

## **INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE**

For the period ended June 30, 2021

Short Term and Income Fund  
**NBI High Yield Bond Fund**

### **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.

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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](http://www.nbinvestments.ca), by visiting SEDAR's website at [www.sedar.com](http://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 High Yield Bond Fund's Investor Series units returned 3.13% compared to 3.59% for the Fund's benchmark, the ICE BofA U.S. High Yield Constrained Index (CAD Hedged). 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 116.00% over the period, from \$376.19 million as at December 31, 2020 to \$812.55 million as at June 30, 2021.

The increase stands, among other things, from the merger of the NBI High Yield Bond Private Portfolio with this Fund, investments in the Fund by other NBI Funds and market fluctuations.

Following a historic 2020 that ended with a strong risk-on rally, as a result of the positive vaccine news, high yield bonds (HY) managed to experience positive returns in Q1, despite the upward move in interest rate that plagued most of the fixed income assets. U.S. fiscal stimulus, U.S. Federal Reserve (Fed) dovish stance, broad vaccine distribution and higher inflation expectations have driven bond yields higher.

In the second quarter, the HY market strengthened as credit spreads tightened significantly and HY bond yields hit all-time lows. As the summer vacations approached, trading volume in the secondary market slowed in the latter half of the quarter. New issuance remained robust during that period, with refinancing accounting for 60% of the issuance, compared to 73% in the first quarter, a trend that is likely to continue throughout the year.

In this context, HY bonds figured among the best performing fixed income assets for the first half of the year. Lower quality issuers outperformed, as CCCs returned +9.32%, single-B's +3.40% and BBs +2.46% (in USD). With the continued rise in oil prices, Energy led the outperformers, followed by Transportation and Leisure. All sectors were positive in the first half except Utilities; Telecommunications and Healthcare also lagged in performance.

In this context, the Fund underperformed its benchmark for the period. among other Security selection favored in the Independent Energy, Wirelines and Transportation Services sectors was profitable as well as the overweights to Frontier Communications, Oasis Petroleum, EP Energy, Hertz Global Holdings and Exela Technologies. Conversely, security selection in the Cable Satellite, Leisure and Wireless sectors led the detractors. Overweights to Intelsat and Bausch Health Companies in addition to underweights to AMC Entertainment, Occidental Petroleum and Transocean also hindered performance during the period.

### Recent Developments

With the tightening of credit spreads between HY bonds and U.S. Treasuries, credit spreads are currently in line with their pre-COVID levels (2017 to 2019). A slow grind tighter may likely continue until there is a major catalyst to shock markets, which seems unlikely in the near term. The default forecast keeps improving, with expectations that the year-end 2021 rate will be less than 1%, followed by a year-end rate in 2022 of less than 1.5%.

Until Treasury bond yields march higher, demand for this asset class should persist, as fixed income investors are looking for higher yielding assets. Strong fundamentals and technicals within the HY market combined with GDP growth estimates of nearly 7% bode well for this asset class. In this context, the portfolio manager believes that higher yielding coupons may be the base case outcome for 2021, with the biggest risk being Treasury bond yield volatility.

At the end of the semester, the Fund was overweight Cable Satellite, Healthcare, Pharmaceuticals and Wireless due to the relative value opportunities within those sectors. Conversely, the portfolio was underweight the Electric Utilities, Food/Beverage, Banking and Finance companies sectors as these sectors don't seem compelling due to challenging fundamental outlooks or rich valuations. During the first half of 2021, the portfolio manager increased the Cable Satellite, Pharmaceuticals, Healthcare and Chemicals positions while trimming exposure to Wirelines, Wireless, Independent Energy and Gaming.

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.

On May 17, 2021, National Bank Investments Inc. ("NBI") announced the results of the proposals voted upon at the special meetings of securityholders of certain NBI Funds held on that day. The proposed fund mergers were part of a series of initiatives that seek to ensure a more streamlined NBI Fund line-up to provide investors with a comprehensive, more clearly defined range of investment products.

Therefore, the NBI High Yield Bond Private Portfolio merged with the NBI High Yield Bond Fund on or about May 21, 2021. To facilitate the merger, Series N and NR of the Fund were made available for sale on March 10, 2021 while Series PW, Series PWO and Private Series of the Fund were launched on March 12, 2021.

## 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. In this capacity, NBII buys, sells and swaps securities through Bank branches and the National Bank Investments Advisory Service in Canadian provinces and territories, and through external registered representatives. Fund securities are also offered by National Bank Financial Inc. (including its division National Bank Direct Brokerage), CABN Investments (a division of NBII) and other affiliated entities. Brokers may receive, depending on the distributed series, a monthly commission representing a percentage of the average daily value of the securities held by their clients.

#### 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
<b>Total brokerage fees</b>	61,315.49
<b>Brokerage fees paid to National Bank Financial</b>	-

#### Holdings

As at June 30, 2021, National Bank Investments Inc. held 912.24 Fund securities for a value of \$8,153.52, which represented close to 0.0010% 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.

#### Registered Plan Trust Services

NTC 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 <sup>†</sup>
Investor Series	1.75%	42.86%	57.14%
Advisor Series and Series T5*			
Front-end load	1.75%	42.86%	57.14%
Back-end load - 1 to 6 years	1.75%	14.29%	85.71%
Back-end load - 7 years and more	1.75%	42.86%	57.14%
Low load - 1 to 3 years	1.75%	14.29%	85.71%
Low load - 4 years and more	1.75%	42.86%	57.14%
Series F and Series F5	0.80%	—	100.00%
Series N and Series NR***	0.25%	—	100.00%
Series O	N/A**	—	100.00%

<sup>(†)</sup> Includes all costs related to management, investment advisory services, general administration and profit.

<sup>(\*)</sup> Excluding sales commissions paid on the Advisor Series and Series T5 with low sales charges option and deferred sales charge option, which are not paid for out of the management fees.

<sup>(\*\*)</sup> There are no management fees paid by the Fund with respect to the Series O. Instead, Series O securityholders pay a negotiated administration fee directly to National Bank Investments.

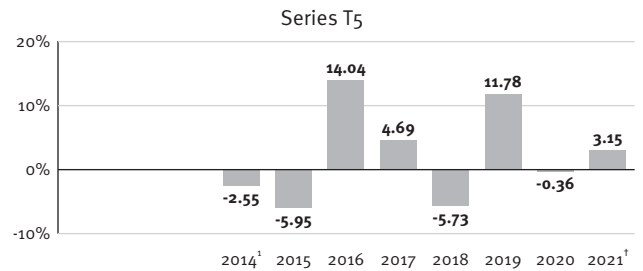
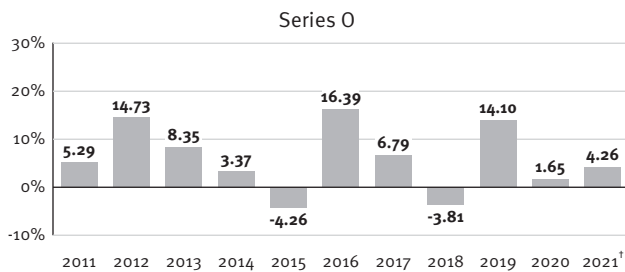
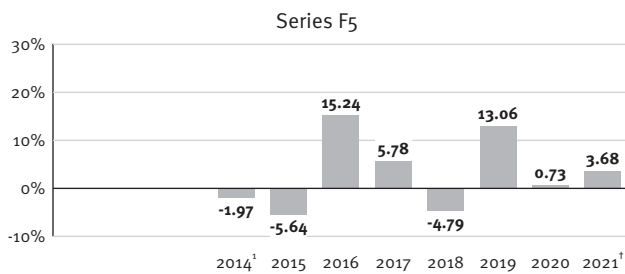
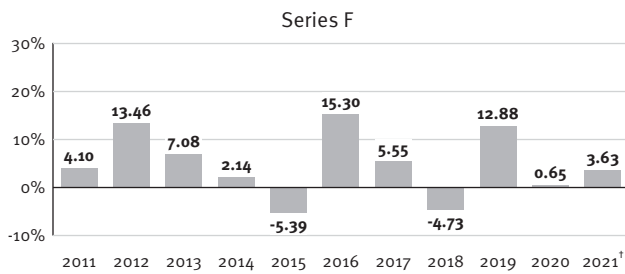
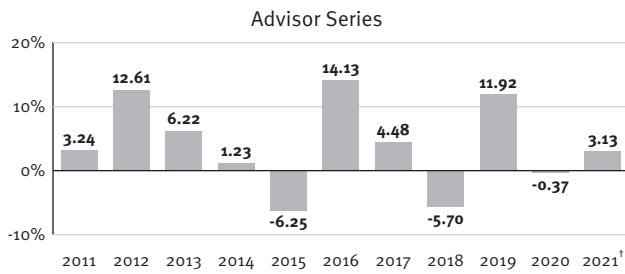
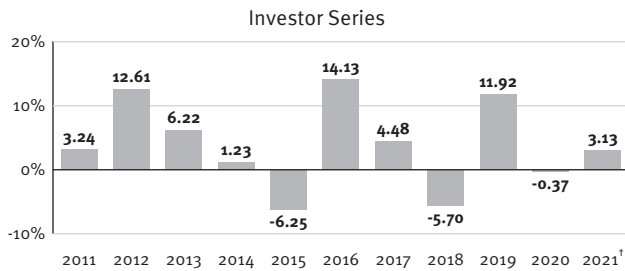
<sup>(\*\*\*)</sup> For Series N and NR, offered only to investors using the NBI Private Wealth Management service ("PWM"), management fees only cover management of fund investments, i.e. the fees related to management of fund portfolios constituting the PWM profiles. General administration services, trailer fees and sale commissions paid to brokers are covered by the PWM's service fees, which are paid directly by investors.

#### 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.



<sup>(i)</sup> Returns for the period from May 21, 2014 (commencement of operations) to December 31, 2014

<sup>(†)</sup> 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.

### Investor / Advisor\* Series

<sup>(1)</sup> The Advisor Series was created on February 8, 2002.

Net Assets per Unit <sup>(1)</sup>		Commencement of operations: December 19, 2001				
Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown<sup>(4)</sup></b>	6.98	7.32	6.86	7.66	7.67	7.04
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.15	0.37	0.48	0.53	0.50	0.48
Total expenses	(0.04)	(0.10)	(0.15)	(0.15)	(0.16)	(0.15)
Realized gains (losses)	1.22	(1.20)	(0.12)	(0.23)	0.72	0.26
Unrealized gains (losses)	(1.20)	0.87	0.68	(0.51)	(0.69)	0.38
<b>Total Increase (Decrease) from Operations (\$)<sup>(2)</sup></b>	0.13	(0.06)	0.89	(0.36)	0.37	0.97
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	0.11	0.30	0.34	0.38	0.35	0.34
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—
<b>Total Annual Distributions (\$)<sup>(3)</sup></b>	0.11	0.30	0.34	0.38	0.35	0.34
<b>Net Assets, End of Accounting Period Shown (\$)<sup>(4)</sup></b>	7.09	6.98	7.32	6.86	7.66	7.67

### 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 \$) <sup>(5)</sup>	48,522	173,677	226,550	338,518	593,449	995,922
Number of units outstanding <sup>(5)</sup>	6,846,953	24,898,517	30,966,525	49,321,753	77,426,798	129,898,538
Management expense ratio (%) <sup>(6)</sup>	1.97	2.01	2.06	2.06	2.06	2.07
Management expense ratio before waivers or absorptions (%)	2.35	2.58	2.07	2.07	2.07	2.07
Trading expense ratio (%) <sup>(7)</sup>	0.02	0.02	—	—	—	—
Portfolio turnover rate (%) <sup>(8)</sup>	25.11	165.46	42.54	69.04	81.88	67.43
Net asset value per unit (\$)	7.09	6.98	7.32	6.86	7.66	7.67

### Series F

Net Assets per Unit <sup>(1)</sup>		Commencement of operations: April 16, 2008				
Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown<sup>(4)</sup></b>	8.58	8.99	8.43	9.39	9.37	8.60
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.21	0.46	0.59	0.66	0.62	0.59
Total expenses	(0.01)	(0.02)	(0.09)	(0.09)	(0.10)	(0.10)
Realized gains (losses)	2.06	(0.05)	(0.10)	(0.26)	0.74	0.33
Unrealized gains (losses)	(1.91)	0.99	0.69	(0.55)	(0.82)	0.37
<b>Total Increase (Decrease) from Operations (\$)<sup>(2)</sup></b>	0.35	1.38	1.09	(0.24)	0.44	1.19
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	0.25	0.44	0.50	0.54	0.49	0.51
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—
<b>Total Annual Distributions (\$)<sup>(3)</sup></b>	0.25	0.44	0.50	0.54	0.49	0.51
<b>Net Assets, End of Accounting Period Shown (\$)<sup>(4)</sup></b>	8.64	8.58	8.99	8.43	9.39	9.37

### 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 \$) <sup>(5)</sup>	9,929	44,975	9,921	11,004	22,670	10,297
Number of units outstanding <sup>(5)</sup>	1,148,641	5,243,963	1,103,782	1,305,805	2,413,613	1,099,309
Management expense ratio (%) <sup>(6)</sup>	0.88	0.92	1.10	1.10	1.10	1.11
Management expense ratio before waivers or absorptions (%)	1.27	1.51	1.13	1.17	1.15	1.14
Trading expense ratio (%) <sup>(7)</sup>	0.02	0.02	—	—	—	—
Portfolio turnover rate (%) <sup>(8)</sup>	25.11	165.46	42.54	69.04	81.88	67.43
Net asset value per unit (\$)	8.64	8.58	8.99	8.43	9.39	9.37

## Series F5

Net Assets per Unit<sup>(1)</sup>

Commencement of operations: May 21, 2014

Accounting Period Ended	2021	2020	2019	2018	2017	2016
	June 30	December 31	December 31	December 31	December 31	December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	7.90	8.29	7.76	8.66	8.65	7.93
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.19	0.35	0.54	0.60	0.57	0.55
Total expenses	(0.01)	(0.02)	(0.08)	(0.09)	(0.09)	(0.09)
Realized gains (losses)	0.81	(0.30)	(0.06)	(0.28)	0.78	0.29
Unrealized gains (losses)	(0.70)	0.81	0.58	(0.63)	(0.78)	0.42
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	0.29	0.84	0.98	(0.40)	0.48	1.17
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	0.15	0.32	0.47	0.50	0.48	0.46
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	—	—
Return of capital	0.05	0.10	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.20	0.42	0.47	0.50	0.48	0.46
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	7.99	7.90	8.29	7.76	8.66	8.65

### Ratios and Supplemental Data

Accounting Period Ended	2021	2020	2019	2018	2017	2016
	June 30	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) <sup>(5)</sup>	12	12	1	1	1	1
Number of units outstanding <sup>(5)</sup>	1,496	1,460	146	138	130	123
Management expense ratio (%) <sup>(6)</sup>	0.89	0.90	1.00	1.03	0.99	1.10
Management expense ratio before waivers or absorptions (%)	1.30	1.79	1.61	1.82	2.02	2.52
Trading expense ratio (%) <sup>(7)</sup>	0.02	0.02	—	—	—	—
Portfolio turnover rate (%) <sup>(8)</sup>	25.11	165.46	42.54	69.04	81.88	67.43
Net asset value per unit (\$)	7.99	7.90	8.29	7.76	8.66	8.65

## Series N

Net Assets per Unit<sup>(1)</sup>

Commencement of operations: March 10, 2021

Accounting Period Ended	2021
	June 30
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	10.00
<b>Increase (Decrease) from Operations (\$)</b>	
Total revenue	0.17
Total expenses	(0.01)
Realized gains (losses)	0.10
Unrealized gains (losses)	0.06
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	0.32
<b>Distributions (\$)</b>	
From net investment income (excluding dividends)	0.11
From dividends	—
From capital gains	—
Return of capital	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.11
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	10.19

### Ratios and Supplemental Data

Accounting Period Ended	2021
	June 30
Total net asset value (000's of \$) <sup>(5)</sup>	122,840
Number of units outstanding <sup>(5)</sup>	12,051,991
Management expense ratio (%) <sup>(6)</sup>	1.03
Management expense ratio before waivers or absorptions (%)	1.40
Trading expense ratio (%) <sup>(7)</sup>	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	25.11
Net asset value per unit (\$)	10.19

## Series NR

Net Assets per Unit<sup>(1)</sup>

Commencement of operations: March 10, 2021

Accounting Period Ended	2021 June 30
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	10.00
<b>Increase (Decrease) from Operations (\$)</b>	
Total revenue	0.17
Total expenses	(0.01)
Realized gains (losses)	0.10
Unrealized gains (losses)	0.06
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	0.32
<b>Distributions (\$)</b>	
From net investment income (excluding dividends)	0.11
From dividends	—
From capital gains	—
Return of capital	0.05
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.16
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	10.14

### Ratios and Supplemental Data

Accounting Period Ended	2021 June 30
Total net asset value (000's of \$) <sup>(5)</sup>	2,247
Number of units outstanding <sup>(5)</sup>	221,665
Management expense ratio (%) <sup>(6)</sup>	1.03
Management expense ratio before waivers or absorptions (%)	1.39
Trading expense ratio (%) <sup>(7)</sup>	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	25.11
Net asset value per unit (\$)	10.14

## Series O

Net Assets per Unit<sup>(1)</sup>

Commencement of operations: May 4, 2006

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	7.46	7.85	7.35	8.19	8.14	7.49
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.19	0.41	0.51	0.57	0.54	0.51
Total expenses	0.02	0.04	—	—	—	—
Realized gains (losses)	0.68	(1.50)	(0.05)	(0.28)	0.85	0.27
Unrealized gains (losses)	(0.57)	0.97	0.53	(0.61)	(0.91)	0.37
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	0.32	(0.08)	0.99	(0.32)	0.48	1.15
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	0.17	0.49	0.51	0.55	0.49	0.53
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.17	0.49	0.51	0.55	0.49	0.53
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	7.60	7.46	7.85	7.35	8.19	8.14

### 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 (000's of \$) <sup>(5)</sup>	190,641	156,513	264,850	203,664	140,094	49,780
Number of units outstanding <sup>(5)</sup>	25,095,543	20,969,844	33,722,358	27,699,299	17,104,301	6,114,859
Management expense ratio (%) <sup>(6)</sup>	0.02	0.01	0.02	0.03	0.02	0.03
Management expense ratio before waivers or absorptions (%)	0.38	0.01	0.02	0.03	0.02	0.03
Trading expense ratio (%) <sup>(7)</sup>	0.02	0.57	—	—	—	—
Portfolio turnover rate (%) <sup>(8)</sup>	25.11	165.46	42.54	69.04	81.88	67.43
Net asset value per unit (\$)	7.60	7.46	7.85	7.35	8.19	8.14

## Series T5

Net Assets per Unit<sup>(1)</sup>

Commencement of operations: May 21, 2014

Accounting Period Ended	2021	2020	2019	2018	2017	2016
	June 30	December 31	December 31	December 31	December 31	December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	8.21	8.72	8.18	9.14	9.18	8.45
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.20	0.44	0.57	0.63	0.60	0.58
Total expenses	(0.05)	(0.12)	(0.18)	(0.18)	(0.19)	(0.18)
Realized gains (losses)	0.88	(1.43)	(0.08)	(0.29)	0.82	0.30
Unrealized gains (losses)	(0.78)	1.05	0.64	(0.66)	(0.81)	0.46
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	0.25	(0.06)	0.95	(0.50)	0.42	1.16
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	0.12	0.34	0.40	0.44	0.41	0.40
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	—	—
Return of capital	0.09	0.11	0.01	0.02	0.05	0.02
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.21	0.45	0.41	0.46	0.46	0.42
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	8.26	8.21	8.72	8.18	9.14	9.18

### Ratios and Supplemental Data

Accounting Period Ended	2021	2020	2019	2018	2017	2016
	June 30	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) <sup>(5)</sup>	68	75	80	75	83	84
Number of units outstanding <sup>(5)</sup>	8,278	9,138	9,130	9,124	9,118	9,112
Management expense ratio (%) <sup>(6)</sup>	1.96	2.01	2.04	2.04	2.04	2.08
Management expense ratio before waivers or absorptions (%)	2.33	2.59	2.05	2.05	2.05	2.10
Trading expense ratio (%) <sup>(7)</sup>	0.02	0.02	—	—	—	—
Portfolio turnover rate (%) <sup>(8)</sup>	25.11	165.46	42.54	69.04	81.88	67.43
Net asset value per unit (\$)	8.26	8.21	8.72	8.18	9.14	9.18

## Series PW\*

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

Net Assets per Unit<sup>(1)</sup>

Commencement of operations: March 12, 2021

Accounting Period Ended	2021
	June 30
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	10.00
<b>Increase (Decrease) from Operations (\$)</b>	
Total revenue	0.14
Total expenses	—
Realized gains (losses)	0.01
Unrealized gains (losses)	0.14
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	0.29
<b>Distributions (\$)</b>	
From net investment income (excluding dividends)	0.08
From dividends	—
From capital gains	—
Return of capital	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.08
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	10.25

### Ratios and Supplemental Data

Accounting Period Ended	2021
	June 30
Total net asset value (000's of \$) <sup>(5)</sup>	386,865
Number of units outstanding <sup>(5)</sup>	37,751,386
Management expense ratio (%) <sup>(6)</sup>	0.75
Management expense ratio before waivers or absorptions (%)	1.11
Trading expense ratio (%) <sup>(7)</sup>	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	25.11
Net asset value per unit (\$)	10.25



## Series PWO\*

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

Net Assets per Unit<sup>(1)</sup>

Commencement of operations: March 12, 2021

Accounting Period Ended	2021 June 30
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	10.00
<b>Increase (Decrease) from Operations (\$)</b>	
Total revenue	0.14
Total expenses	(0.01)
Realized gains (losses)	0.01
Unrealized gains (losses)	0.14
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	0.28
<b>Distributions (\$)</b>	
From net investment income (excluding dividends)	0.08
From dividends	—
From capital gains	—
Return of capital	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.08
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	10.24

### Ratios and Supplemental Data

Accounting Period Ended	2021 June 30
Total net asset value (ooo's of \$) <sup>(5)</sup>	48,596
Number of units outstanding <sup>(5)</sup>	4,743,743
Management expense ratio (%) <sup>(6)</sup>	1.01
Management expense ratio before waivers or absorptions (%)	1.37
Trading expense ratio (%) <sup>(7)</sup>	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	25.11
Net asset value per unit (\$)	10.24

## Private Series\*

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

Net Assets per Unit<sup>(1)</sup>

Commencement of operations: March 12, 2021

Accounting Period Ended	2021 June 30
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	10.00
<b>Increase (Decrease) from Operations (\$)</b>	
Total revenue	0.15
Total expenses	(0.02)
Realized gains (losses)	0.01
Unrealized gains (losses)	0.11
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	0.25
<b>Distributions (\$)</b>	
From net investment income (excluding dividends)	0.08
From dividends	—
From capital gains	—
Return of capital	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.08
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	10.24

### Ratios and Supplemental Data

Accounting Period Ended	2021 June 30
Total net asset value (ooo's of \$) <sup>(5)</sup>	2,825
Number of units outstanding <sup>(5)</sup>	275,944
Management expense ratio (%) <sup>(6)</sup>	1.21
Management expense ratio before waivers or absorptions (%)	1.57
Trading expense ratio (%) <sup>(7)</sup>	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	25.11
Net asset value per unit (\$)	10.24

- <sup>(1)</sup> 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.
- <sup>(2)</sup> 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.
- <sup>(3)</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both.
- <sup>(4)</sup> The net assets are calculated in accordance with IFRS.
- <sup>(5)</sup> This information is provided as at the last day of the accounting period shown.
- <sup>(6)</sup> 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.
- <sup>(7)</sup> 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.
- <sup>(8)</sup> 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 High Yield Bond ETF .....	99.7
iHeartMedia Inc., warrants due May 1, 2039 .....	0.2
Cash, Money Market and Other Net Assets .....	0.1
	100.0

Net asset value .....

\$812,545,691
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### Term Allocation

	% of Net Asset Value
Under one year .....	5.0
From 1 to 5 years .....	30.2
From 5 to 10 years .....	61.5
More than 10 years .....	3.3

### Credit Quality

	% of Net Asset Value
AAA .....	2.7
BBB .....	0.7
BB .....	49.3
B .....	33.8
CCC .....	9.5
CC .....	0.6
C .....	—
D .....	0.3
Not rated .....	3.1

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](http://www.nbinvestments.ca).