

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2022

Fixed Income Private Portfolio  
**NBI Canadian Bond 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.

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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](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

### Investment Objective and Strategies

The NBI Canadian Bond Private Portfolio's investment objective is to provide a high level of current income and sustained capital growth. The Fund invests, directly or through investments in securities of other mutual funds, in a portfolio consisting primarily of Canadian government and Canadian corporate bonds.

The portfolio manager's security selection is based on an analysis of economic conditions in Canada and their impact on interest rates. Shorter or longer term issues will be favored depending on whether interest rates are expected to rise or fall. It is expected that investments in debt securities of foreign companies will not exceed approximately 40% of the Fund's assets.

### 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 Canadian Bond Private Portfolio's Advisor Series units returned -12.73% compared to -11.69% for the Fund's benchmark, the FTSE Canada Universe Bond 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 10.97% over the period, from \$5.296 billion as at December 31, 2021 to \$4.715 billion as at December 31, 2022.

The decline stemmed mainly from 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.

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 these circumstances, the Fund underperformed its benchmark. From a sector perspective, selection in Communications and Financials sector proved difficult during the year, as well as an overweight positioning in the energy sector. On the other hand, a large underweight position in the infrastructure sector offset some losses from the other three sectors mentioned previously.

### Recent Developments

The portfolio manager has a slightly shorter duration and a higher running yield relative to the benchmark. He has an overweight position in Financial and Real Estate bonds and continues to maintain an underweight in Infrastructure and Industrial issues. Over the last year, he increased the weighting to the 3 to 5 years maturity range and has gone from being underweight that segment, to a slight overweight today.

Inflation will continue to be the key for the direction of bond yields and credit tone. The Bank of Canada and the Federal Reserve were very aggressive in hiking rates in 2022, but he now expects this tightening cycle to end sometime during the first half of 2023. With the overnight rate in Canada at 4.25%, monetary policy is well into restrictive territory and he expects it to hurt domestic demand throughout the year. Inflation has moderated from the highs of last summer but remains well above 2%. Although he expects the Bank to stop hiking this year, he also believes they will have to keep rates elevated for a long period of time before underlying inflation falls back to target. Portfolio duration and curve positioning ended the year close to the index, but he has, and continues to trade the portfolio as he expects the market to be very volatile as participants try to determine the timing of the first interest rate cut. In Canada, the market expects the first interest rate cut to happen before the end of 2023, whereas he expects sticky inflation driven by a tight labor market to make this a 2024 story. Corporate spreads already reflect his base case of a modest recession, but if they tighten to quickly, he will look to take profits or if they widen to reflect a significant slowdown; he will increase our exposure.

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.

On June 17, 2022, National Bank Trust Inc. replaced Fiera Capital Corporation as portfolio manager of the fund, the latter which became the portfolio sub-advisor.

On October 4, 2022, National Bank Trust Inc. retained the services of AlphaFixe Capital inc. to jointly act with Fiera Capital Corporation as portfolio sub-advisor of the Fund.

### 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

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.

## Holdings

As at December 31, 2022, National Bank Investments Inc. held 101.95 Fund securities for a value of \$907.31, which represented close to 0.0000% 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.

As at December 31, 2022, National Bank Trust Inc. held 1.11 Fund securities for a value of \$9.83, which represented close to 0.0000% of the net asset value of the Fund at that date. Transactions between National Bank Trust 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.

## Independent Review Committee Approvals and Recommendations

The Fund followed the standing instructions of its Independent Review Committee with respect to one or more of the following transactions:

- Purchasing or holding the securities of a related issuer, in particular, those of National Bank of Canada;
- Investing in the securities of an issuer when an entity related to the manager acts as an underwriter for the placement or at any time during the 60-day period after the end of the placement;
- Purchasing or selling securities to another investment Fund managed by the manager or a company in the same group;
- Purchasing or selling debt securities on the secondary market, through related brokers that are main brokers in the Canadian debt securities market (in accordance with an exemption received from the Canadian Securities Administrators);
- Entering into foreign exchange transactions (including both spot transactions and forward transactions) with National Bank of Canada.

The Manager has implemented policies and procedures to make sure that the conditions applicable to each of the above transactions are met. The applicable standing instructions require that these transactions be carried out in accordance with NBII policies, which specify, in particular, that investment decisions pertaining to these related party transactions must be made free from any influence by an entity related to NBII and without taking into account any consideration relevant to an entity related to NBII. Furthermore, the investment decisions must represent the business judgment of the securities advisor, uninfluenced by considerations other than the best interest of the Fund and must achieve a fair and reasonable result for the Fund.

## 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. 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 <sup>†</sup>
Advisor Series			
Front-end load	0.85%	76.47%	23.53%
Series F	0.37%	—	100.00%
Series N and Series NR*	0.10%	—	100.00%

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

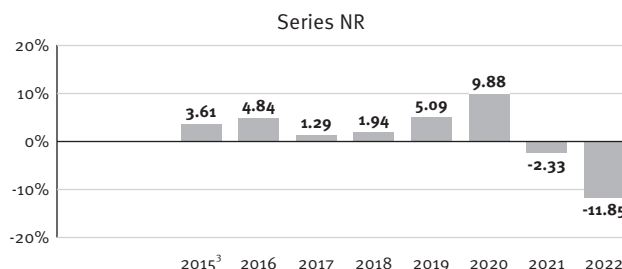
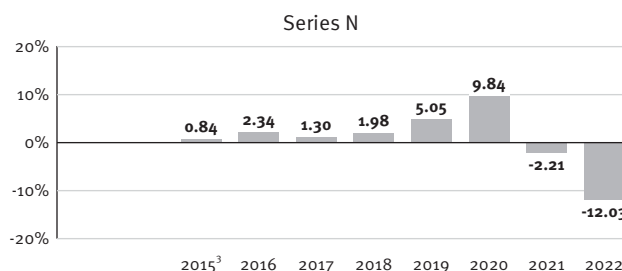
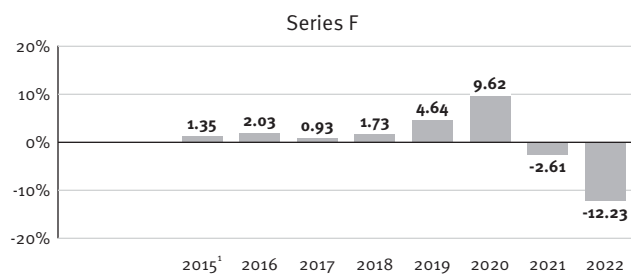
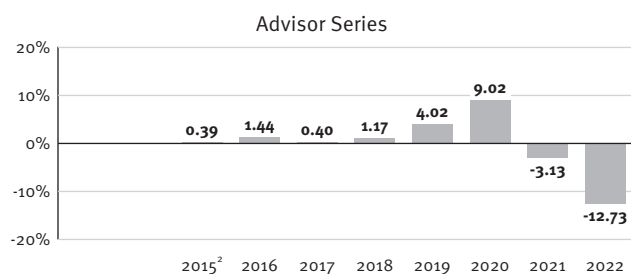
<sup>(\*)</sup> For Series N and NR, offered only to investors using the NBI Private Wealth Management service ("PWM"), management fees only cover management of fund investments, i.e. the fees related to management of fund portfolios constituting the PWM profiles. General administration services, trailer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



<sup>(1)</sup> Returns for the period from May 21, 2015 (commencement of operations) to December 31, 2015.

<sup>(2)</sup> Returns for the period from July 14, 2015 (commencement of operations) to December 31, 2015.

<sup>(3)</sup> Returns for the period from October 30, 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:

- FTSE Canada Universe Bond Index (CAD)

### NBI Canadian Bond Private Portfolio

	1 year	3 years	5 years	10 years	Since inception
<b>Advisor Series<sup>1</sup></b>	(12.73)%	(2.68)%	(0.61)%	—	(0.11)%
Benchmark	(11.69)%	(2.20)%	0.27%	—	0.93%
<b>Series F<sup>2</sup></b>	(12.23)%	(2.15)%	(0.05)%	—	0.53%
Benchmark	(11.69)%	(2.20)%	0.27%	—	1.02%
<b>Series N<sup>3</sup></b>	(12.03)%	(1.87)%	0.24%	—	0.79%
Benchmark	(11.69)%	(2.20)%	0.27%	—	0.97%
<b>Series NR<sup>3</sup></b>	(11.85)%	(1.83)%	0.27%	—	0.81%
Benchmark	(11.69)%	(2.20)%	0.27%	—	0.97%

<sup>1</sup>Commencement of operations: July 14, 2015

<sup>2</sup>Commencement of operations: May 21, 2015

<sup>3</sup>Commencement of operations: October 30, 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 **FTSE Canada Universe Bond Index** is composed of over 900 bonds with a term to maturity of more than one year and tracks the performance of the Canadian Bond market.

## 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.

### Advisor Series

Net Assets per Unit<sup>(1)</sup> Commencement of operations: July 14, 2015

Accounting Period Ended	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	10.06	10.55	9.97	9.75	9.81
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.27	0.27	0.28	0.27	0.27
Total expenses	(0.09)	(0.10)	(0.11)	(0.10)	(0.10)
Realized gains (losses)	(0.51)	(0.04)	0.28	0.08	(0.14)
Unrealized gains (losses)	(0.94)	(0.03)	0.43	0.16	0.06
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(1.27)	0.10	0.88	0.41	0.09
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	0.17	0.16	0.18	0.17	0.17
From dividends	—	—	—	—	—
From capital gains	—	—	0.14	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.17	0.16	0.32	0.17	0.17
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	8.61	10.06	10.55	9.97	9.75

### 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 \$) <sup>(5)</sup>	31,923	42,724	10,100	9,723	10,514
Number of units outstanding <sup>(5)</sup>	3,705,711	4,245,941	957,153	974,996	1,078,739
Management expense ratio (%) <sup>(6)</sup>	1.02	1.04	1.03	1.03	1.03
Management expense ratio before waivers or absorptions (%)	1.02	1.04	1.03	1.03	1.03
Trading expense ratio (%) <sup>(7)</sup>	—	—	—	—	—
Portfolio turnover rate (%) <sup>(8)</sup>	179.44	83.53	143.52	111.09	126.38
Net asset value per unit (\$)	8.61	10.06	10.55	9.97	9.75

### Series F / Private Series\*

<sup>(1)</sup> Please note that the Private Series was created on November 28, 2016 and is offered by way of private placement.

Net Assets per Unit<sup>(1)</sup> Commencement of operations: May 21, 2015

Accounting Period Ended	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	10.13	10.62	10.03	9.81	9.87
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.27	0.27	0.28	0.28	0.27
Total expenses	(0.04)	(0.05)	(0.05)	(0.05)	(0.05)
Realized gains (losses)	(0.50)	(0.06)	0.28	0.08	(0.14)
Unrealized gains (losses)	(1.01)	0.08	0.42	0.20	0.02
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(1.28)	0.24	0.93	0.51	0.10
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	0.23	0.21	0.23	0.23	0.23
From dividends	—	—	—	—	—
From capital gains	—	—	0.14	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.23	0.21	0.37	0.23	0.23
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	8.67	10.13	10.62	10.03	9.81

### 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 \$) <sup>(5)</sup>	459,926	601,757	101,668	94,256	126,449
Number of units outstanding <sup>(5)</sup>	53,058,136	59,415,939	9,576,305	9,397,834	12,895,931
Management expense ratio (%) <sup>(6)</sup>	0.47	0.49	0.50	0.47	0.48
Management expense ratio before waivers or absorptions (%)	0.47	0.49	0.50	0.47	0.48
Trading expense ratio (%) <sup>(7)</sup>	—	—	—	—	—
Portfolio turnover rate (%) <sup>(8)</sup>	179.44	83.53	143.52	111.09	126.38
Net asset value per unit (\$)	8.67	10.13	10.62	10.03	9.81

## Series N

Net Assets per Unit<sup>(4)</sup>

Commencement of operations: October 30, 2015

Accounting Period Ended	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31
<b>Net Assets, Beginning of Accounting Period Shown<sup>(4)</sup></b>	10.19	10.68	10.09	9.85	9.91
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.27	0.27	0.28	0.28	0.27
Total expenses	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Realized gains (losses)	(0.52)	(0.06)	0.28	0.08	(0.14)
Unrealized gains (losses)	(0.84)	(0.40)	0.43	0.13	0.10
<b>Total Increase (Decrease) from Operations (\$)<sup>(2)</sup></b>	(1.11)	(0.21)	0.97	0.47	0.21
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	0.25	0.25	0.27	0.26	0.25
From dividends	—	—	—	—	—
From capital gains	—	—	0.13	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)<sup>(3)</sup></b>	0.25	0.25	0.40	0.26	0.25
<b>Net Assets, End of Accounting Period Shown (\$)<sup>(4)</sup></b>	8.72	10.19	10.68	10.09	9.85

### 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 (ooo's of \$) <sup>(5)</sup>	2,060,742	1,934,245	1,721,459	1,425,574	1,153,502
Number of units outstanding <sup>(5)</sup>	236,260,204	189,910,201	161,140,730	141,342,988	117,119,928
Management expense ratio (%) <sup>(6)</sup>	0.17	0.17	0.17	0.17	0.17
Management expense ratio before waivers or absorptions (%)	0.17	0.17	0.17	0.17	0.17
Trading expense ratio (%) <sup>(7)</sup>	—	—	—	—	—
Portfolio turnover rate (%) <sup>(8)</sup>	179.44	83.53	143.52	111.09	126.38
Net asset value per unit (\$)	8.72	10.19	10.68	10.09	9.85

## Series NR

Net Assets per Unit<sup>(4)</sup>

Commencement of operations: October 30, 2015

Accounting Period Ended	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31
<b>Net Assets, Beginning of Accounting Period Shown<sup>(4)</sup></b>	9.87	10.43	9.89	9.69	9.80
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.26	0.26	0.28	0.27	0.27
Total expenses	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Realized gains (losses)	(0.50)	(0.06)	0.28	0.08	(0.14)
Unrealized gains (losses)	(0.87)	(0.40)	0.42	0.13	0.08
<b>Total Increase (Decrease) from Operations (\$)<sup>(2)</sup></b>	(1.13)	(0.22)	0.96	0.46	0.19
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	0.24	0.24	0.26	0.25	0.25
From dividends	—	—	—	—	—
From capital gains	—	—	0.13	—	—
Return of capital	0.05	0.07	0.04	0.04	0.04
<b>Total Annual Distributions (\$)<sup>(3)</sup></b>	0.29	0.31	0.43	0.29	0.29
<b>Net Assets, End of Accounting Period Shown (\$)<sup>(4)</sup></b>	8.41	9.87	10.43	9.89	9.69

### 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 (ooo's of \$) <sup>(5)</sup>	31,547	33,206	29,707	25,997	22,617
Number of units outstanding <sup>(5)</sup>	3,753,073	3,362,657	2,848,192	2,629,360	2,333,228
Management expense ratio (%) <sup>(6)</sup>	0.17	0.17	0.17	0.17	0.17
Management expense ratio before waivers or absorptions (%)	0.17	0.17	0.17	0.17	0.17
Trading expense ratio (%) <sup>(7)</sup>	—	—	—	—	—
Portfolio turnover rate (%) <sup>(8)</sup>	179.44	83.53	143.52	111.09	126.38
Net asset value per unit (\$)	8.41	9.87	10.43	9.89	9.69

## 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: May 21, 2015				
Accounting Period Ended	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31	
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	11.65	12.21	11.53	11.26	11.33	
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.31	0.31	0.33	0.32	0.31	
Total expenses	(0.02)	(0.03)	(0.03)	(0.03)	(0.02)	
Realized gains (losses)	(0.59)	(0.07)	0.33	0.09	(0.15)	
Unrealized gains (losses)	(1.09)	(0.37)	0.48	0.14	0.09	
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(1.39)	(0.16)	1.11	0.52	0.23	
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	0.29	0.28	0.30	0.28	0.28	
From dividends	—	—	—	—	—	
From capital gains	—	—	0.15	—	—	
Return of capital	—	—	—	—	—	
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.29	0.28	0.45	0.28	0.28	
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	9.97	11.65	12.21	11.53	11.26	

### 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 \$) <sup>(5)</sup>	1,960,919	2,433,243	1,646,594	1,320,207	961,246
Number of units outstanding <sup>(5)</sup>	196,714,361	208,897,193	134,820,709	114,541,108	85,387,692
Management expense ratio (%) <sup>(6)</sup>	0.22	0.22	0.22	0.22	0.22
Management expense ratio before waivers or absorptions (%)	0.22	0.22	0.22	0.22	0.22
Trading expense ratio (%) <sup>(7)</sup>	—	—	—	—	—
Portfolio turnover rate (%) <sup>(8)</sup>	179.44	83.53	143.52	111.09	126.38
Net asset value per unit (\$)	9.97	11.65	12.21	11.53	11.26

## 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: May 21, 2015				
Accounting Period Ended	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31	
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	10.00	10.49	9.92	9.70	9.77	
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.26	0.27	0.28	0.27	0.27	
Total expenses	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	
Realized gains (losses)	(0.51)	(0.06)	0.28	0.08	(0.13)	
Unrealized gains (losses)	(0.95)	(0.38)	0.43	0.15	0.02	
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(1.21)	(0.18)	0.98	0.49	0.15	
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	0.26	0.25	0.27	0.26	0.27	
From dividends	—	—	—	—	—	
From capital gains	—	—	0.14	—	—	
Return of capital	—	—	—	—	—	
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.26	0.25	0.41	0.26	0.27	
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	8.56	10.00	10.49	9.92	9.70	

### 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 \$) <sup>(5)</sup>	170,149	251,086	213,892	208,360	202,247
Number of units outstanding <sup>(5)</sup>	19,882,713	25,099,725	20,384,806	20,997,353	20,857,353
Management expense ratio (%) <sup>(6)</sup>	0.10	0.10	0.10	0.10	0.10
Management expense ratio before waivers or absorptions (%)	0.10	0.10	0.10	0.10	0.10
Trading expense ratio (%) <sup>(7)</sup>	—	—	—	—	—
Portfolio turnover rate (%) <sup>(8)</sup>	179.44	83.53	143.52	111.09	126.38
Net asset value per unit (\$)	8.56	10.00	10.49	9.92	9.70

## Series PWO-2\*

<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 23, 2021

Accounting Period Ended	2022	2021
	December 31	December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(a)</sup>	10.15	10.00
<b>Increase (Decrease) from Operations (\$)</b>		
Total revenue	0.30	0.21
Total expenses	(0.01)	(0.01)
Realized gains (losses)	(0.64)	(0.04)
Unrealized gains (losses)	1.40	1.75
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(a)</sup>	1.05	1.91
<b>Distributions (\$)</b>		
From net investment income (excluding dividends)	0.05	0.14
From dividends	—	—
From capital gains	—	—
Return of capital	—	—
<b>Total Annual Distributions (\$)</b> <sup>(a)</sup>	0.05	0.14
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(a)</sup>	8.90	10.15

## Ratios and Supplemental Data

Accounting Period Ended	2022	2021
	December 31	December 31
Total net asset value (000's of \$) <sup>(5)</sup>	201	1
Number of units outstanding <sup>(5)</sup>	22,622	103
Management expense ratio (%) <sup>(6)</sup>	0.10	0.10
Management expense ratio before waivers or absorptions (%)	0.10	0.10
Trading expense ratio (%) <sup>(7)</sup>	—	—
Portfolio turnover rate (%) <sup>(8)</sup>	179.44	83.53
Net asset value per unit (\$)	8.90	10.15

<sup>(5)</sup> 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.

<sup>(6)</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>(7)</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both.

<sup>(a)</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 December 31, 2022

### Portfolio Top Holdings

	% of Net Asset Value
Province of Ontario, 4.65%, due June 2, 2041	2.4
Canada Housing Trust, 1.95%, due December 15, 2025	2.2
Canada Housing Trust, 1.80%, due December 15, 2024	1.9
Province of Ontario, 2.15%, due June 2, 2031	1.9
Bond Forward Dec 22 91282CFF3, March 23	1.6
Government of Canada, 1.75%, due December 1, 2053	1.5
Province of Ontario, 2.65%, due February 5, 2025	1.5
Canada Housing Trust, 3.55%, due September 15, 2032	1.3
Province of Ontario, 1.35%, due December 2, 2030	1.2
Canada Housing Trust, 1.90%, due March 15, 2031	1.1
Government of Canada, 2.00%, due June 1, 2032	1.1
Hydro-Québec, Floating, due January 16, 2023	1.1
Province of Alberta, 3.10%, due June 1, 2050	1.0
Province of Ontario, 5.85%, due March 8, 2033	1.0
Bank of Montreal, 4.71%, due December 7, 2027	0.9
Province of Ontario, 4.60%, due June 2, 2039	0.9
Bank of Montreal, 2.28%, due July 29, 2024	0.8
Government of Canada, 1.50%, due December 1, 2031	0.8
Hydro-Québec, 2.00%, due September 1, 2028	0.8
Hydro-Québec, 5.00%, due February 15, 2050	0.8
Province of Ontario, 2.90%, due June 2, 2049	0.8
Province of Quebec, 2.25%, due February 22, 2024	0.8
Province of Quebec, 3.10%, due December 1, 2051	0.8
Toronto-Dominion Bank/The, 4.68%, due January 8, 2029	0.8
Cash, Money Market and Other Net Assets	0.6
	29.6

Net asset value ..... \$4,715,406,851

### Asset Mix

	% of Net Asset Value
Canadian Corporate Bonds	41.1
Provincial Bonds	30.6
Federal Bonds	15.4
Municipal Bonds	9.1
US Bonds	2.8
Asset Backed Securities	0.2
Foreign Bonds	0.1
Mortgage Backed Securities	0.1
Cash, Money Market and Other Net Assets	0.6

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](http://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](http://www.sedar.com).