

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2021

Specialized Fund

NBI Science and Technology 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.

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 Science and Technology Fund's Investor Series units returned 3.51% compared to 9.60% 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.

The Fund's net asset value rose by 4.11% over the period, from \$148.04 million as at December 31, 2020 to \$154.12 million as at June 30, 2021.

After a solid start of the new year, sentiment deteriorated, causing global equity markets to lose some steam early in the first quarter. Despite the rollout of vaccination campaigns, the prospect for increased U.S. fiscal spending emboldening calls for a rapid recovery, and the U.S. Federal Reserve (the "Fed") Chairman Powell's vow to keep monetary taps wide open for an extended time, investors took some pause to navigate the tug-of-war between economic recovery optimism and the immediate challenges and uncertainties posed by the pandemic.

Towards mid-quarter, however, global equity markets edged higher as investors regained confidence in the economy due to massive U.S. fiscal spending, which emboldened calls for a sharp revival in growth, as coronavirus infections declined considerably in the U.S.

The second quarter got off to a roaring start as investors welcomed the latest wave of robust economic and corporate earnings, while an accelerating vaccine campaign stoked confidence in the global economic outlook. Central bank officials reiterated their explicit pledges for highly accommodative monetary policy, even as the rapid recovery took hold. New global COVID-19 cases ran at the highest level since the start of the pandemic, with the notable flare-ups in India and Brazil. Still, optimism on the fortunes for the global economy outweighed these worrisome trends, as investors focused on the return to economic normality through 2021.

Sentiment wavered somewhat towards the end of the quarter, with growing optimism on the reopening and recovery at odds with fears about the emergence of the delta variant. Meanwhile, investors shrugged off the latest spike in inflation data and appear to be aligning with the Fed's view that near-term pricing pressures are transitory and will not prompt a premature withdrawal of monetary policy support.

In this environment, the NBI Science and Technology Fund underperformed its blended benchmark during the period. The portfolio's largest detractors of value added were its positions in Iliad, Seagen Inc., and Teamviewer. On the other hand, the portfolio's positions in Microsoft, Seagate Technology, and Tokyo Electron were among the top contributors to relative performance during the period.

Recent Developments

The portfolio manager initiated many positions during the first half of 2021, including Intel Corp., Verisign Inc., Pfizer Inc. and Ubisoft Entertainment. On the other hand, the portfolio manager sold many positions during the period, including Netflix Inc., Constellation Software, CGI Inc. and Open Text Corp.

The Fund remains slightly overweight to the Information Technology sector, and the portfolio manager increased that overweight during the first half of 2021. The Fund remains underweight to Health Care and Communication Services sectors compared to the benchmark.

The global economic revitalization is well underway and is broadening out from both a regional and sector perspective, making way for an all-encompassing expansion. Regionally, the rolling nature of the recovery is likely to extend the longevity of the expansion as the reopening progress across the globe. While China led the charge in 2020, the growth baton has now been passed to the United States, while momentum is set to rotate towards the Eurozone, United Kingdom, and Canada this summer. Japan and emerging market economies will trail later this year as they scale-up their immunization drives. Meanwhile, the previously battered services space is beginning to contribute more meaningfully and has plenty of runway for growth as restrictions are eased, adding to an already-buoyant factory sector.

While pricing pressures are heating-up in response, policymakers increased tolerance for higher inflation and the transitory nature of the latest spike in prices suggests that monetary policy will remain highly accommodative, which when combined with massive household savings will buttress the nascent recovery.

The recovery is in its early stages and has further room to run, and the portfolio manager expects growth to remain well above trend through the end of 2022. This lucrative environment of strong growth and abundant liquidity should continue to propel both earnings and stock markets. While bond yields should trend higher in this reflationary environment, they are likely to remain low by historical standards given central banks' relaxed stance towards inflation and their desire to avoid a tightening of financial conditions. Rates need to move into restrictive territory in order to trigger a recession and an accompanying bear market in equities – something that the portfolio manager does not foresee in the coming year.

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.

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
Total brokerage fees	20,684.08
Brokerage fees paid to National Bank Financial	827.11

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 [†]
Investor Series	1.75%	57.14%	42.86%
Advisor Series*			
Front-end load	1.75%	57.14%	42.86%
Back-end load - 1 to 6 years	1.75%	28.57%	71.43%
Back-end load - 7 years and more	1.75%	57.14%	42.86%
Low load - 1 to 3 years	1.75%	28.57%	71.43%
Low load - 4 years and more	1.75%	57.14%	42.86%
Series F	0.75%	—	100.00%

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

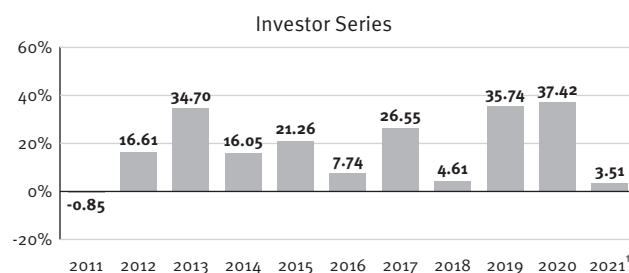
^(*) Excluding sales commissions paid on the Advisor Series with the low sales charge option and deferred sales charge option, which are not paid for out of the management fees.

Past Performance

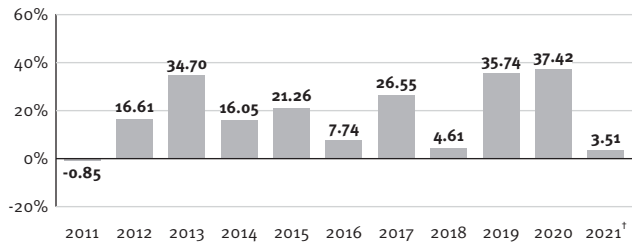
The performance of each series of the Fund is presented below and calculated as at December 31 of each year. It assumes that all distributions made in the periods shown were reinvested in additional securities and does not take into account sales, redemption charges, distributions, or optional charges 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.



Advisor Series



⁽¹⁾ 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

^(*) The Advisor Series was created on June 12, 2009.

Net Assets per Unit⁽¹⁾ Commencement of operations: August 3, 1995

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⁾	47.78	34.78	25.66	24.52	19.36	18.01
Increase (Decrease) from Operations (\$)						
Total revenue	0.63	0.36	0.36	0.34	0.32	0.26
Total expenses	(0.54)	(1.03)	(0.77)	(0.67)	(0.55)	(0.40)
Realized gains (losses)	2.15	19.57	1.97	2.43	3.53	0.89
Unrealized gains (losses)	(0.61)	(6.09)	7.48	(1.05)	1.87	0.49
Total Increase (Decrease) from Operations (\$) ⁽²⁾	1.63	12.81	9.04	1.05	5.17	1.24
Distributions (\$)						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	—	—	—	—	—	—
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	49.49	47.78	34.78	25.66	24.52	19.36

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⁾	153,146	147,989	102,331	75,987	72,568	57,135
Number of units outstanding ⁽⁵⁾	3,094,694	3,095,687	2,941,786	2,964,297	2,961,542	2,951,328
Management expense ratio (%) ⁽⁶⁾	2.22	2.50	2.54	2.54	2.51	2.48
Management expense ratio before waivers or absorptions (%)	2.22	2.50	2.54	2.54	2.51	2.49
Trading expense ratio (%) ⁽⁷⁾	0.04	0.05	0.02	0.02	0.03	0.04
Portfolio turnover rate (%) ⁽⁸⁾	41.17	105.62	18.48	31.73	38.61	20.07
Net asset value per unit (\$)	49.49	47.81	34.79	25.63	24.50	19.36

Series F

Net Assets per Unit⁽¹⁾ Commencement of operations: December 3, 2020

Accounting Period Ended	2021 June 30	2020 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	10.40	10.00
Increase (Decrease) from Operations (\$)		
Total revenue	0.23	—
Total expenses	(0.06)	(0.01)
Realized gains (losses)	0.37	—
Unrealized gains (losses)	0.29	(0.28)
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.83	(0.29)
Distributions (\$)		
From net investment income (excluding dividends)	—	—
From dividends	—	—
From capital gains	—	—
Return of capital	—	—
Total Annual Distributions (\$) ⁽³⁾	—	—
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	10.81	10.40

Ratios and Supplemental Data

Accounting Period Ended	2021 June 30	2020 December 31
Total net asset value (ooo's of \$) ⁽⁵⁾	977	51
Number of units outstanding ⁽⁵⁾	90,317	4,919
Management expense ratio (%) ⁽⁶⁾	1.14	1.13
Management expense ratio before waivers or absorptions (%)	1.15	6.37
Trading expense ratio (%) ⁽⁷⁾	0.04	0.05
Portfolio turnover rate (%) ⁽⁸⁾	41.17	105.62
Net asset value per unit (\$)	10.81	10.40

- ⁽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. The trading expense ratio history has been adjusted to include the trading expenses from its underlying funds. The calculation method described above has been used.
- ⁽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
Apple Inc.	12.0
Microsoft Corp.	9.9
Dropbox Inc., Class A	2.3
Regeneron Pharmaceuticals Inc.	2.2
Gilead Sciences Inc.	2.1
Match Group Inc.	2.1
Keysight Technologies Inc.	2.0
Take-Two Interactive Software Inc.	2.0
Texas Instruments Inc.	2.0
TPG Telecom Ltd.	2.0
Becton Dickinson and Co.	1.9
Broadridge Financial Solutions Inc.	1.9
VMware Inc., Class A	1.9
Akamai Technologies Inc.	1.8
Analog Devices Inc.	1.8
Intel Corp.	1.8
Juniper Networks Inc.	1.8
VeriSign Inc.	1.8
Oracle Corp.	1.7
Palo Alto Networks Inc.	1.7
Western Union Co.	1.7
AbbVie Inc.	1.6
Electronic Arts Inc.	1.6
Pfizer Inc.	1.6
Cash, Money Market and Other Net Assets	0.2
	63.4

Net asset value \$154,122,704

Regional Allocation

	% of Net Asset Value
United States	85.2
Japan	7.0
France	3.3
Australia	2.0
Netherlands	1.2
Germany	1.1
Cash, Money Market and Other Net Assets	0.2

Sector Allocation

	% of Net Asset Value
Software	23.2
Computer & Peripherals	13.6
IT Services	9.2
Interactive Media & Services	8.6
Pharmaceuticals	7.9
Semiconductors & Equipment	6.9
Communication Equipment	5.9
Diversified telecommunication services	5.8
Internet Software & Services	5.2
Health Care Equipment & Supplies	4.5
Biotechnology	4.3
Electronic Equipment & Instruments	3.5
Life Sciences Tools & Services	1.2
Cash, Money Market and Other Net Assets	0.2

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.