

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2019

Fixed Income Private Portfolio

NBI Corporate 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.

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 Corporate Bond Private Portfolio's investment objective is to provide long-term capital growth and to generate high current income. The Fund invests, directly or through investments in securities of other mutual funds, in a portfolio consisting primarily of investment grade debt securities of Canadian companies.

The portfolio manager carefully analyzes the credit standing of every security and evaluates risk, relative return and the economic situation when confirming the selection and relative weighting of each holding in the portfolio. This is carried out to identify bonds with attractive return potential. The portfolio manager also takes economic considerations and their impact on interest rates into account. Shorter or longer term issues are favoured, depending on whether interest rates are expected to rise or fall. The Fund may invest approximately 40% of its assets in foreign debt securities.

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, 2019, the NBI Corporate Bond Private Portfolio's Advisor Series units returned 7.15% compared to 8.05% for the Fund's benchmark, the FTSE Canada Corporate 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 rose by 24.24% over the period, from \$852.49 million as at December 31, 2018 to \$1.059 billion as at December 31, 2019. The increase stemmed mainly from unit purchases by investors in the Fund.

Global bonds benefitted from the major uncertainty brought on by the trade war and the associated volatility in equity markets. Investors, unsure of what President Trump would tweet each day, were weary of market volatility and thus the safety of government bonds was an enticing solution. The second and third quarters of the year were particularly strong ones for global bonds, as the market saw no end in sight to the trade war. However, the asset class gave back some gains in the fourth quarter as some concrete solutions on the U.S.-China trade front began to appear, and a rotation back into risk assets saw capital flow into equity indices, many of which recorded record highs just before the end of the year.

Despite some losses in the fourth quarter, by year's end global bonds were still an impressive asset to own, though more so in the corporate and high yield bond space rather than government debt. Within government issues, European periphery bonds were some of the best performers as 10-year bond yields in Italy and Greece fell by 130 and 290 basis points, respectively, with Portugal not far behind. Mexican 10-year bond yields lost 177 bps and, notably, those of Australia lost just over 100. U.S. 10-year yields ended the year down 77 bps after reaching a bottom of 1.46% in September, while Canadian 10-years lost just 27, with its lowest point of 1.09% achieved in August. Emerging market debt also performed well with some USD denominated issues gaining as much as 15%.

During the period, the U.S. and Canadian yield curve inverted in March for the first time since 2007, reaching its most prominent inversion in August before returning to its usual self towards the end of the year. In U.S., corporate bonds outperformed their government peers as credit spreads tightened by 59 bps while high yield did even better as spreads narrowed by 172 bps. Sector wise, Telecoms and Banks outperformed whereas Utilities underperformed.

In Canada, the overall Canadian Bond Universe Index ended 2019 with a positive return. With interest rates lower on the year, all sectors posted gains for the period. High yield bonds (lower than BBB-rated) outperformed other corporate bonds, returning about 10.4% all in, compared to 8.1% for all Canadian corporate bonds. Sector wise, the Energy and Infrastructure sectors led the other sectors, gaining respectively 11.2% and 11.4% whereas Securitized assets and the Financial sector underperformed, gaining 4.7% and 5.2%. Provincials and municipals largely outperformed federal bonds as well as longer-term issues overall.

Under these circumstances, the Fund underperformed its benchmark. The biggest contributor to value added this year was the position in Canadian Financials, particularly in services names. Selection in Energy names was also very beneficial, particularly in pipelines, where names like Pembina, Inter Pipeline and Enbridge outperformed.

Conversely, some value was lost in the Infrastructure sector, where despite strong selection, an underweight in that space was a major detractor as the sector outperformed the corporate bond universe.

Recent Developments

There were no major changes to the underlying strategy. During the year, duration increased slightly and the portfolio manager lowered the Fund's allocation to AAs (increasing the weight in As and BBBs). The portfolio manager increased the Fund's weighting in the Energy and Telecommunications sectors at the expense of banks.

To start the year, the portfolio manager is maintaining a neutral duration and a higher running yield. An overweight position in real estate bonds and a slight underweight in Communications and Infrastructure issues are also upheld.

A tentative U.S./China trade deal has lifted immediate concerns about global economic conditions, but the lingering impact of trade uncertainty and the limited scope of the apparent deal will continue to weigh on business conditions. Manufacturing and business investment remain weak. In Canada, the passage of the USMCA trade agreement will bring some relief on this front. The portfolio manager believes overall growth should continue, including a modest lift from federal tax cuts and spending. With inflation running near target, the portfolio manager expects the Bank of Canada to remain in wait-and-see mode before adding stimulus to the economy but is biased to easing should growth disappoint. In this environment, the portfolio manager does not expect to see significant upward pressure on longer term bond yields from current levels.

The low yield environment is set to continue, and the portfolio manager believes demand for higher yielding investments will remain a dominant theme in 2020. However, credit spreads have narrowed from earlier attractive levels and provide less break-even protection than in the recent past. Given the elevated state of economic and geopolitical risks, the portfolio manager could see increased volatility going forward and will remain disciplined at managing credit risk exposure.

On April 30, 2019, the Fund's independent review committee (the "IRC") was reduced to three members when André Godbout resigned as an IRC member. On May 22, 2019, the Fund's IRC was increased to five members when Norman Turnbull and Robert Martin were appointed as IRC members.

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

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.

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. 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 [†]
Advisor Series			
Front-end load	0.93%	69.89%	30.11%
Series F	0.45%	—	100.00%
Series N and Series NR*	0.10%	—	100.00%

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

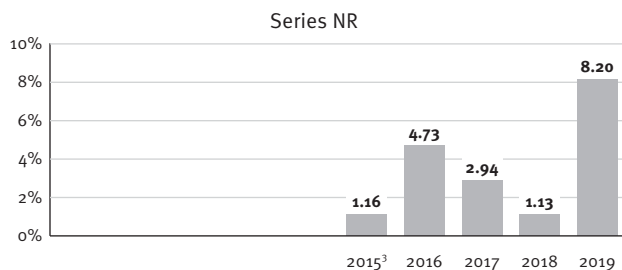
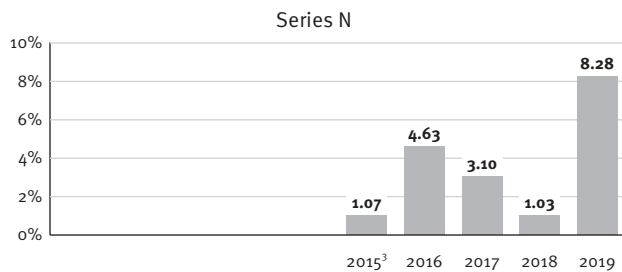
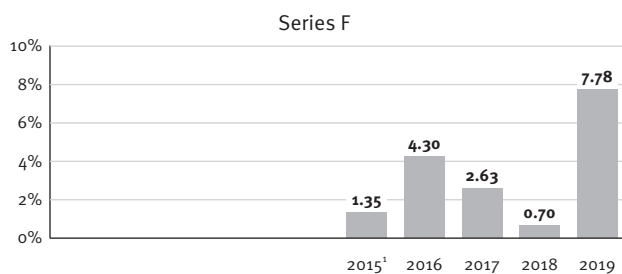
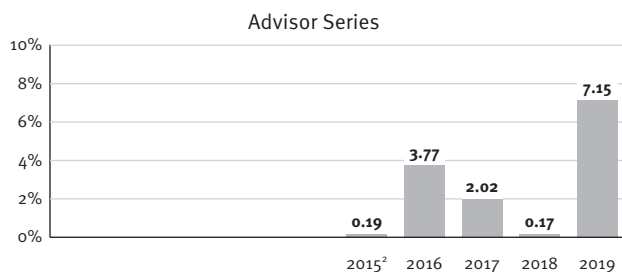
^(*) For Series N and NR, offered only to investors using the NBI Private Wealth Management service (“PWM”), management fees only cover management of fund investments, i.e. the fees related to management of fund portfolios constituting the PWM profiles. General administration services, trailer fees and 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, or by June 30, as applicable.



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

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

⁽³⁾ 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, 2019, compared with the following benchmark:

- FTSE Canada Corporate Bond Index (CAD)

NBI Corporate Bond Private Portfolio

	1 year	3 years	5 years	10 years	Since inception
Advisor Series¹	7.15%	3.07%	–	–	2.94%
Benchmark	8.05%	4.14%	–	–	4.12%
Series F²	7.78%	3.66%	–	–	3.60%
Benchmark	8.05%	4.14%	–	–	4.24%
Series N³	8.28%	4.10%	–	–	4.32%
Benchmark	8.05%	4.14%	–	–	4.31%
Series NR³	8.20%	4.05%	–	–	4.33%
Benchmark	8.05%	4.14%	–	–	4.31%

¹Commencement of operations: July 14, 2015

²Commencement of operations: May 21, 2015

³Commencement 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.

The **FTSE Canada Corporate Bond Index** represents the corporate bond component of the FTSE Canada Universe Bond Index. It includes short-term bonds (1 to 5 years), medium-term bonds (5 to 10 years) and long-term bonds (10 years or more).

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⁽¹⁾ Commencement of operations: July 14, 2015

Accounting Period Ended	2019	2018	2017	2016	2015
	December 31	December 31	December 31	December 31	December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.83	10.06	10.08	9.95	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.36	0.35	0.34	0.34	0.15
Total expenses	(0.11)	(0.11)	(0.11)	(0.11)	(0.05)
Realized gains (losses)	—	(0.01)	(0.04)	0.05	—
Unrealized gains (losses)	0.42	(0.23)	(0.01)	(0.08)	0.05
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.67	—	0.18	0.20	0.15
Distributions (\$)					
From net investment income (excluding dividends)	0.24	0.25	0.22	0.22	0.07
From dividends	—	—	—	—	—
From capital gains	—	—	—	0.03	—
Return of capital	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.24	0.25	0.22	0.25	0.07
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	10.29	9.83	10.06	10.08	9.95

Ratios and Supplemental Data

Accounting Period Ended	2019	2018	2017	2016	2015
	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) ⁽⁵⁾	17,686	14,872	20,500	18,739	4,540
Number of units outstanding ⁽⁵⁾	1,718,285	1,512,504	2,037,312	1,859,182	456,104
Management expense ratio (%) ⁽⁶⁾	1.11	1.11	1.11	1.10	1.13
Management expense ratio before waivers or absorptions (%)	1.11	1.11	1.11	1.10	1.13
Trading expense ratio (%) ⁽⁷⁾	—	—	—	—	—
Portfolio turnover rate (%) ⁽⁸⁾	48.17	42.53	120.47	128.87	164.15
Net asset value per unit (\$)	10.29	9.83	10.06	10.08	9.95

Series F / Private Series*

^(*) 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: May 21, 2015

Accounting Period Ended	2019	2018	2017	2016	2015
	December 31	December 31	December 31	December 31	December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.88	10.10	10.11	9.98	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.36	0.36	0.35	0.34	0.21
Total expenses	(0.06)	(0.06)	(0.06)	(0.06)	(0.04)
Realized gains (losses)	—	(0.01)	(0.04)	0.04	—
Unrealized gains (losses)	0.40	(0.19)	—	(0.06)	(0.04)
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.70	0.10	0.25	0.26	0.13
Distributions (\$)					
From net investment income (excluding dividends)	0.29	0.29	0.27	0.27	0.15
From dividends	—	—	—	—	—
From capital gains	—	—	—	0.03	—
Return of capital	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.29	0.29	0.27	0.30	0.15
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	10.35	9.88	10.10	10.11	9.98

Ratios and Supplemental Data

Accounting Period Ended	2019	2018	2017	2016	2015
	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) ⁽⁵⁾	204,108	139,149	104,821	86,260	26,126
Number of units outstanding ⁽⁵⁾	19,728,261	14,083,361	10,381,160	8,533,299	2,618,064
Management expense ratio (%) ⁽⁶⁾	0.56	0.56	0.56	0.55	0.58
Management expense ratio before waivers or absorptions (%)	0.56	0.56	0.56	0.55	0.58
Trading expense ratio (%) ⁽⁷⁾	—	—	—	—	—
Portfolio turnover rate (%) ⁽⁸⁾	48.17	42.53	120.47	128.87	164.15
Net asset value per unit (\$)	10.35	9.88	10.10	10.11	9.98

Series N

Net Assets per Unit⁽¹⁾

Commencement of operations: October 30, 2015

Accounting Period Ended	2019	2018	2017	2016	2015
	December 31	December 31	December 31	December 31	December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.97	10.20	10.20	10.08	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.36	0.36	0.35	0.34	0.06
Total expenses	(0.02)	(0.02)	(0.02)	(0.02)	—
Realized gains (losses)	—	(0.01)	(0.04)	0.05	—
Unrealized gains (losses)	0.44	(0.21)	(0.04)	(0.03)	0.09
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.78	0.12	0.25	0.34	0.15
Distributions (\$)					
From net investment income (excluding dividends)	0.34	0.33	0.31	0.31	0.03
From dividends	—	—	—	—	—
From capital gains	—	—	—	0.03	—
Return of capital	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.34	0.33	0.31	0.34	0.03
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	10.45	9.97	10.20	10.20	10.08

Ratios and Supplemental Data

Accounting Period Ended	2019	2018	2017	2016	2015
	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) ⁽⁵⁾	753,285	600,681	485,924	370,728	121,924
Number of units outstanding ⁽⁵⁾	72,115,505	60,225,586	47,662,029	36,330,430	12,097,879
Management expense ratio (%) ⁽⁶⁾	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	0.18
Trading expense ratio (%) ⁽⁷⁾	—	—	—	—	—
Portfolio turnover rate (%) ⁽⁸⁾	48.17	42.53	120.47	128.87	164.15
Net asset value per unit (\$)	10.45	9.97	10.20	10.20	10.08

Series NR

Net Assets per Unit⁽¹⁾

Commencement of operations: October 30, 2015

Accounting Period Ended	2019	2018	2017	2016	2015
	December 31	December 31	December 31	December 31	December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.71	10.00	10.11	10.07	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.35	0.35	0.34	0.34	0.06
Total expenses	(0.02)	(0.02)	(0.02)	(0.02)	—
Realized gains (losses)	—	(0.01)	(0.04)	0.05	—
Unrealized gains (losses)	0.43	(0.21)	(0.02)	(0.04)	0.09
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.76	0.11	0.26	0.33	0.15
Distributions (\$)					
From net investment income (excluding dividends)	0.33	0.33	0.31	0.31	0.03
From dividends	—	—	—	—	—
From capital gains	—	—	—	0.03	—
Return of capital	0.06	0.07	0.09	0.09	0.01
Total Annual Distributions (\$) ⁽³⁾	0.39	0.40	0.40	0.43	0.04
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	10.11	9.71	10.00	10.11	10.07

Ratios and Supplemental Data

Accounting Period Ended	2019	2018	2017	2016	2015
	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) ⁽⁵⁾	13,728	11,750	11,382	8,077	2,803
Number of units outstanding ⁽⁵⁾	1,357,568	1,209,758	1,137,772	799,161	278,400
Management expense ratio (%) ⁽⁶⁾	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	0.18
Trading expense ratio (%) ⁽⁷⁾	—	—	—	—	—
Portfolio turnover rate (%) ⁽⁸⁾	48.17	42.53	120.47	128.87	164.15
Net asset value per unit (\$)	10.11	9.71	10.00	10.11	10.07

Series PW*

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

Net Assets per Unit ⁽¹⁾		Commencement of operations: May 21, 2015				
Accounting Period Ended	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31	
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.94	10.17	10.18	10.06	10.05	
Increase (Decrease) from Operations (\$)						
Total revenue	0.36	0.36	0.35	0.34	0.35	
Total expenses	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	
Realized gains (losses)	—	(0.01)	(0.04)	0.04	0.04	
Unrealized gains (losses)	0.48	(0.22)	(0.04)	—	(0.01)	
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.82	0.11	0.25	0.36	0.36	
Distributions (\$)						
From net investment income (excluding dividends)	0.34	0.34	0.31	0.31	0.33	
From dividends	—	—	—	—	—	
From capital gains	—	—	—	0.03	0.04	
Return of capital	—	—	—	—	—	
Total Annual Distributions (\$) ⁽³⁾	0.34	0.34	0.31	0.34	0.37	
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	10.40	9.94	10.17	10.18	10.06	

Ratios and Supplemental Data

Accounting Period Ended	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Total net asset value (ooo's of \$) ⁽⁵⁾	59,899	67,427	86,342	62,030	28,273
Number of units outstanding ⁽⁵⁾	5,761,578	6,786,356	8,491,782	6,094,795	2,811,382
Management expense ratio (%) ⁽⁶⁾	0.22	0.22	0.22	0.22	0.24
Management expense ratio before waivers or absorptions (%)	0.22	0.22	0.22	0.22	0.24
Trading expense ratio (%) ⁽⁷⁾	—	—	—	—	—
Portfolio turnover rate (%) ⁽⁸⁾	48.17	42.53	120.47	128.87	164.15
Net asset value per unit (\$)	10.40	9.94	10.17	10.18	10.06

Series PWO*

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

Net Assets per Unit ⁽¹⁾		Commencement of operations: May 21, 2015				
Accounting Period Ended	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31	
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.39	9.62	9.64	9.54	9.53	
Increase (Decrease) from Operations (\$)						
Total revenue	0.34	0.34	0.33	0.33	0.33	
Total expenses	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	
Realized gains (losses)	—	(0.01)	(0.03)	0.04	0.04	
Unrealized gains (losses)	0.52	(0.23)	0.05	0.11	(0.04)	
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.85	0.09	0.34	0.47	0.32	
Distributions (\$)						
From net investment income (excluding dividends)	0.34	0.34	0.32	0.32	0.32	
From dividends	—	—	—	—	—	
From capital gains	—	—	—	0.04	0.04	
Return of capital	—	—	—	—	—	
Total Annual Distributions (\$) ⁽³⁾	0.34	0.34	0.32	0.36	0.36	
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.81	9.39	9.62	9.64	9.54	

Ratios and Supplemental Data

Accounting Period Ended	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Total net asset value (ooo's of \$) ⁽⁵⁾	10,394	18,615	38,352	62,546	64,699
Number of units outstanding ⁽⁵⁾	1,059,691	1,982,821	3,986,587	6,488,350	6,778,544
Management expense ratio (%) ⁽⁶⁾	0.10	0.10	0.10	0.10	0.12
Management expense ratio before waivers or absorptions (%)	0.10	0.10	0.10	0.10	0.12
Trading expense ratio (%) ⁽⁷⁾	—	—	—	—	—
Portfolio turnover rate (%) ⁽⁸⁾	48.17	42.53	120.47	128.87	164.15
Net asset value per unit (\$)	9.81	9.39	9.62	9.64	9.54

- ⁽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. For Series N and NR, the management expense ratio before waivers or absorptions as at December 31, 2015 has been adjusted to reflect a non-material correction related to a programming error in the ratio calculation.
- ⁽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. Since calculating an average daily allocation of the trading expenses would take considerable effort, an average monthly allocation has been used instead for the accounting periods prior to 2016.
- ⁽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, 2019

Portfolio Top Holdings

	% of Net Asset Value
Bank of Nova Scotia, Floating, due March 30, 2027	1.8
Bank of Montreal, 2.12%, due March 16, 2022	1.4
Canadian Imperial Bank of Commerce, Floating, due April 4, 2023	1.3
AltaLink Investments LP, 2.24%, due March 7, 2022	1.2
Bank of Montreal, 2.85%, due March 6, 2024	1.2
Royal Bank of Canada, 1.97%, due March 2, 2022	1.2
Enbridge Inc., 3.20%, due June 8, 2027	1.1
Province of Ontario, 2.70%, due June 2, 2029	1.1
Canadian Natural Resources Ltd., 3.42%, due December 1, 2026	1.0
Canadian Utilities Ltd., 4.54%, due October 24, 2041	1.0
Cash, Money Market and Other Net Assets	1.0
Bank of Montreal, 2.28%, due July 29, 2024	0.9
Bank of Nova Scotia, 1.83%, due April 27, 2022	0.9
Bank of Nova Scotia, Floating, due July 3, 2024	0.9
Alimentation Couche-Tard Inc., 3.60%, due June 2, 2025	0.8
Bank of Montreal, Floating, due December 8, 2020	0.8
H&R Real Estate Investment Trust, 3.37%, due January 30, 2024	0.8
Hospital Infrastructure Partners NOH Partnership, 5.44%, due January 31, 2045	0.8
SNC-Lavalin Innisfree McGill Finance Inc., 6.63%, due June 30, 2044	0.8
Canadian Imperial Bank of Commerce, 2.97%, due July 11, 2023	0.7
Cominar Real Estate Investment Trust, 4.25%, due May 23, 2023	0.7
Husky Energy Inc., 3.60%, due March 10, 2027	0.7
Hydro One Inc., 3.72%, due November 18, 2047	0.7
Health Montreal Collective LP, 6.72%, due September 30, 2049	0.7
TransCanada Pipelines Ltd., 4.34%, due October 15, 2049	0.7
	24.2

Net asset value \$1,059,099,668

Asset Mix

	% of Net Asset Value
Canadian Corporate Bonds	89.5
US Bonds	4.3
Provincial Bonds	1.5
Municipal Bonds	1.3
Asset Backed Securities	1.0
Federal Bonds	0.8
Mortgage Backed Securities	0.6
Cash, Money Market and Other Net Assets	1.0

Credit Quality

	% of Net Asset Value
AAA	2.5
AA	8.8
A	34.4
BBB	51.6
BB	1.7
Not rated	1.0

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.