

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2021

Global Equity Private Portfolio

NBI Tactical 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, 2021, the NBI Tactical Equity Private Portfolio's Series N units returned 10.02% compared to 12.08% for the Fund's blended benchmark. The broad-based index, the MSCI World Index (CAD), returned 9.88%. Unlike the indices, 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 26.76% over the period, from \$30.73 million as at December 31, 2020 to \$38.96 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 (+37%), 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.

Against a backdrop of extreme movements on the stock market, the Fund underperformed its benchmark. In the first quarter, the main negative contributor to the Fund's relative performance was an overweight in emerging markets of 10%, which was increased to 20% on February 1 against an underweight in Canadian and U.S. stocks. Indeed, after strong outperformance in the first half of the first quarter, emerging markets saw their advance wane in March as signs of a slowdown in China emerged and improved growth prospects in the U.S. pushed the USD higher.

Meanwhile in the second quarter, against a backdrop of rising interest rates and global stock markets, the main negative contributor to the Fund's relative performance was an overweight in emerging markets against an underweight in U.S. stocks. Emerging markets were slowed down by a stronger U.S. dollar, while renewed appetite for U.S. technology stocks pushed the S&P 500 to record highs during the period.

Recent Developments

Over the period, the Fund increased its target allocation to Canadian equities against a reduction in its emerging market weighting. This change reflected the manager's intention to mitigate the near-term risks of U.S. dollar strength, a slowdown in China, and rising inflation. This adjustment to the strategy proved beneficial as these risks effectively materialised over the second half of the period.

Overall, the portfolio manager's base-case scenario assuming (i) a sharp recovery in economic activity driven by a significant reduction in the constraints imposed by the pandemic, (ii) strong upward pressure on prices, and (iii) the maintenance of an accommodative stance by major central banks, continues to bear out. Accordingly, the portfolio manager continues to favour a pro-risk positioning with a modest overweight in emerging markets to the expense of U.S. stocks.

As the summer progresses and some form of normalcy sets in, economic data will likely continue to produce surprises, given that there is simply no precedent in modern history to provide meaningful insight into a post-pandemic world. Investors should therefore not be surprised if the next few months bring episodes of increased volatility. However, the manager measures of market sentiment do not indicate an excess of optimism, which suggests a limited downside risk for stocks.

Going forward, a crucial element to watch will be the evolution of the Federal Reserve's guidance in tandem with the labour market recovery. For now, bond markets appear to be standing exactly where the Fed wants them, but for this to remain the case, the U.S. Central Bank will have to strike the right balance between coherence, credibility, and predictability... no easy task. Well aware of the challenges ahead, investors should, however, expect monetary policy makers to exercise great caution in the process.

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.

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.

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

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, 2021 |
|---|-------------------------------|
| Total brokerage fees | 780.86 |
| Brokerage fees paid to National Bank Financial | - |

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. A portion of the management fees paid by the Fund covers maximum annual trailer fees and sales commissions paid to brokers. The remainder of the management fees primarily covers investment management and general administration services. 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 | 0.25% | — | 100.00% |

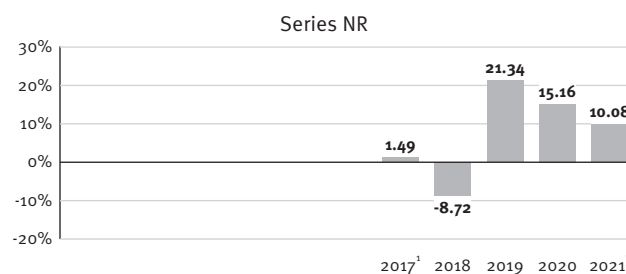
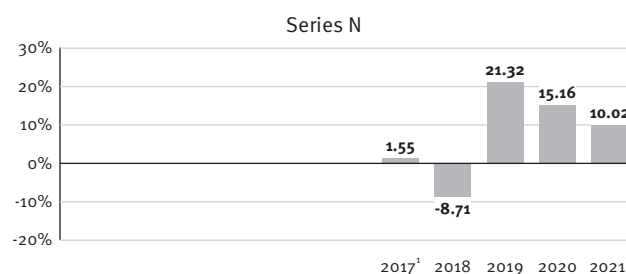
^(†) Includes all costs related to management, investment advisory services, general administration and profit.

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 27, 2017 (commencement of operations) to December 31, 2017.

^(†) 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

Net Assets per Unit⁽¹⁾

Commencement of operations: October 27, 2017

| Accounting Period Ended | 2021 June 30 | 2020 December 31 | 2019 December 31 | 2018 December 31 | 2017 December 31 |
|--|-----------------|---------------------|---------------------|---------------------|---------------------|
| Net Assets, Beginning of Accounting Period Shown ^(a) | 12.17 | 10.81 | 9.07 | 10.06 | 10.00 |
| Increase (Decrease) from Operations (\$) | | | | | |
| Total revenue | 0.03 | 0.46 | 0.28 | 0.18 | 0.08 |
| Total expenses | (0.02) | (0.04) | (0.04) | (0.03) | (0.01) |
| Realized gains (losses) | 0.27 | 0.73 | 0.40 | (0.09) | — |
| Unrealized gains (losses) | 0.94 | 0.54 | 2.15 | (1.00) | 0.10 |
| Total Increase (Decrease) from Operations (\$) ^(a) | 1.22 | 1.69 | 2.79 | (0.94) | 0.17 |
| Distributions (\$) | | | | | |
| From net investment income (excluding dividends) | — | — | — | — | — |
| From dividends | — | 0.28 | 0.18 | 0.11 | 0.10 |
| From capital gains | — | — | — | — | — |
| Return of capital | — | — | — | — | — |
| Total Annual Distributions (\$) ⁽³⁾ | — | 0.28 | 0.18 | 0.11 | 0.10 |
| Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾ | 13.39 | 12.17 | 10.81 | 9.07 | 10.06 |

Ratios and Supplemental Data

| Accounting Period Ended | 2021 June 30 | 2020 December 31 | 2019 December 31 | 2018 December 31 | 2017 December 31 |
|--|-----------------|---------------------|---------------------|---------------------|---------------------|
| Total net asset value (ooo's of \$) ⁽⁵⁾ | 37,544 | 29,538 | 22,879 | 571,337 | 400,611 |
| Number of units outstanding ⁽⁵⁾ | 2,804,201 | 2,427,354 | 2,117,158 | 63,014,727 | 39,819,876 |
| Management expense ratio (%) ⁽⁶⁾ | 0.41 | 0.37 | 0.40 | 0.38 | 0.48 |
| Management expense ratio before waivers or absorptions (%) | 0.43 | 0.39 | 0.42 | 0.43 | 0.48 |
| Trading expense ratio (%) ⁽⁷⁾ | 0.03 | 0.03 | 0.02 | 0.04 | — |
| Portfolio turnover rate (%) ⁽⁸⁾ | 17.11 | 38.07 | 42.58 | 149.23 | — |
| Net asset value per unit (\$) | 13.39 | 12.17 | 10.81 | 9.07 | 10.06 |

Series NR

Net Assets per Unit⁽¹⁾

Commencement of operations: October 27, 2017

| Accounting Period Ended | 2021 June 30 | 2020 December 31 | 2019 December 31 | 2018 December 31 | 2017 December 31 |
|--|-----------------|---------------------|---------------------|---------------------|---------------------|
| Net Assets, Beginning of Accounting Period Shown ^(a) | 10.58 | 9.85 | 8.58 | 9.97 | 10.00 |
| Increase (Decrease) from Operations (\$) | | | | | |
| Total revenue | 0.03 | 0.42 | 0.26 | 0.17 | 0.08 |
| Total expenses | (0.02) | (0.03) | (0.03) | (0.03) | (0.01) |
| Realized gains (losses) | 0.19 | 0.65 | 0.07 | (0.09) | — |
| Unrealized gains (losses) | 0.88 | 0.52 | 2.38 | (0.93) | 0.10 |
| Total Increase (Decrease) from Operations (\$) ^(a) | 1.08 | 1.56 | 2.68 | (0.88) | 0.17 |
| Distributions (\$) | | | | | |
| From net investment income (excluding dividends) | — | — | — | — | — |
| From dividends | — | 0.26 | 0.17 | 0.10 | 0.09 |
| From capital gains | — | — | — | — | — |
| Return of capital | 0.26 | 0.44 | 0.36 | 0.46 | 0.08 |
| Total Annual Distributions (\$) ⁽³⁾ | 0.26 | 0.70 | 0.53 | 0.56 | 0.17 |
| Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾ | 11.37 | 10.58 | 9.85 | 8.58 | 9.97 |

Ratios and Supplemental Data

| Accounting Period Ended | 2021 June 30 | 2020 December 31 | 2019 December 31 | 2018 December 31 | 2017 December 31 |
|--|-----------------|---------------------|---------------------|---------------------|---------------------|
| Total net asset value (ooo's of \$) ⁽⁵⁾ | 434 | 221 | 162 | 8,656 | 7,169 |
| Number of units outstanding ⁽⁵⁾ | 38,205 | 20,872 | 16,483 | 1,008,878 | 718,937 |
| Management expense ratio (%) ⁽⁶⁾ | 0.41 | 0.34 | 0.40 | 0.38 | 0.48 |
| Management expense ratio before waivers or absorptions (%) | 0.44 | 0.37 | 0.42 | 0.43 | 0.48 |
| Trading expense ratio (%) ⁽⁷⁾ | 0.03 | 0.03 | 0.02 | 0.04 | — |
| Portfolio turnover rate (%) ⁽⁸⁾ | 17.11 | 38.07 | 42.58 | 149.23 | — |
| Net asset value per unit (\$) | 11.37 | 10.58 | 9.85 | 8.58 | 9.97 |

Series PW*

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

Net Assets per Unit⁽¹⁾

Commencement of operations: October 27, 2017

| Accounting Period Ended | 2021 June 30 | 2020 December 31 | 2019 December 31 | 2018 December 31 | 2017 December 31 |
|--|-----------------|---------------------|---------------------|---------------------|---------------------|
| Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾ | 12.16 | 10.82 | 9.14 | 10.13 | 10.00 |
| Increase (Decrease) from Operations (\$) | | | | | |
| Total revenue | 0.03 | 0.37 | 0.19 | 0.28 | 0.19 |
| Total expenses | (0.01) | (0.01) | (0.01) | (0.01) | — |
| Realized gains (losses) | 0.29 | 0.79 | 6.97 | (0.13) | — |
| Unrealized gains (losses) | 0.94 | 0.35 | (4.89) | (1.37) | (0.02) |
| Total Increase (Decrease) from Operations (\$) ⁽²⁾ | 1.25 | 1.50 | 2.26 | (1.23) | 0.17 |
| Distributions (\$) | | | | | |
| From net investment income (excluding dividends) | — | — | 0.01 | — | — |
| From dividends | — | 0.33 | 0.28 | 0.14 | 0.05 |
| From capital gains | — | — | — | — | — |
| Return of capital | — | — | — | — | — |
| Total Annual Distributions (\$) ⁽³⁾ | — | 0.33 | 0.29 | 0.14 | 0.05 |
| Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾ | 13.39 | 12.16 | 10.82 | 9.14 | 10.13 |

Ratios and Supplemental Data

| Accounting Period Ended | 2021 June 30 | 2020 December 31 | 2019 December 31 | 2018 December 31 | 2017 December 31 |
|--|-----------------|---------------------|---------------------|---------------------|---------------------|
| Total net asset value (000's of \$) ⁽⁵⁾ | 978 | 974 | 1,334 | 2,775 | 1,523 |
| Number of units outstanding ⁽⁵⁾ | 73,020 | 80,132 | 123,266 | 303,737 | 150,300 |
| Management expense ratio (%) ⁽⁶⁾ | 0.14 | 0.13 | 0.13 | 0.14 | 0.19 |
| Management expense ratio before waivers or absorptions (%) | 0.16 | 0.15 | 0.15 | 0.19 | 0.21 |
| Trading expense ratio (%) ⁽⁷⁾ | 0.03 | 0.03 | 0.02 | 0.05 | — |
| Portfolio turnover rate (%) ⁽⁸⁾ | 17.11 | 38.07 | 42.58 | 149.23 | — |
| Net asset value per unit (\$) | 13.39 | 12.16 | 10.82 | 9.14 | 10.13 |

⁽⁴⁾ 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 Canadian Equity Index Fund, Series O | 35.8 |
| NBI U.S. Equity Index Fund, Series O | 25.3 |
| NBI International Equity Index Fund, Series O | 19.6 |
| iShares, Core MSCI Emerging Markets ETF | 19.5 |
| Cash, Money Market and Other Net Assets | (0.2) |
| | <u>100.0</u> |

Net asset value \$38,956,379

Asset Mix

| | % of Net Asset Value |
|---|-------------------------|
| Canadian Equity | 35.9 |
| US Equity | 22.5 |
| International Equity | 20.3 |
| Emerging Market Equity | 19.6 |
| Cash, Money Market and Other Net Assets | 1.7 |

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.