

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2022

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 annual management report of fund performance contains financial highlights, but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual 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

Investment Objective and Strategies

The NBI Non-Traditional Capital Appreciation Private Portfolio's investment objective is to provide long-term capital appreciation. The Fund invests directly, or through investments in securities of other mutual funds, in a portfolio composed mainly of equity securities of companies located around the world selected using different nontraditional investment strategies.

The Fund's investment process is based on selecting mutual funds which offer exposure to different asset classes and combines non-traditional investment strategies to obtain low correlations with the main market indices. The portfolio manager selects mutual funds by applying risk management strategies, including quantitative strategies and option strategies.

Risks

The global investment risk of the Fund remains as described in the simplified prospectus or any amendments thereto and Fund Facts.

Results of Operations

For the twelve-month period ended December 31, 2022, the NBI Non-Traditional Capital Appreciation Private Portfolio's Series N units returned -4.17% compared to -12.19% 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 dropped by 15.12% over the period, from \$645.91 million as at December 31, 2021 to \$548.22 million as at December 31, 2022.

The decline stemmed mainly from a rebalancing of the managed solutions offered by National Bank and market fluctuations.

With the Russian invasion of Ukraine, record inflation, and potential recession on the horizon; it's fair to say that 2022 has proven to be challenging on many fronts. For investors, this context has resulted in declines for stocks and bonds in the first half of the year, followed by six months of ups and downs with no clear direction.

In this context of uncertainty and rising rates, global equities performed similarly to traditional Canadian bonds in 2022, although for fixed income, this represents their worst annual performance in history. In terms of leadership, Canadian equities significantly better than their peers, supported in part by generally high commodity prices. On the other hand, the environment was more difficult in emerging markets, held back by slowing global growth, containment in China, strong U.S. dollar, and increasingly restrictive monetary policies.

Within fixed income, segments with longer duration suffered the most; a direct consequence of the substantial rate hikes delivered by most central banks.

For their part, Canadian preferred shares had a tough volatile year, an environment not seen since the first quarter of 2020. Rising rates and redemptions of preferred shares were not enough to compensate for the deterioration of the credit environment, particularly for hybrids and Limited Resource Capital Notes.

Within commodities, despite a wild rise following the announcement of the Russian invasion of Ukraine, the price of a barrel of oil ultimately closed in 2022 only slightly higher, slowed by increasingly weak economic growth prospects. For their part, gold prices also ended close to where they started in 2022 despite wild fluctuations. Finally, like most currencies, the Canadian dollar depreciated sharply against the U.S. dollar amid heightened uncertainty.

Under the circumstances, the Fund outperformed its benchmark. The Fund's position in the The NBI SmartBeta Global Equity Fund performed well during the year, outperforming its benchmark, the MSCI World Index. The manager's underweight position in the technology and consumer discretionary sectors in favour of consumer staples and utilities added value. Stock selection was also a contributor, particularly in communications services and financials. From a geographic perspective, the fund's overweight to the Japanese market at the expense of the US market benefited the fund during the year. The NBI SmartBeta Canadian Equity Fund also added value relative to its benchmark, the S&P/TSX. The fund's underweight position in technology stocks in favour of consumer staples was a net contributor. Stock selection in technology, utilities and financials was also successful.

Recent Developments

The Fund is currently overweight Canadian and international equities and underweight U.S. equities.

2023 should see a sustained slowdown in inflationary pressures, prompting central banks to pause their interest rate hike cycle by the second quarter. Meanwhile, growth figures are likely to begin to slow further as the lagged effects of the large rate hikes work their way through the real economy. With this environment comes significant risks of recession, which in turn could ultimately force central banks to set the stage for potential interest rate cuts later in the year.

With earnings under pressure, the coming year should therefore see a spread created in favour of fixed income securities over equities, as suggested by the manager's quantitative model. For the time being, the manager still favours a slightly shorter duration considering the risk that the Fed's continued combative rhetoric will lead long rates to revisit their recent highs, but an opportunity to increase duration should present itself during the year. Within equities, the environment looks more challenging for emerging markets than in North America, while the manager's outlook favours more defensive strategies.

This scenario comes with a level of uncertainty that remains unusually high. For instance, a much faster-than-expected slowdown in inflation would represent the most optimistic scenario, provided that it prompts central banks to stop – and even reverse – their rate hike cycle earlier than expected, thereby reducing the likelihood of a recession. That said, an important risk factor remains excessive monetary tightening by a Federal Reserve that cannot afford to underestimate once again the persistence of inflationary pressures. One thing is certain: an important success factor in 2023 will be the ability to remain nimble in a constantly changing environment.

On April 30, 2022, the Fund's independent review committee (the "IRC") was reduced to three members when Robert Martin resigned as IRC member. On May 1, 2022, the Fund's IRC was increased to four members when Line Deslandes was appointed as IRC member. However, on September 30, 2022, the Fund's IRC was reduced to three members when Line Deslandes resigned as IRC member.

The Series F was launched for the Fund on May 20, 2022.

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

National Bank Financial Inc. ("NBF") acts as principal distributor for the Advisor Series, Series F, Series F5 or Series T5 of the Fund. NBF may receive, depending on the distributed series, a monthly commission representing a percentage of the average daily value of the securities held by its clients.

NBII acts as principal distributor for the Series N and Series NR of 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. As the Fund invests in underlying funds, the fees and expenses payable in connection with the management of the underlying funds are in addition to those payable by the Fund. However, the Fund manager makes sure that the Fund does not pay any management (or operating) fees that, to a reasonable person, would duplicate a fee payable by the underlying fund for the same service.

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. Under the *Distribution* heading, expenses include the broker's compensation consisting of the maximum annual trailer fees and sales commissions paid to brokers. Under the *Other* heading, the fees relate mainly to investment management, investment advisory services, general administration and profit.

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 F	0.75%	—	100.00%
Series N and Series NR*	0.75%	—	100.00%

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

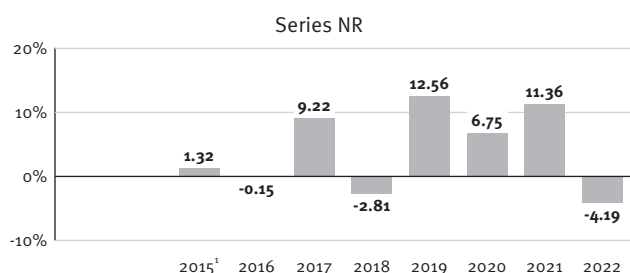
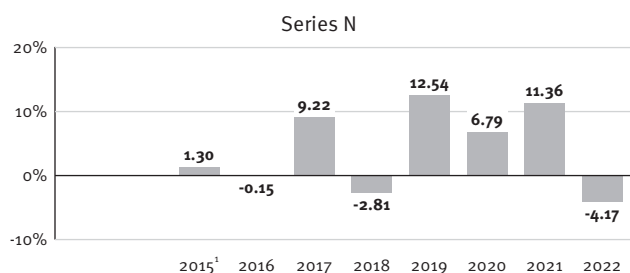
^(*) For Series N and NR, offered only to investors using the NBI Private Wealth Management service ("PWM"), management fees only cover management of fund investments, i.e. the fees related to management of fund portfolios constituting the PWM profiles. General administration services, trailer fees and 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, in the case of the Annual management report of fund performance, or by June 30, in the case of the Interim management report of fund performance.



⁽¹⁾ Returns for the period from October 28, 2015 (commencement of operations) to December 31, 2015.

Annual Compounded Performance

The following table shows the Fund's annual compound returns for each series in existence greater than one year and for each of the periods ended on December 31, 2022, compared with the following benchmark:

- MSCI World Index (CAD)

NBI Non-Traditional Capital Appreciation Private Portfolio

	1 year	3 years	5 years	10 years	Since inception
Series N¹	(4.17)%	4.45%	4.50%	–	4.56%
Benchmark	(12.19)%	6.49%	7.81%	–	8.56%
Series NR¹	(4.19)%	4.43%	4.50%	–	4.56%
Benchmark	(12.19)%	6.49%	7.81%	–	8.56%

¹Commencement of operations: October 28, 2015

A discussion of the Fund's relative performance in comparison to the index (or indices) can be found in the *Results of Operations* Section of this report.

Index Description

The **MSCI World Index** is designed to measure global developed market equity performance and is made up of approximately 1,500 companies listed on stock exchanges in the 22 developed countries that make up the MSCI national indexes.

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 F

Net Assets per Unit⁽¹⁾

Commencement of operations: May 20, 2022

Accounting Period Ended	2022
	December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	10.00
Increase (Decrease) from Operations (\$)	
Total revenue	0.60
Total expenses	(0.06)
Realized gains (losses)	0.11
Unrealized gains (losses)	0.56
Total Increase (Decrease) from Operations (\$)⁽²⁾	1.21
Distributions (\$)	
From net investment income (excluding dividends)	—
From dividends	0.28
From capital gains	—
Return of capital	—
Total Annual Distributions (\$)⁽³⁾	0.28
Net Assets, End of Accounting Period Shown (\$)⁽⁴⁾	10.21

Ratios and Supplemental Data

Accounting Period Ended	2022
	December 31
Total net asset value (ooo's of \$) ⁽⁵⁾	6,338
Number of units outstanding ⁽⁵⁾	620,526
Management expense ratio (%) ⁽⁶⁾	1.06
Management expense ratio before waivers or absorptions (%)	1.06
Trading expense ratio (%) ⁽⁷⁾	0.07
Portfolio turnover rate (%) ⁽⁸⁾	7.38
Net asset value per unit (\$)	10.21

Series N / Private Series*

⁽¹⁾ 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	2022	2021	2020	2019	2018
	December 31	December 31	December 31	December 31	December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	12.39	11.69	11.05	9.90	10.63
Increase (Decrease) from Operations (\$)					
Total revenue	0.29	0.31	0.23	0.23	0.26
Total expenses	(0.12)	(0.13)	(0.11)	(0.11)	(0.11)
Realized gains (losses)	0.06	0.84	—	(0.21)	0.33
Unrealized gains (losses)	(0.87)	0.32	0.62	1.31	(0.82)
Total Increase (Decrease) from Operations (\$)⁽²⁾	(0.64)	1.34	0.74	1.22	(0.34)
Distributions (\$)					
From net investment income (excluding dividends)	—	—	—	—	0.01
From dividends	0.19	0.18	0.11	0.09	0.13
From capital gains	—	0.46	—	—	0.29
Return of capital	—	—	—	—	—
Total Annual Distributions (\$)⁽³⁾	0.19	0.64	0.11	0.09	0.43
Net Assets, End of Accounting Period Shown (\$)⁽⁴⁾	11.68	12.39	11.69	11.05	9.90

Ratios and Supplemental Data

Accounting Period Ended	2022	2021	2020	2019	2018
	December 31	December 31	December 31	December 31	December 31
Total net asset value (ooo's of \$) ⁽⁵⁾	536,536	639,099	497,266	428,432	435,982
Number of units outstanding ⁽⁵⁾	45,944,864	51,567,155	42,533,318	38,761,761	44,021,020
Management expense ratio (%) ⁽⁶⁾	1.07	1.06	1.06	1.10	1.14
Management expense ratio before waivers or absorptions (%)	1.07	1.06	1.06	1.10	1.14
Trading expense ratio (%) ⁽⁷⁾	0.07	0.05	0.06	0.09	0.11
Portfolio turnover rate (%) ⁽⁸⁾	7.38	—	1.44	28.20	—
Net asset value per unit (\$)	11.68	12.39	11.69	11.05	9.90

Series NR

Net Assets per Unit⁽⁴⁾

Commencement of operations: October 28, 2015

Accounting Period Ended	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31
Net Assets, Beginning of Accounting Period Shown⁽⁴⁾	9.35	9.22	9.15	8.56	9.62
Increase (Decrease) from Operations (\$)					
Total revenue	0.21	0.24	0.18	0.19	0.22
Total expenses	(0.09)	(0.10)	(0.09)	(0.09)	(0.10)
Realized gains (losses)	0.04	0.64	—	(0.17)	0.28
Unrealized gains (losses)	(0.65)	0.26	0.48	1.11	(0.68)
Total Increase (Decrease) from Operations (\$)⁽²⁾	(0.49)	1.04	0.57	1.04	(0.28)
Distributions (\$)					
From net investment income (excluding dividends)	—	—	—	—	0.01
From dividends	0.14	0.13	0.08	0.07	0.11
From capital gains	—	0.34	—	—	0.25
Return of capital	0.43	0.42	0.43	0.39	0.44
Total Annual Distributions (\$)⁽³⁾	0.57	0.89	0.51	0.46	0.81
Net Assets, End of Accounting Period Shown (\$)⁽⁴⁾	8.38	9.35	9.22	9.15	8.56

Ratios and Supplemental Data

Accounting Period Ended	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31
Total net asset value (000's of \$) ⁽⁵⁾	5,347	6,812	5,462	5,173	5,601
Number of units outstanding ⁽⁵⁾	638,092	728,408	592,472	565,502	654,132
Management expense ratio (%) ⁽⁶⁾	1.06	1.06	1.06	1.10	1.14
Management expense ratio before waivers or absorptions (%)	1.06	1.06	1.06	1.10	1.14
Trading expense ratio (%) ⁽⁷⁾	0.07	0.05	0.06	0.09	0.11
Portfolio turnover rate (%) ⁽⁸⁾	7.38	—	1.44	28.20	—
Net asset value per unit (\$)	8.38	9.35	9.22	9.15	8.56

⁽¹⁾ This information is derived from the Fund's Annual Audited 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 December 31, 2022

Portfolio Top Holdings

	% of Net Asset Value
NBI SmartBeta Global Equity Fund, Series O	80.3
NBI SmartBeta Canadian Equity Fund, Series O	20.0
Cash, Money Market and Other Net Assets	(0.3)
	100.0

Net asset value..... \$548,220,531

Asset Mix

	% of Net Asset Value
Global Equity	77.1
Canadian Equity	23.1
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 website at www.nbinvestments.ca.

If this investment Fund invests in other investment funds, please consult the prospectus and other information about the underlying investment funds on the website indicated above or on SEDAR's website at www.sedar.com.