purchase and sale of the investment portfolio, bookkeeping and other administrative services required by the Fund.

The Manager pays the operating expenses of the Fund other than its “Fund costs” (defined below) (the “variable operating expenses”), in exchange for the Fund’s payment to the Manager of annual fixed-rate administration fees with respect to each series of the Fund.

The administration fees are equal to a specified percentage of the net asset value of each series of the Fund, calculated and paid in the same manner as the Fund’s management fees. The variable operating expenses payable by the Manager include, but are not limited to: transfer agency and recordkeeping costs; custodial costs; accounting and valuation fees; audit fees and legal fees; costs of preparing and distributing financial reports, simplified prospectuses, annual information forms, Fund Facts, continuous disclosure material and other securityholder communications; and costs of trustee services relating to registered tax plans, as applicable.

In addition to administration fees, the Fund shall also pay certain Fund costs, namely: taxes (including, but not limited to, GST/HST and income taxes); costs of compliance with any changes to existing governmental or regulatory requirements introduced after August 1, 2013; costs of compliance with any new governmental or regulatory requirements, including any new fees introduced after August 1, 2013; interest and borrowing costs; costs related to external services that were not commonly charged in the Canadian mutual fund industry as at August 1, 2013; Independent Review Committee costs, including compensation paid to IRC members, travel expenses, insurance premiums and costs associated with their continuing education; and variable operating expenses incurred outside of the normal course of business of the Fund.

The Manager may, from time to time and at its sole discretion, decide to absorb a portion of a series’ management fees, administration fees or Fund costs.

As described under the heading *Management Fees*, the Fund pays annual management fees to NBII as consideration for its services.

Distribution and Dealer Compensation

NBII acts as principal distributor for the Fund. Trailing commissions are covered by NBI Private Wealth Management’s service fees, which are paid directly by investors.

Brokerage Fees

The Fund may pay broker’s commissions at market rates to a corporation affiliated with NBII. The brokerage fees paid by the Fund for the period are as follows:

	Period ended June 30, 2020
Total brokerage fees	93,698.14
Brokerage fees paid to National Bank Financial	-

Holdings

As at June 30, 2020, National Bank Investments Inc. held 116.93 Fund securities for a value of \$968.20, which represented close to 0.0001% of the net asset value of the Fund at that date. Transactions between National Bank Investments Inc. and the Fund were carried out in the normal course of business and at the Fund’s net asset value as at the transaction date.

Independent Review Committee Approvals and Recommendations

The Fund followed the standing instructions of its Independent Review Committee with respect to one or more of the following transactions:

- Purchasing or holding the securities of a related issuer, in particular, those of National Bank of Canada;
- Investing in the securities of an issuer when an entity related to the manager acts as an underwriter for the placement or at any time during the 60-day period after the end of the placement;
- Purchasing or selling securities to another investment Fund managed by the manager or a company in the same group;
- Purchasing or selling debt securities on the secondary market, through related brokers that are main brokers in the Canadian debt securities market (in accordance with an exemption received from the Canadian Securities Administrators);
- Entering into foreign exchange transactions (including both spot transactions and forward transactions) with National Bank of Canada.

The Manager has implemented policies and procedures to make sure that the conditions applicable to each of the above transactions are met. The applicable standing instructions require that these transactions be carried out in accordance with NBII policies, which specify, in particular, that investment decisions pertaining to these related party transactions must be made free from any influence by an entity related to NBII and without taking into account any consideration relevant to an entity related to NBII. Furthermore, the investment decisions must represent the business judgment of the securities advisor, uninfluenced by considerations other than the best interest of the Fund and must achieve a fair and reasonable result for the Fund.

Registered Plan Trust Services

NBT receives a fixed amount per registered account for services provided as trustee for registered plans.

Administrative and Operating Services

The provision of certain services was delegated by the Fund Manager, NBII, to National Bank Trust Inc. (“NBT”), a wholly-owned indirect subsidiary of the Bank. These include accounting, reporting and portfolio valuation services. The fees incurred for these services are paid to NBT by the Fund manager.

Management Fees

The Fund pays annual management fees to the Fund manager for its management services. The fees are calculated based on a percentage of the Fund’s daily net asset value before applicable taxes and are paid on a monthly basis. The management fees paid by the Fund only cover management of fund investments, i.e. the fees related to management of fund portfolios constituting the profiles of the NBI Private Wealth Management service (“PWM”). General administration services, trailer fees and sale commissions paid to brokers are covered by the PWM’s service fees, which are paid directly by investors. The breakdown of major services provided in consideration of the management fees, expressed as an approximate percentage of the management fees is as follows:

Series	Management Fees	Distribution	Others [†]
Series N and Series NR	0.15%	—	100.00%

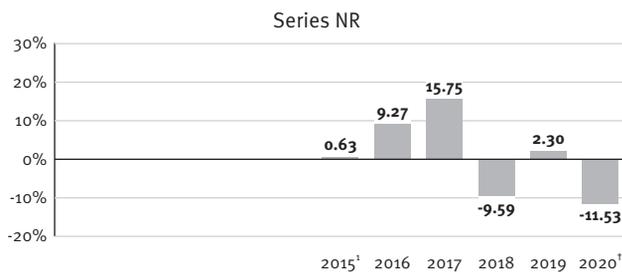
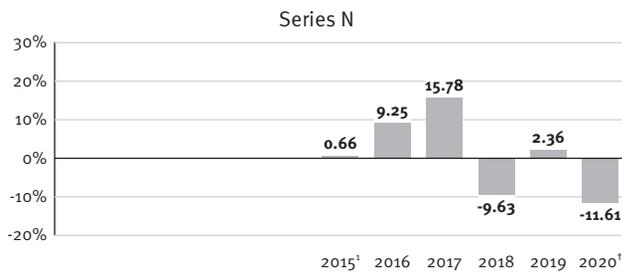
^(†) Includes all costs related to management, investment advisory services, general administration and profit.

Past Performance

The performance of each series of the Fund is presented below and calculated as at December 31 of each year. It assumes that all distributions made in the periods shown were reinvested in additional securities and does not take into account sales, redemption charges, distributions, or optional charges that would have reduced returns. Past performance of a series of a Fund does not necessarily indicate how it will perform in the future.

Annual Returns

The bar charts indicate the performance for each the Fund's series in existence greater than one year during the years shown, and illustrate how the performance has changed from year to year. They show, in percentage terms, how much an investment made on January 1 (or made commencing from the start of the series) would have grown or decreased by December 31 of that year, or by June 30, as applicable.



⁽¹⁾ Returns for the period from October 30, 2015 (commencement of operations) to December 31, 2015.

⁽²⁾ Returns for the period from January 1, 2020 to June 30, 2020.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the accounting periods shown.

Series N

Net Assets per Unit⁽¹⁾ Commencement of operations: October 30, 2015

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.88	10.14	11.72	10.51	10.04	10.00
Increase (Decrease) from Operations (\$)						
Total revenue	0.26	0.53	0.52	0.50	0.52	0.11
Total expenses	(0.01)	(0.03)	(0.04)	(0.04)	(0.03)	(0.01)
Realized gains (losses)	(0.52)	(0.31)	0.03	0.04	(0.12)	(0.52)
Unrealized gains (losses)	(0.91)	0.09	(1.56)	1.15	0.98	1.35
Total Increase (Decrease) from Operations (\$) ⁽²⁾	(1.18)	0.28	(1.05)	1.65	1.35	0.93
Distributions (\$)						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	0.25	0.49	0.48	0.44	0.46	0.02
From capital gains	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.25	0.49	0.48	0.44	0.46	0.02
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	8.48	9.88	10.14	11.72	10.51	10.04

Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Total net asset value (ooo's of \$) ⁽⁵⁾	282,571	315,821	264,762	275,553	241,621	132,395
Number of units outstanding ⁽⁵⁾	33,314,270	31,962,492	26,075,079	23,516,553	22,968,504	13,177,882
Management expense ratio (%) ⁽⁶⁾	0.29	0.29	0.29	0.29	0.29	0.29
Management expense ratio before waivers or absorptions (%)	0.29	0.29	0.29	0.29	0.29	0.29
Trading expense ratio (%) ⁽⁷⁾	0.03	0.03	0.03	0.04	0.05	0.06
Portfolio turnover rate (%) ⁽⁸⁾	27.80	29.51	14.52	20.96	43.19	51.04
Net asset value per unit (\$)	8.48	9.88	10.15	11.72	10.52	10.05

Series NR

Net Assets per Unit⁽¹⁾ Commencement of operations: October 30, 2015

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.80	10.06	11.62	10.43	10.01	10.00
Increase (Decrease) from Operations (\$)						
Total revenue	0.26	0.53	0.52	0.50	0.51	0.11
Total expenses	(0.01)	(0.03)	(0.04)	(0.04)	(0.03)	(0.01)
Realized gains (losses)	(0.51)	(0.30)	0.03	0.04	(0.12)	(0.45)
Unrealized gains (losses)	(0.97)	0.10	(1.66)	1.14	0.91	1.01
Total Increase (Decrease) from Operations (\$) ⁽²⁾	(1.23)	0.30	(1.15)	1.64	1.27	0.66
Distributions (\$)						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	0.20	0.49	0.48	0.43	0.45	0.03
From capital gains	—	—	—	—	—	—
Return of capital	—	—	—	0.01	0.02	0.01
Total Annual Distributions (\$) ⁽³⁾	0.20	0.49	0.48	0.44	0.47	0.04
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	8.46	9.80	10.06	11.62	10.43	10.01

Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Total net asset value (ooo's of \$) ⁽⁵⁾	4,757	5,758	5,173	5,421	4,953	2,919
Number of units outstanding ⁽⁵⁾	561,899	587,367	513,702	466,626	474,517	291,255
Management expense ratio (%) ⁽⁶⁾	0.29	0.29	0.29	0.29	0.29	0.29
Management expense ratio before waivers or absorptions (%)	0.29	0.29	0.29	0.29	0.29	0.30
Trading expense ratio (%) ⁽⁷⁾	0.03	0.03	0.03	0.04	0.05	0.06
Portfolio turnover rate (%) ⁽⁸⁾	27.80	29.51	14.52	20.96	43.19	51.04
Net asset value per unit (\$)	8.47	9.80	10.07	11.62	10.44	10.02

Series PW*

⁽¹⁾ Please note that this Series is offered by way of private placement.

Net Assets per Unit⁽¹⁾ Commencement of operations: October 30, 2015

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	6.89	7.12	8.22	7.35	7.05	8.50
Increase (Decrease) from Operations (\$)						
Total revenue	0.18	0.37	0.37	0.36	0.35	0.38
Total expenses	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Realized gains (losses)	(0.34)	(0.20)	0.02	0.03	(0.08)	(0.25)
Unrealized gains (losses)	(0.84)	(0.05)	(1.21)	0.69	0.39	(1.26)
Total Increase (Decrease) from Operations (\$) ⁽²⁾	(1.01)	0.10	(0.84)	1.06	0.64	(1.15)
Distributions (\$)						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	0.18	0.38	0.34	0.28	0.33	0.39
From capital gains	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.18	0.38	0.34	0.28	0.33	0.39
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	5.90	6.89	7.12	8.22	7.35	7.05

Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Total net asset value (ooo's of \$) ⁽⁵⁾	240,751	349,175	514,666	493,034	225,312	208,504
Number of units outstanding ⁽⁵⁾	40,805,423	50,668,121	72,245,935	59,963,599	30,646,495	29,565,424
Management expense ratio (%) ⁽⁶⁾	0.23	0.23	0.23	0.23	0.23	0.23
Management expense ratio before waivers or absorptions (%)	0.23	0.23	0.23	0.23	0.23	0.23
Trading expense ratio (%) ⁽⁷⁾	0.03	0.03	0.03	0.04	0.05	0.06
Portfolio turnover rate (%) ⁽⁸⁾	27.80	29.51	14.52	20.96	43.19	51.04
Net asset value per unit (\$)	5.90	6.89	7.12	8.22	7.35	7.05

Series PWO*

⁽¹⁾ Please note that this Series is offered by way of private placement.

Net Assets per Unit⁽¹⁾ Commencement of operations: October 30, 2015

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	8.07	8.37	9.74	8.77	8.42	10.11
Increase (Decrease) from Operations (\$)						
Total revenue	0.21	0.44	0.43	0.42	0.43	0.45
Total expenses	—	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Realized gains (losses)	(0.40)	(0.22)	0.03	0.03	(0.09)	(0.33)
Unrealized gains (losses)	(0.98)	(0.09)	(1.21)	1.03	0.55	(1.44)
Total Increase (Decrease) from Operations (\$) ⁽²⁾	(1.17)	0.12	(0.76)	1.47	0.88	(1.33)
Distributions (\$)						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	0.21	0.49	0.47	0.42	0.42	0.44
From capital gains	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.21	0.49	0.47	0.42	0.42	0.44
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	6.90	8.07	8.37	9.74	8.77	8.42

Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Total net asset value (ooo's of \$) ⁽⁵⁾	39,370	59,299	118,772	208,775	284,432	278,624
Number of units outstanding ⁽⁵⁾	5,700,884	7,344,038	14,175,941	21,440,247	32,429,695	33,057,897
Management expense ratio (%) ⁽⁶⁾	0.10	0.10	0.10	0.10	0.10	0.10
Management expense ratio before waivers or absorptions (%)	0.10	0.10	0.10	0.10	0.10	0.10
Trading expense ratio (%) ⁽⁷⁾	0.03	0.03	0.03	0.04	0.05	0.06
Portfolio turnover rate (%) ⁽⁸⁾	27.80	29.51	14.52	20.96	43.19	51.04
Net asset value per unit (\$)	6.91	8.07	8.38	9.74	8.77	8.43

Private Series*

^(*) Please note that this Series is offered by way of private placement.

Net Assets per Unit⁽¹⁾

Commencement of operations: December 5, 2016

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.64	9.91	11.45	10.33	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.26	0.52	0.51	0.49	0.04
Total expenses	(0.03)	(0.06)	(0.07)	(0.07)	—
Realized gains (losses)	(0.51)	(0.30)	0.03	0.05	(0.03)
Unrealized gains (losses)	(0.74)	0.10	(1.52)	1.15	0.34
Total Increase (Decrease) from Operations (\$) ⁽²⁾	(1.02)	0.26	(1.05)	1.62	0.35
Distributions (\$)					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.23	0.46	0.44	0.45	0.01
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.23	0.46	0.44	0.45	0.01
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	8.27	9.64	9.91	11.45	10.33

Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) ⁽⁵⁾	2,675	3,091	2,857	3,559	6,818
Number of units outstanding ⁽⁵⁾	323,222	320,681	288,096	310,744	659,784
Management expense ratio (%) ⁽⁶⁾	0.62	0.62	0.62	0.62	0.62
Management expense ratio before waivers or absorptions (%)	0.62	0.62	0.62	0.62	0.62
Trading expense ratio (%) ⁽⁷⁾	0.03	0.03	0.03	0.04	0.05
Portfolio turnover rate (%) ⁽⁸⁾	27.80	29.51	14.52	20.96	43.19
Net asset value per unit (\$)	8.28	9.64	9.92	11.45	10.33

⁽¹⁾ This information is derived from the Fund's Annual Audited Financial Statements and Interim Unaudited Financial Statements. The net assets per unit presented in the financial statements might differ from the net asset value calculated for fund pricing purposes. The differences are explained in the notes to the financial statements.

⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the average number of units outstanding over the accounting period. For all series created before 2017, the detailed calculation of the total Increase (Decrease) from Operations as at December 31, 2015 has been adjusted to reflect the proper allocation between the following items: Total revenue, Total expenses, Realized gain (losses) and/or Unrealized gain (losses). It is a non-material correction related to a programming error in the ratio calculation.

⁽³⁾ Distributions were paid in cash or reinvested in additional units of the Fund, or both.

⁽⁴⁾ The net assets are calculated in accordance with IFRS.

⁽⁵⁾ This information is provided as at the last day of the accounting period shown.

⁽⁶⁾ Management expense ratio is based on total expenses including sales taxes for the accounting period indicated (excluding commission, other portfolio transaction costs and withholding taxes) and is expressed as an annualized percentage of daily average net value during the accounting period. The management expense ratio before waivers or absorptions as at December 31, 2015 has been adjusted for Series NR to reflect a non-material correction related to a programming error in the ratio calculation.

⁽⁷⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the accounting period. The trading expense ratio includes, if necessary, the trading expenses from its underlying funds, as described in Article 15.2 of Regulation 81-106. Since calculating an average daily allocation of the trading expenses would take considerable effort, an average monthly allocation has been used instead for the accounting periods prior to 2016. For series created before 2016, the trading expense ratio as at December 31, 2015 has been adjusted to reflect a non-material correction related to a programming error in the ratio calculation.

⁽⁸⁾ The Fund's portfolio turnover rate indicates how actively the Fund portfolio's manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the accounting period. The higher a Fund's portfolio turnover rate in an accounting period, the greater the trading costs payable by the Fund in the accounting period, and the greater the chance of an investor receiving taxable capital gains in the accounting period. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

Summary of Investment Portfolio

As of June 30, 2020

Portfolio Top Holdings

	% of Net Asset Value
NBI Bond Fund, Series O	6.4
BMO Laddered Preferred Share Index ETF	3.6
Canadian Imperial Bank of Commerce, 4.40%, Series 45	2.5
Cash, Money Market and Other Net Assets	2.0
National Bank of Canada, 5.40%, Series 36	1.8
Toronto-Dominion Bank, 4.85%, Series 14	1.7
Sun Life Financial Inc., 4.75%, Series 1	1.5
Bank of Nova Scotia, 4.85%, Series 38	1.4
Royal Bank of Canada, 3.60%, Series BD	1.4
Toronto-Dominion Bank, 3.60%, Series 7	1.4
Enbridge Inc., 4.00%, Series 3	1.4
Great-West Lifeco Inc., 4.85%, Series H	1.4
Sun Life Financial Inc., 4.80%, Series 2	1.3
TC Energy Corp., 3.27%, Series 1	1.2
Canadian Imperial Bank of Commerce, 3.60%, Series 43	1.1
Toronto-Dominion Bank, 3.80%, Series 3	1.1
Enbridge Inc., 4.00%, Series P	1.1
Bank of Nova Scotia, 2.59%, Series 33	1.0
National Bank of Canada, 4.45%, Series 38	1.0
BCE Inc., 3.11%, Series AF	1.0
Power Financial Corp., 5.50%, Series R	1.0
Great-West Lifeco Inc., 5.40%, Series P	1.0
Enbridge Inc., 4.69%, Series F	0.9
Pembina Pipeline Corporation, 4.75%, Series 9	0.9
Manulife Financial Corp., 4.65%, Series 2	0.9
	40.0

Net asset value \$570,123,981

Sector Allocation

	% of Net Asset Value
Financials	51.0
Energy	18.7
Utilities	10.1
Communication Services	4.4
Exchange Traded Funds	3.6
Corporate Bonds	3.3
Provincial Bonds	2.4
Real Estate	1.8
Consumer Staples	1.1
Municipal Bonds	0.7
Federal Bonds	0.6
Mortgage Backed Securities	0.2
US Bonds	0.1
Cash, Money Market and Other Net Assets	2.0

The above table shows the top 25 positions held by the Fund. In the case of a Fund with fewer than 25 positions, all positions are indicated.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the investment Fund. A quarterly update is available. Please consult our Web site at www.nbinvestments.ca.