

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2021

Global Equity Private Portfolio

NBI Non-Traditional Capital Appreciation 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, 2021, the NBI Non-Traditional Capital Appreciation Private Portfolio's Series N units returned 4.96% compared to 9.88% for the Fund's benchmark, the MSCI World 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 rose by 13.70% over the period, from \$502.73 million as at December 31, 2020 to \$571.58 million as at June 30, 2021.

The increase stemmed mainly from unit purchases by investors in the Fund and market fluctuations.

Global equity markets generated strong gains during the first half of 2021, bolstered by the success of vaccination campaigns, abundant monetary and fiscal stimulus, and the reopening of economies. Bonds, on the other hand, endured a more difficult period, as a recovery in economic activity and rising inflation pushed Treasury yields off their historic lows.

In this risk-on environment, the Canadian dollar strengthened as the Bank of Canada adopted a relatively more hawkish tone and crude oil prices increased markedly. Meanwhile, gold prices edged lower, weighed down by a generally stronger U.S. dollar and slightly higher real yields.

In equity markets, value-oriented names outperformed higher growth stocks as investors continued to favour more cyclical sectors, although this trend partly reversed in the latter part of the 6-month period. During the first half of the year, these circumstances proved especially beneficial to the Canadian stock market, the top-performing region in the world. All sectors posted gains, except for the Materials sector. While the Energy sector led the way, Financials, Health Care, Real Estate, and Information Technology generated over 20%. The strength of the Energy sector was also a major contributor to U.S. equities, as were the Real Estate and Financial Services sectors. Finally, after a good start, emerging markets lagged their peers as a stronger greenback and an apparent slowdown in Chinese growth dampened investors' sentiment for the region.

Under these circumstances, the Fund underperformed the benchmark. Regarding the Canadian component of the Fund, underperformance was primarily the result of positioning in the Financials, Energy and Materials sectors. The underweight position in the Financials sector detracted from performance over the period. The Financials sector benefited from improving economic conditions and strong financial results. The Fund's underweight exposure to the Energy sector also detracted from relative performance. The Energy sector outperformed the benchmark, driven higher by rising oil prices amid expectations of stronger global demand. An underweight exposure and security selection in the Materials sector also detracted from the Fund's relative performance. The Materials sector lagged due in part to falling gold prices. The Fund's lack of exposure to First Quantum Minerals Ltd. detracted from relative performance. The company's share price advanced on strong financial results, along with expectations for strong copper demand as the economy recovers and greener technologies are adopted.

Regarding the global component of the Fund, it underperformed given its positioning in the Financials and Information Technology sectors. The Fund's underweight exposure and security selection in the Financials sector detracted from relative performance over the period. The Financials sector outperformed in response to strong financial results and improving economic conditions. The Fund's position in non-benchmark holding Agricultural Bank of China Ltd. detracted from performance as the company's share price fell in response to China's crackdown on cryptocurrency trading. An underweight position and security selection within the Information Technology sector detracted from the Fund's relative performance. The Fund's underweight exposure to Microsoft Corp. was one of the largest individual detractors within the sector as the company posted strong share price gains amid strong product demand and solid financial results. From a country perspective, the Fund's underweight position and security selection in the United States detracted from performance. A large individual detractor was the Fund's lack of exposure to Alphabet Inc., which increased on expectations of strong growth prospects and strong usage.

Recent Developments

For the Canadian component of the strategy, the largest overweight allocations are in Consumer Staples, Communication Services and Utilities while the largest underweight allocations are in Financials, Energy and Information Technology.

For the global component of the strategy, the largest overweight allocations are Consumer Staples, Health Care and Utilities while the largest underweight allocations are Information Technology, Financials and Consumer Discretionary. At the country level, the largest overweight allocation is in Japan while the largest underweight allocation is in the United States.

The portfolio manager does not forecast future market events or use expectations of future events to influence or change the strategy. Rather, the portfolio manager consistently and systematically applies a strategy that puts risk management at the heart of the portfolio construction process by selecting stocks with lower risk characteristics and weighting all stocks so that each contributes an equal amount of risk. The objective of this approach is to seek outperformance with less volatility over a full market cycle relative to market-cap weighted strategies.

On April 30, 2021, the Fund's independent review committee (the "IRC") was reduced to three members when Yves Julien resigned as IRC member. On May 1, 2021, the Fund's IRC was increased to four members when Paul Béland was appointed as IRC member.

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.

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.

Portfolio Manager

The Manager has appointed National Bank Trust Inc. (“NBT”), an indirect wholly-owned subsidiary of the Bank, as the portfolio manager for the Fund. A flat fee is payable annually to NBT for its management 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

NBT carries out the portfolio transactions in the underlying funds through National Bank Direct Brokerage (a division of National Bank Financial Inc., an indirect wholly owned subsidiary of the Bank). Each month, the Manager pays a flat fee for each transaction carried out in the underlying fund securities.

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 | 0.75% | — | 100.00% |

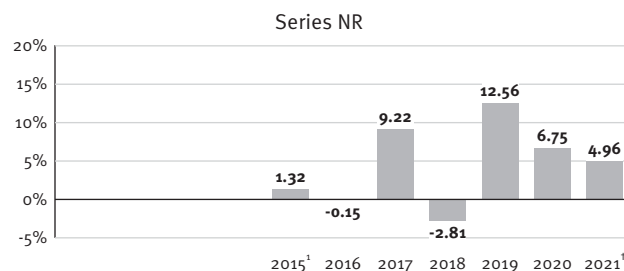
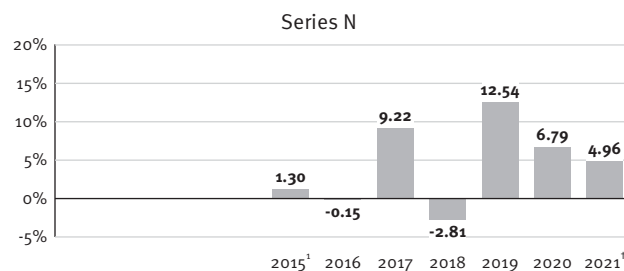
^(†) Includes all costs related to management, investment advisory services, general administration and profit.

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.



^(†) Returns for the period from October 28, 2015 (commencement of operations) to December 31, 2015.

^(†) Returns for the period from January 1, 2021 to June 30, 2021.

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 / Private Series*

^(*) Please note that the Private Series was created on November 28, 2016, and is offered by way of private placement.

Net Assets per Unit⁽¹⁾ Commencement of operations: October 28, 2015

| Accounting Period Ended | 2021 June 30 | 2020 December 31 | 2019 December 31 | 2018 December 31 | 2017 December 31 | 2016 December 31 |
|--|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾ | 11.69 | 11.05 | 9.90 | 10.63 | 10.11 | 10.13 |
| Increase (Decrease) from Operations (\$) | | | | | | |
| Total revenue | — | 0.23 | 0.23 | 0.26 | 0.25 | 0.11 |
| Total expenses | (0.06) | (0.11) | (0.11) | (0.11) | (0.11) | (0.10) |
| Realized gains (losses) | — | — | (0.21) | 0.33 | 0.58 | 0.03 |
| Unrealized gains (losses) | 0.65 | 0.62 | 1.31 | (0.82) | 0.18 | 0.18 |
| Total Increase (Decrease) from Operations (\$) ⁽²⁾ | 0.59 | 0.74 | 1.22 | (0.34) | 0.90 | 0.22 |
| Distributions (\$) | | | | | | |
| From net investment income (excluding dividends) | — | — | — | 0.01 | 0.04 | — |
| From dividends | — | 0.11 | 0.09 | 0.13 | 0.09 | — |
| From capital gains | — | — | — | 0.29 | 0.29 | — |
| Return of capital | — | — | — | — | — | — |
| Total Annual Distributions (\$) ⁽³⁾ | — | 0.11 | 0.09 | 0.43 | 0.42 | — |
| Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾ | 12.27 | 11.69 | 11.05 | 9.90 | 10.63 | 10.11 |

Ratios and Supplemental Data

| Accounting Period Ended | 2021 June 30 | 2020 December 31 | 2019 December 31 | 2018 December 31 | 2017 December 31 | 2016 December 31 |
|--|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total net asset value (ooo's of \$) ⁽⁵⁾ | 565,517 | 497,266 | 428,432 | 435,982 | 374,805 | 268,015 |
| Number of units outstanding ⁽⁵⁾ | 46,076,279 | 42,533,318 | 38,761,761 | 44,021,020 | 35,257,512 | 26,507,379 |
| Management expense ratio (%) ⁽⁶⁾ | 1.06 | 1.06 | 1.10 | 1.14 | 1.14 | 1.14 |
| Management expense ratio before waivers or absorptions (%) | 1.06 | 1.06 | 1.10 | 1.14 | 1.14 | 1.14 |
| Trading expense ratio (%) ⁽⁷⁾ | 0.05 | 0.06 | 0.09 | 0.11 | 0.20 | 0.31 |
| Portfolio turnover rate (%) ⁽⁸⁾ | — | 1.44 | 28.20 | — | 1.44 | 0.73 |
| Net asset value per unit (\$) | 12.27 | 11.69 | 11.05 | 9.90 | 10.63 | 10.11 |

Series NR

Net Assets per Unit⁽¹⁾ Commencement of operations: October 28, 2015

| Accounting Period Ended | 2021 June 30 | 2020 December 31 | 2019 December 31 | 2018 December 31 | 2017 December 31 | 2016 December 31 |
|--|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾ | 9.22 | 9.15 | 8.56 | 9.62 | 9.56 | 10.09 |
| Increase (Decrease) from Operations (\$) | | | | | | |
| Total revenue | — | 0.18 | 0.19 | 0.22 | 0.22 | 0.10 |
| Total expenses | (0.05) | (0.09) | (0.09) | (0.10) | (0.10) | (0.10) |
| Realized gains (losses) | — | — | (0.17) | 0.28 | 0.51 | 0.03 |
| Unrealized gains (losses) | 0.51 | 0.48 | 1.11 | (0.68) | 0.24 | 0.13 |
| Total Increase (Decrease) from Operations (\$) ⁽²⁾ | 0.46 | 0.57 | 1.04 | (0.28) | 0.87 | 0.16 |
| Distributions (\$) | | | | | | |
| From net investment income (excluding dividends) | — | — | — | 0.01 | 0.04 | — |
| From dividends | — | 0.08 | 0.07 | 0.11 | 0.07 | — |
| From capital gains | — | — | — | 0.25 | 0.26 | — |
| Return of capital | 0.23 | 0.43 | 0.39 | 0.44 | 0.44 | 0.50 |
| Total Annual Distributions (\$) ⁽³⁾ | 0.23 | 0.51 | 0.46 | 0.81 | 0.81 | 0.50 |
| Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾ | 9.44 | 9.22 | 9.15 | 8.56 | 9.62 | 9.56 |

Ratios and Supplemental Data

| Accounting Period Ended | 2021 June 30 | 2020 December 31 | 2019 December 31 | 2018 December 31 | 2017 December 31 | 2016 December 31 |
|--|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total net asset value (ooo's of \$) ⁽⁵⁾ | 6,067 | 5,462 | 5,173 | 5,601 | 5,496 | 4,288 |
| Number of units outstanding ⁽⁵⁾ | 642,586 | 592,472 | 565,502 | 654,132 | 571,308 | 448,509 |
| Management expense ratio (%) ⁽⁶⁾ | 1.06 | 1.06 | 1.10 | 1.14 | 1.14 | 1.14 |
| Management expense ratio before waivers or absorptions (%) | 1.06 | 1.06 | 1.10 | 1.14 | 1.14 | 1.15 |
| Trading expense ratio (%) ⁽⁷⁾ | 0.05 | 0.06 | 0.09 | 0.11 | 0.20 | 0.31 |
| Portfolio turnover rate (%) ⁽⁸⁾ | — | 1.44 | 28.20 | — | 1.44 | 0.73 |
| Net asset value per unit (\$) | 9.44 | 9.22 | 9.15 | 8.56 | 9.62 | 9.56 |

- ⁽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.
- ⁽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.
- ⁽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.
- ⁽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, 2021

Portfolio Top Holdings

| | % of Net Asset Value |
|---|-------------------------|
| NBI SmartBeta Global Equity Fund, Series O..... | 76.5 |
| NBI SmartBeta Canadian Equity Fund, Series O..... | 23.0 |
| Cash, Money Market and Other Net Assets..... | 0.5 |
| | 100.0 |

Net asset value..... \$571,583,864

Asset Mix

| | % of Net Asset Value |
|--|-------------------------|
| Global Equity..... | 72.7 |
| Canadian Equity..... | 26.3 |
| Cash, Money Market and Other Net Assets..... | 1.0 |

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.