

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2019

Balanced Private Portfolio

NBI Multiple Asset Class 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 Multiple Asset Class Private Portfolio's investment objective is to produce long-term capital appreciation by investing primarily in Exchange-Traded Funds ("ETF") that invest in Canadian or foreign fixed income and equity securities.

The portfolio manager conducts fundamental research based on a top-down investment approach. The portfolio manager selects securities by considering the economic outlook and analyzing the real risks of the various asset classes and their degree of correlation.

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 Multiple Asset Class Private Portfolio's Advisor Series units returned 11.24% compared to 15.98% for the Fund's blended benchmark. The broad-based indices, the FTSE Canada Universe Bond Index (CAD) and the MSCI World Index (CAD), returned 6.87% and 21.22% respectively. Unlike the indices, the Fund's performance is calculated after fees and expenses. Please see the *Past Performance* section for the returns of all of the Fund's series, which may vary mainly because of fees and expenses.

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 14.10% over the period, from \$165.95 million as at December 31, 2018 to \$189.34 million as at December 31, 2019.

The increase in net asset value is attributed largely to market fluctuations and an increase in net sales.

In stark contrast to the fourth quarter of 2018, global financial markets closed out 2019 with nearly every major asset class showing positive returns. These strong gains were nevertheless accompanied by a fair degree of volatility during the period.

The trade war involving the two biggest economies in the world continued to impact the market this year. The uncertainty that was brought about by the U.S. and China going head to head in a tit for tat trade war was a main driver of the volatility in all financial markets. During the dispute, the two sides set the pace in the market by imposing tariffs and retaliating against each other. In December, they finally agreed on the terms of the phase one deal that reduces some U.S. tariffs on Chinese goods in exchange for Chinese purchases of American farm, energy and manufactured goods and better protection for U.S. intellectual property. The day after Christmas, the three major U.S. indices hit record highs on raised hopes that a trade deal was in line to be signed in January. "The deal is done, it's just being translated now", President Trump said, to traders' delight.

It is under these circumstances that the U.S. Federal Reserve (the "Fed") orchestrated a 180-degree policy shift from projecting two rate hikes in 2019, to rather opt for three rate cuts; in July, September and October, much to the delight of both equities and bond investors. As justification, the Fed acknowledged the global headwinds that have plagued the marketplace – namely lingering anxieties on the US-China trade front that have clouded the global economic backdrop and threatened to spillover to the U.S. economy. After the Fed took some additional insurance in October by lowering its lending rate to a target range of 1.50% to 1.75%, it indicated that it would pause rate cuts for the foreseeable future. Since then, Fed officials have publicly characterized the U.S. economy as strong, led by solid consumer spending but threatened by exogenous factors such as global weakness, the U.S.-China tariff war and uncertainties associated with Brexit. Easy monetary policy was also mirrored by a majority of central banks around the world, except by the Bank of Canada which kept its key rate unchanged at 1.75% throughout the year.

Under these circumstances, the Fund underperformed its blended benchmark. With an investment approach that focuses on risk management, volatility was kept very low throughout 2019. The final 12-month volatility came in at only 4.7%, more than 50% lower than the volatility of Canadian equities. Even though a more defensive asset mix modestly hindered performance, the strategy did not prevent the Fund from achieving its goals of generating attractive returns with lower volatility. In a year where risk was ever-present, holders of the Fund profited from an exceptional year with less anxiety.

Recent Developments

With regards to bonds, accommodative central bank policies clearly target continued economic growth and higher inflation. If both goals are achieved, the portfolio manager expects longer-term rates to trend higher. That is why the portfolio manager maintains an underweight position in fixed-income assets. The shorter-than-benchmark duration also favors quality corporate holdings. Throughout the year, the portfolio manager expects to optimize the yield of short-term investments as he does not expect central banks to suddenly reverse course and hike rates (unless there is a clear overheating of the economy).

On the stock side, the Fund maintains an underweight. The strategy is to prudently participate in the market's upside by focusing on healthy regional and sectoral diversification. At the same time, the Fund is supported by large cap companies with quality balance sheets and reasonable valuations. In Canada, the Fund is more exposed to high quality dividend-paying companies. Internationally, the portfolio manager favors more cyclical sectors along with the value style. Finally, in the U.S., the equity strategy is less exposed to some of the large cap giants, especially in the tech sector.

In today's environment, the portfolio manager prefers an overweight position in alternatives. He believes that certain alternative investments like option strategies or foreign bonds with currency protection offer attractive yields while also providing a shock absorber to higher volatility. At the same time, the portfolio manager also believes in a diversified approach in order to protect against various risks like higher inflation/ interest rates.

From a tactical point of view, the portfolio manager prefers to participate in the market's upside potential while still keeping a defensive strategy that can help absorb any shocks in case of a correction. The portfolio manager expects 2020 to produce moderate economic growth. However, he also expects volatility to push higher given stock valuations that are relatively stretched. Even though the preliminary trade deal between China and the U.S. is a promising start, longer-term issues are still very far from being settled. Likewise, Brexit fears still have the potential of making a dramatic comeback if the British government cannot complete a trade deal with Europe. Political uncertainty, Hong Kong strife and ongoing Middle East tensions all have the potential to impact markets in 2020. In this context, the portfolio manager is keeping the risk budget relatively limited by underweighting stocks and overweighting alternatives. At the same time, higher cash holdings will allow the portfolio manager to take advantage of any market opportunities.

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 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.

Brokerage Fees

The Fund may pay broker's commissions at market rates to a corporation affiliated with NBII. The brokerage fees paid by the Fund for the period are as follows:

	Period ended December 31, 2019
Total brokerage fees	39,089.58
Brokerage fees paid to National Bank Financial	39,089.58

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 ¹
Advisor Series			
Front-end load	1.32%	75.76%	24.24%
Series T5			
Front-end load	1.32%	75.76%	24.24%
Series F and Series F5	0.32%	—	100.00%

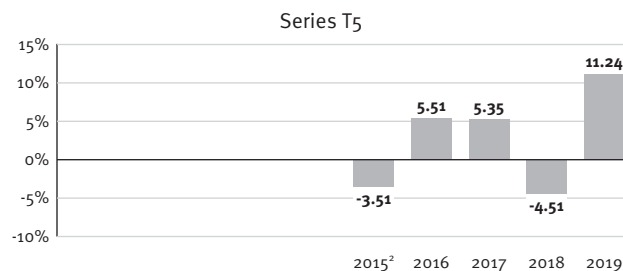
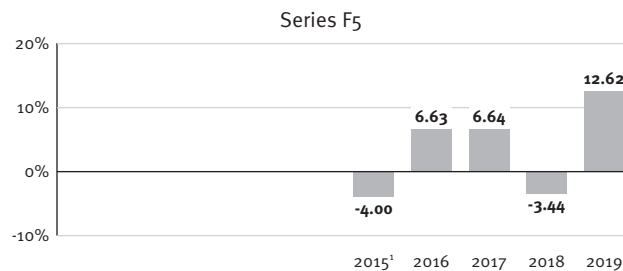
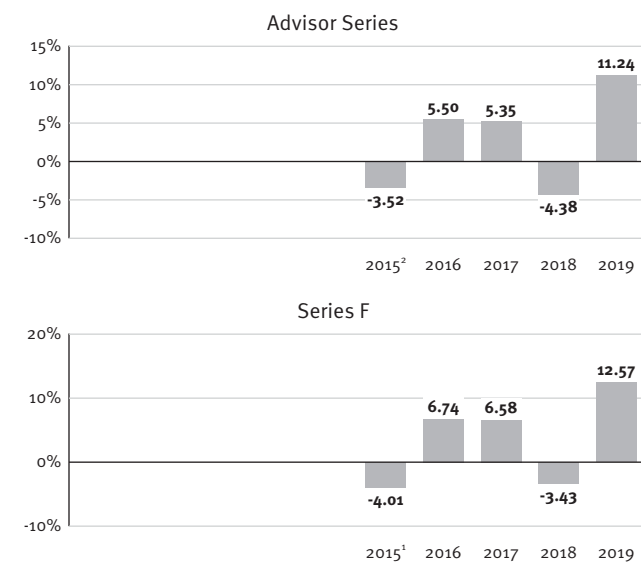
⁽¹⁾ Includes all costs related to management, investment advisory services, general administration and profit.

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.

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 benchmarks:

The blended benchmark (the "Benchmark") is composed of:

- FTSE Canada Universe Bond Index (CAD) (40%)
- MSCI World Index (CAD) (30%)
- S&P/TSX Composite Index (CAD) (30%)

The broad-based indices are as follows:

- Broad-based index 1: FTSE Canada Universe Bond Index (CAD)
- Broad-based index 2: MSCI World Index (CAD)

NBI Multiple Asset Class Private Portfolio

	1 year	3 years	5 years	10 years	Since inception
Advisor Series¹	11.24%	3.87%	—	—	2.99%
Benchmark	15.98%	6.99%	—	—	6.80%
Broad-based index 1	6.87%	3.57%	—	—	3.33%
Broad-based index 2	21.22%	11.32%	—	—	10.28%
Series F²	12.57%	5.03%	—	—	3.78%
Benchmark	15.98%	6.99%	—	—	6.76%
Broad-based index 1	6.87%	3.57%	—	—	3.50%
Broad-based index 2	21.22%	11.32%	—	—	10.85%
Series F5²	12.62%	5.06%	—	—	3.79%
Benchmark	15.98%	6.99%	—	—	6.76%
Broad-based index 1	6.87%	3.57%	—	—	3.50%
Broad-based index 2	21.22%	11.32%	—	—	10.85%
Series T5¹	11.24%	3.82%	—	—	2.96%
Benchmark	15.98%	6.99%	—	—	6.80%
Broad-based index 1	6.87%	3.57%	—	—	3.33%
Broad-based index 2	21.22%	11.32%	—	—	10.28%

¹Commencement of operations: July 14, 2015

²Commencement of operations: May 21, 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 Descriptions

The **FTSE Canada Universe Bond Index** is composed of over 900 bonds with a term to maturity of more than one year and reflects the Canadian Bond market.

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.

The **S&P/TSX Composite Index** is a subset of the S&P/TSX and reflects share price fluctuations of a group of companies listed on the Toronto Stock Exchange (TSX) and weighted by market capitalization.

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⁾	9.71	10.59	10.10	9.63	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.21	0.21	0.19	0.20	0.16
Total expenses	(0.17)	(0.17)	(0.17)	(0.16)	(0.08)
Realized gains (losses)	(0.01)	0.35	0.17	0.01	(0.02)
Unrealized gains (losses)	1.07	(0.86)	0.34	0.65	(0.15)
Total Increase (Decrease) from Operations (\$) ⁽²⁾	1.10	(0.47)	0.53	0.70	(0.09)
Distributions (\$)					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.04	0.04	0.06	0.06	0.02
From capital gains	—	0.36	—	—	—
Return of capital	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.04	0.40	0.06	0.06	0.02
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	10.76	9.71	10.59	10.10	9.63

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⁾	70,371	62,620	64,026	50,226	16,174
Number of units outstanding ⁽⁵⁾	6,537,745	6,451,729	6,049,146	4,973,166	1,679,641
Management expense ratio (%) ⁽⁶⁾	1.75	1.78	1.79	1.83	1.67
Management expense ratio before waivers or absorptions (%)	1.75	1.78	1.79	1.83	1.67
Trading expense ratio (%) ⁽⁷⁾	0.03	0.03	0.04	0.03	0.20
Portfolio turnover rate (%) ⁽⁸⁾	35.11	38.47	42.20	17.10	16.38
Net asset value per unit (\$)	10.76	9.71	10.58	10.10	9.63

Series F

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⁾	9.58	10.50	9.98	9.51	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.21	0.20	0.19	0.19	0.20
Total expenses	(0.05)	(0.05)	(0.05)	(0.05)	(0.04)
Realized gains (losses)	(0.01)	0.36	0.16	0.02	(0.02)
Unrealized gains (losses)	1.05	(0.84)	0.35	0.53	(0.31)
Total Increase (Decrease) from Operations (\$) ⁽²⁾	1.20	(0.33)	0.65	0.69	(0.17)
Distributions (\$)					
From net investment income (excluding dividends)	0.04	0.01	0.03	0.05	0.02
From dividends	0.11	0.15	0.10	0.12	0.07
From capital gains	—	0.40	—	—	—
Return of capital	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.15	0.56	0.13	0.17	0.09
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	10.63	9.58	10.50	9.98	9.51

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⁾	113,134	97,787	130,247	114,847	84,011
Number of units outstanding ⁽⁵⁾	10,639,230	10,203,075	12,404,412	11,506,682	8,831,077
Management expense ratio (%) ⁽⁶⁾	0.65	0.68	0.68	0.69	0.48
Management expense ratio before waivers or absorptions (%)	0.65	0.68	0.68	0.69	0.48
Trading expense ratio (%) ⁽⁷⁾	0.03	0.03	0.04	0.03	0.20
Portfolio turnover rate (%) ⁽⁸⁾	35.11	38.47	42.20	17.10	16.38
Net asset value per unit (\$)	10.63	9.58	10.50	9.98	9.51

Series F5

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 ^(a)	8.34	9.51	9.38	9.26	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.18	0.18	0.17	0.17	0.17
Total expenses	(0.04)	(0.04)	(0.05)	(0.04)	(0.04)
Realized gains (losses)	—	0.32	0.15	0.02	(0.02)
Unrealized gains (losses)	0.88	(0.73)	0.36	0.42	(0.36)
Total Increase (Decrease) from Operations (\$) ^(a)	1.02	(0.27)	0.63	0.57	(0.25)
Distributions (\$)					
From net investment income (excluding dividends)	0.04	0.01	0.03	0.04	0.01
From dividends	0.10	0.13	0.13	0.13	0.10
From capital gains	—	0.38	—	—	—
Return of capital	0.28	0.33	0.31	0.31	0.22
Total Annual Distributions (\$) ⁽³⁾	0.42	0.85	0.47	0.48	0.33
Net Assets, End of Accounting Period Shown (\$) ^(a)	8.96	8.34	9.51	9.38	9.26

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⁾	4,232	3,860	6,003	7,921	11,713
Number of units outstanding ⁽⁵⁾	472,304	462,651	631,296	844,222	1,264,034
Management expense ratio (%) ⁽⁶⁾	0.65	0.67	0.67	0.68	0.48
Management expense ratio before waivers or absorptions (%)	0.65	0.67	0.67	0.68	0.48
Trading expense ratio (%) ⁽⁷⁾	0.03	0.03	0.04	0.03	0.20
Portfolio turnover rate (%) ⁽⁸⁾	35.11	38.47	42.20	17.10	16.38
Net asset value per unit (\$)	8.96	8.34	9.51	9.38	9.27

Series T5

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 ^(a)	8.22	9.45	9.43	9.39	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.17	0.18	0.17	0.19	0.20
Total expenses	(0.14)	(0.15)	(0.16)	(0.15)	(0.08)
Realized gains (losses)	—	0.31	0.15	0.01	(0.03)
Unrealized gains (losses)	0.91	(0.74)	0.31	0.58	(0.33)
Total Increase (Decrease) from Operations (\$) ^(a)	0.94	(0.40)	0.47	0.63	(0.24)
Distributions (\$)					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.03	0.03	0.05	0.06	0.04
From capital gains	—	0.35	—	—	—
Return of capital	0.38	0.44	0.42	0.41	0.21
Total Annual Distributions (\$) ⁽³⁾	0.41	0.82	0.47	0.47	0.25
Net Assets, End of Accounting Period Shown (\$) ^(a)	8.72	8.22	9.45	9.43	9.39

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⁾	1,607	1,682	1,971	2,084	1,081
Number of units outstanding ⁽⁵⁾	184,232	204,596	208,619	221,100	115,078
Management expense ratio (%) ⁽⁶⁾	1.79	1.82	1.83	1.80	1.67
Management expense ratio before waivers or absorptions (%)	1.79	1.82	1.83	1.80	1.68
Trading expense ratio (%) ⁽⁷⁾	0.03	0.03	0.04	0.03	0.20
Portfolio turnover rate (%) ⁽⁸⁾	35.11	38.47	42.20	17.10	16.38
Net asset value per unit (\$)	8.72	8.22	9.45	9.43	9.40

- ⁽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. For all series created before 2016, the detailed calculation of the total Increase (Decrease) from Operations as at December 31, 2015 has been adjusted to reflect the proper allocation between the following items: Total revenue, Total expenses, Realized gain (losses) and/or Unrealized gain (losses). It is a non-material correction related to a programming error in the ratio calculation.
- ⁽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. The management expense ratio before waivers or absorptions as at December 31, 2015 has been adjusted for Series T5 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. For series created before 2016, the trading expense ratio as at December 31, 2015 has been adjusted to reflect a non-material correction related to a programming error in the ratio calculation.
- ⁽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
Horizons S&P/TSX 60 Index ETF.....	21.9
iShares, Canadian Universe Bond Index ETF.....	14.0
Vanguard Canadian Aggregate Bond Index ETF.....	7.8
Vanguard FTSE Developed Markets ETF.....	6.7
Invesco S&P 500 Equal Weight ETF.....	6.2
Wisdomtree Canada Quality Dividend Growth Index Etf.....	6.0
BMO S&P 500 Index ETF.....	5.2
iShares Floating Rate Index ETF.....	4.3
SPDR, Gold Shares.....	3.6
Horizons Active Corporate Bond ETF.....	3.5
Vanguard Value ETF.....	3.4
Purpose High Interest Savings ETF.....	3.1
PIMCO Monthly Income Fund, Series ETF.....	2.8
BMO Laddered Preferred Share Index ETF.....	2.6
iShares MSCI EAFE Value ETF.....	2.6
iShares, MSCI Eurozone ETF.....	2.0
Vanguard Short-Term Inflation-Protected Securities ETF.....	2.0
Purpose Premium Yield Fund.....	1.9
Cash, Money Market and Other Net Assets.....	0.4
	100.0

Net asset value..... \$189,344,268

Asset Mix

	% of Net Asset Value
Fixed Income.....	29.6
Canadian Equity.....	27.2
Global Equity.....	23.4
Alternative Investments.....	14.5
Cash, Money Market and Other Net Assets.....	5.3

Sector Allocation

	% of Net Asset Value
Financials.....	23.2
Industrials.....	12.8
Energy.....	10.6
Consumer Discretionary.....	8.1
Information Technology.....	7.8
Communication Services.....	7.3
Consumer Staples.....	6.7
Materials.....	6.5
Health Care.....	6.1
Utilities.....	3.7
Real Estate.....	1.8
Cash, Money Market and Other Net Assets.....	5.3

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.