

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2022

Canadian Equity Private Portfolio  
**NBI Equity Income 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 Equity Income Private Portfolio's investment objective is to maximize the potential for long-term capital growth and to generate high dividend income. The Fund invests directly, or through investments in securities of other mutual funds, in a portfolio primarily composed of equity securities of Canadian companies that pay dividends.

The portfolio manager follows an investment process that is primarily based on bottom-up fundamental research, with a focus on capital growth. The Portfolio manager chooses quality companies that pay high income, while diversifying across industries and regions to reduce volatility. It is expected that investments in foreign securities will not exceed approximately 30% 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 Equity Income Private Portfolio's Advisor Series units returned -9.30% compared to -5.84% for the Fund's benchmark, the S&P/TSX Composite 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 0.55% over the period, from \$151.47 million as at December 31, 2021 to \$152.31 million as at December 31, 2022.

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 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.

The Fund's positions in the Information Technology, Communication Services, and Financials sectors contributed the most to its relative performance during the period. Holdings in the Consumer Staples, Real Estate, and Energy sectors, detracted from relative performance.

Top individual contributors to the Fund's performance during the period included Definity, Enbridge, and Quebecor. Definity, like many insurance players benefitted in a rising interest rate environment, as markets recognized its pristine balance sheet, and successful first year of operations as a public company. Enbridge shares outperformed alongside strong energy prices during much of the year, the pipeline company's deleveraging goal, and its ability to pass through inflation related costs to its customers. Quebecor's shares rallied during the period as the market expects a favorable regulatory decision regarding the diversified media and telecommunications player's offer to acquire Freedom Mobile.

Top detractors to the Fund's relative performance included Digital Realty, Brookfield Corp., and Granite REIT, all of which faced headwinds stemming from rising borrowing costs. Digital Realty's shares suffered amidst the real estate investment trust's leveraged positions, and exposure to derated technology end markets. Brookfield Corp., a manager of alternative assets also faced interest rate related headwinds and resulting weak equity markets, while Granite REIT had to simultaneously contend with weakening demand for industrial space post Covid.

### Recent Developments

The Fund is overweight in the Communications Services, Financials, Utilities and Real Estate sectors, and underweight in the Materials, Consumer Discretionary, Industrial and Energy sectors.

Multiple transactions took place during 2022 to recalibrate the weight of portfolio holdings and sectors. However, a limited number of new positions were added or divested during the period. Brookfield Asset Management Ltd (ticker BAM) was initiated following the reception of 0.2 shares for each share of Brookfield Asset Management (ticker BAM/A; simultaneously changing its ticker to BN and name to Brookfield Corporation) that was held in the portfolio. The share exchange occurred in early December. The Fund exited its position in Abbvie Inc., which it regards as an overvalued pharmaceutical play with a declining EPS growth profile.

Despite the risks highlighted above, we remain cautiously constructive on the equity markets for the coming year given the market correction but do recognize its fragility and have highlighted key events that would force us to revisit our positioning. Our tiering of events is as follows:

**Recession:** High inflation leads to higher interest rates which leads to lower growth. The problem is when headline inflation is at a forty-year peak, central banks need to be more draconian than simply "pumping the brakes". The risk of a recession in North America in FY2023 is now our base case.

**Inflation:** Core inflation is off the second quarter peaks but still coming in above expectations. Both the Bank of Canada and the US Federal Reserve had made it quite clear that enemy number one is inflation, and they will not let up on increasing rates until core inflation (excluding food and energy) is back at 2.0%.

**Interest rates:** We had an unchanged FY2023 forecast of 3.50% on the Canada 10-year yield. At quarter end, the 10-year Canada was 3.30% and the 10-year US is at 3.87%. If real yields continue to tighten (which we expect they will in the coming months), this will be negative for equity markets in general. The inverse is also true.

**Unemployment Rate:** While currently low in both Canada and US (5.1% and 3.7% respectively) the consensus expectations is that they will increase to 4.4% and 6.1% by year end 2023. In both cases, consensus expects less than 1% full percentage increase which is paltry.

**Geopolitical risk:** Ukraine/Russia and possible China/Taiwan/US are conflicts that can have a profound humanitarian effect that will impact migration flows, affect commodity prices, increase onshoring, and accelerate the energy transition.

**Covid variants:** Likely to be our last post on the topic but given the recent spike in China, notable nonetheless.

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.

## 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, 2022
<b>Total brokerage fees</b>	72,019.49
<b>Brokerage fees paid to National Bank Financial</b>	10,641.50

### Holdings

As at December 31, 2022, National Bank Investments Inc. held 105.31 Fund securities for a value of \$1,157.41, which represented close to 0.0008% 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.

### 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 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	1.45%	68.97%	31.03%
Series T5			
Front-end load	1.45%	68.97%	31.03%
Series F and Series F5	0.45%	—	100.00%
Series O	N/A*	—	100.00%

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

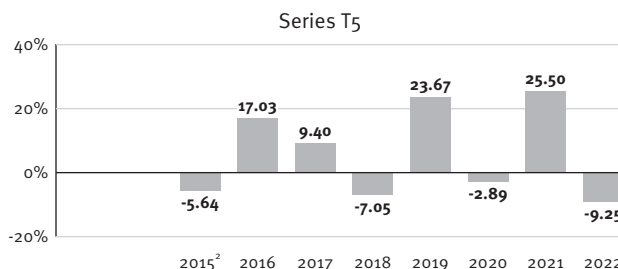
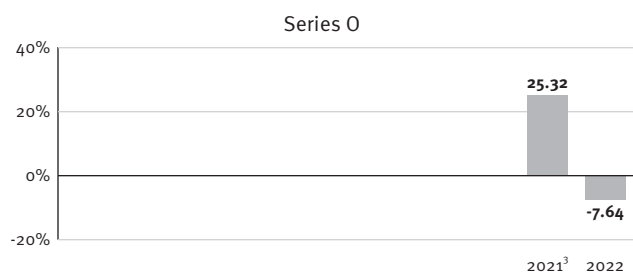
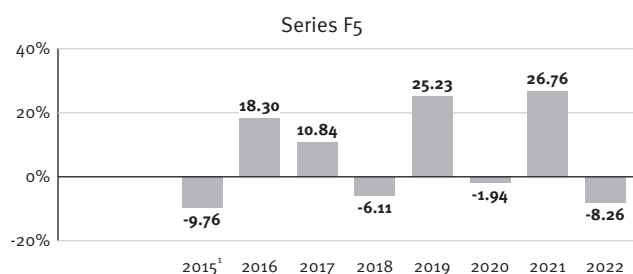
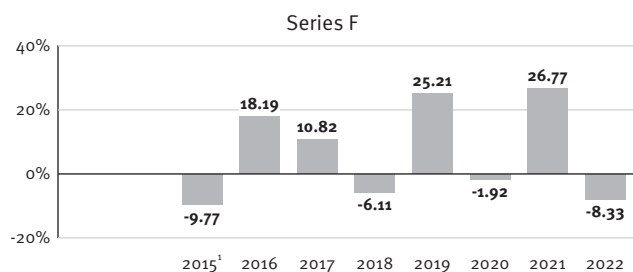
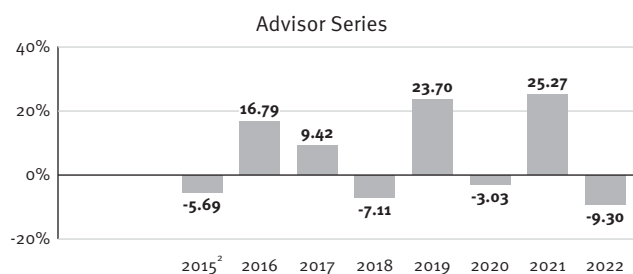
<sup>(\*)</sup> There are no management fees paid by the Fund with respect to the Series O. Instead, Series O securityholders pay a negotiated administration fee directly to National Bank Investments.

## 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 March 1, 2021 (commencement of operations) to December 31, 2021.

## 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:

- S&P/TSX Composite Index (CAD)

### NBI Equity Income Private Portfolio

	1 year	3 years	5 years	10 years	Since inception
<b>Advisor Series<sup>1</sup></b>	(9.30)%	3.29%	4.83%	–	5.82%
Benchmark	(5.84)%	7.54%	6.85%	–	7.54%
<b>Series F<sup>2</sup></b>	(8.33)%	4.46%	6.03%	–	6.22%
Benchmark	(5.84)%	7.54%	6.85%	–	7.00%
<b>Series F5<sup>2</sup></b>	(8.26)%	4.47%	6.04%	–	6.25%
Benchmark	(5.84)%	7.54%	6.85%	–	7.00%
<b>Series O<sup>3</sup></b>	(7.64)%	–	–	–	8.30%
Benchmark	(5.84)%	–	–	–	11.74%
<b>Series T5<sup>1</sup></b>	(9.25)%	3.41%	4.92%	–	5.92%
Benchmark	(5.84)%	7.54%	6.85%	–	7.54%

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

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

<sup>3</sup>Commencement of operations: March 1, 2021

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

Accounting Period Ended	2022	2021	2020	2019	2018
	December 31	December 31	December 31	December 31	December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	14.24	11.50	12.05	10.19	11.46
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.44	0.40	0.39	0.42	0.46
Total expenses	(0.25)	(0.24)	(0.22)	(0.23)	(0.21)
Realized gains (losses)	0.46	0.60	(0.43)	0.60	0.23
Unrealized gains (losses)	(1.98)	2.14	0.10	1.60	(1.26)
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(1.33)	2.90	(0.16)	2.39	(0.78)
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.17	0.15	0.17	0.22	0.25
From capital gains	—	—	—	0.32	0.22
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.17	0.15	0.17	0.54	0.47
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	12.75	14.24	11.50	12.05	10.19

### Ratios and Supplemental Data

Accounting Period Ended	2022	2021	2020	2019	2018
	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) <sup>(5)</sup>	31,471	31,952	25,079	17,420	12,933
Number of units outstanding <sup>(6)</sup>	2,468,583	2,243,069	2,180,961	1,445,114	1,269,443
Management expense ratio (%) <sup>(4)</sup>	1.83	1.84	1.84	1.80	1.81
Management expense ratio before waivers or absorptions (%)	1.83	1.84	1.84	1.80	1.81
Trading expense ratio (%) <sup>(7)</sup>	0.05	0.05	0.23	0.13	0.09
Portfolio turnover rate (%) <sup>(8)</sup>	48.37	38.80	170.69	83.72	62.87
Net asset value per unit (\$)	12.75	14.24	11.50	12.05	10.19

### Series F

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

Accounting Period Ended	2022	2021	2020	2019	2018
	December 31	December 31	December 31	December 31	December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	13.49	10.88	11.41	9.65	10.87
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.41	0.38	0.36	0.40	0.43
Total expenses	(0.09)	(0.09)	(0.09)	(0.09)	(0.08)
Realized gains (losses)	0.45	0.56	(0.57)	0.56	0.19
Unrealized gains (losses)	(1.94)	2.04	0.17	1.52	(1.12)
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(1.17)	2.89	(0.13)	2.39	(0.58)
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	0.03	0.02
From dividends	0.30	0.27	0.29	0.30	0.35
From capital gains	—	—	—	0.31	0.20
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.30	0.27	0.29	0.64	0.57
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	12.07	13.49	10.88	11.41	9.65

### Ratios and Supplemental Data

Accounting Period Ended	2022	2021	2020	2019	2018
	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) <sup>(5)</sup>	57,783	60,786	46,270	45,109	35,546
Number of units outstanding <sup>(6)</sup>	4,786,067	4,507,046	4,252,989	3,952,666	3,682,176
Management expense ratio (%) <sup>(4)</sup>	0.68	0.70	0.69	0.67	0.67
Management expense ratio before waivers or absorptions (%)	0.68	0.70	0.69	0.67	0.67
Trading expense ratio (%) <sup>(7)</sup>	0.05	0.05	0.23	0.13	0.09
Portfolio turnover rate (%) <sup>(8)</sup>	48.37	38.80	170.69	83.72	62.87
Net asset value per unit (\$)	12.07	13.49	10.88	11.41	9.65

## Series F5

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

Commencement of operations: May 21, 2015

Accounting Period Ended	2022	2021	2020	2019	2018
	December 31	December 31	December 31	December 31	December 31
<b>Net Assets, Beginning of Accounting Period Shown<sup>(4)</sup></b>	11.75	9.70	10.49	8.99	10.26
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.36	0.33	0.33	0.37	0.42
Total expenses	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)
Realized gains (losses)	0.36	0.49	(0.46)	0.60	0.22
Unrealized gains (losses)	(1.54)	1.81	0.04	1.15	(1.27)
<b>Total Increase (Decrease) from Operations (\$)<sup>(2)</sup></b>	(0.90)	2.55	(0.17)	2.04	(0.71)
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	0.03	0.02
From dividends	0.25	0.24	0.26	0.26	0.28
From capital gains	—	—	—	0.29	0.15
Return of capital	0.33	0.25	0.28	0.16	0.21
<b>Total Annual Distributions (\$)<sup>(3)</sup></b>	0.58	0.49	0.54	0.74	0.66
<b>Net Assets, End of Accounting Period Shown (\$)<sup>(4)</sup></b>	10.21	11.75	9.70	10.49	8.99

### Ratios and Supplemental Data

Accounting Period Ended	2022	2021	2020	2019	2018
	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) <sup>(5)</sup>	53,907	48,080	33,353	31,459	13,555
Number of units outstanding <sup>(5)</sup>	5,279,773	4,091,012	3,438,131	2,998,879	1,507,053
Management expense ratio (%) <sup>(6)</sup>	0.68	0.68	0.68	0.67	0.67
Management expense ratio before waivers or absorptions (%)	0.68	0.68	0.68	0.67	0.67
Trading expense ratio (%) <sup>(7)</sup>	0.05	0.05	0.23	0.13	0.09
Portfolio turnover rate (%) <sup>(8)</sup>	48.37	38.80	170.69	83.72	62.87
Net asset value per unit (\$)	10.21	11.75	9.70	10.49	8.99

## Series O

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

Commencement of operations: March 1, 2021

Accounting Period Ended	2022	2021
	December 31	December 31
<b>Net Assets, Beginning of Accounting Period Shown<sup>(4)</sup></b>	12.27	10.00
<b>Increase (Decrease) from Operations (\$)</b>		
Total revenue	0.38	0.30
Total expenses	(0.01)	(0.01)
Realized gains (losses)	0.40	0.43
Unrealized gains (losses)	(1.70)	1.63
<b>Total Increase (Decrease) from Operations (\$)<sup>(2)</sup></b>	(0.93)	2.35
<b>Distributions (\$)</b>		
From net investment income (excluding dividends)	—	—
From dividends	0.35	0.24
From capital gains	—	—
Return of capital	—	—
<b>Total Annual Distributions (\$)<sup>(3)</sup></b>	0.35	0.24
<b>Net Assets, End of Accounting Period Shown (\$)<sup>(4)</sup></b>	10.99	12.27

### Ratios and Supplemental Data

Accounting Period Ended	2022	2021
	December 31	December 31
Total net asset value (000's of \$) <sup>(5)</sup>	8,844	10,411
Number of units outstanding <sup>(5)</sup>	804,729	848,157
Management expense ratio (%) <sup>(6)</sup>	0.02	0.02
Management expense ratio before waivers or absorptions (%)	0.02	0.02
Trading expense ratio (%) <sup>(7)</sup>	0.05	0.05
Portfolio turnover rate (%) <sup>(8)</sup>	48.37	38.80
Net asset value per unit (\$)	10.99	12.27

## Series T5

Net Assets per Unit<sup>(4)</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<sup>(4)</sup></b>	11.51	9.60	10.47	9.10	10.54
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.35	0.32	0.33	0.37	0.42
Total expenses	(0.19)	(0.18)	(0.18)	(0.20)	(0.19)
Realized gains (losses)	0.36	0.49	(0.50)	0.51	0.21
Unrealized gains (losses)	(1.60)	1.73	0.03	1.45	(1.20)
<b>Total Increase (Decrease) from Operations (\$)<sup>(2)</sup></b>	<b>(1.08)</b>	<b>2.36</b>	<b>(0.32)</b>	<b>2.13</b>	<b>(0.76)</b>
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.14	0.15	0.17	0.19	0.22
From capital gains	—	—	—	0.30	0.18
Return of capital	0.44	0.33	0.36	0.26	0.31
<b>Total Annual Distributions (\$)<sup>(3)</sup></b>	<b>0.58</b>	<b>0.48</b>	<b>0.53</b>	<b>0.75</b>	<b>0.71</b>
<b>Net Assets, End of Accounting Period Shown (\$)<sup>(4)</sup></b>	<b>9.89</b>	<b>11.51</b>	<b>9.60</b>	<b>10.47</b>	<b>9.10</b>

## 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>	305	246	280	314	269
Number of units outstanding <sup>(5)</sup>	30,801	21,337	29,154	29,954	29,555
Management expense ratio (%) <sup>(6)</sup>	1.74	1.69	1.69	1.83	1.80
Management expense ratio before waivers or absorptions (%)	1.74	1.69	1.70	1.83	1.81
Trading expense ratio (%) <sup>(7)</sup>	0.05	0.05	0.23	0.13	0.09
Portfolio turnover rate (%) <sup>(8)</sup>	48.37	38.80	170.69	83.72	62.87
Net asset value per unit (\$)	9.89	11.51	9.60	10.47	9.10

<sup>(1)</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>(2)</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>(3)</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both.

<sup>(4)</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
Royal Bank of Canada	9.0
Toronto-Dominion Bank	7.8
Enbridge Inc.	7.6
Quebecor Inc., Class B	5.8
Shaw Communications Inc., Class B	4.8
Canadian National Railway Co.	4.4
Cash, Money Market and Other Net Assets	4.3
Brookfield Infrastructure Partners LP	4.0
Constellation Software Inc.	4.0
WSP Global Group Inc.	3.8
TC Energy Corp.	3.4
Scotiabank	3.2
Granite Real Estate Investment Trust	3.1
iA Financial Corp Inc.	2.8
Brookfield Corp.	2.6
TMX Group Ltd.	2.4
Microsoft Corp.	2.1
TELUS Corp.	2.0
BCE Inc.	1.9
Thomson Reuters Corp.	1.9
National Bank of Canada	1.6
Sun Life Financial Inc.	1.6
Brookfield Asset Management Ltd.	1.5
Brookfield Renewable Cor A	1.2
Parkland Corp.	1.2
	88.0

Net asset value ..... \$152,309,033

### Sector Allocation

	% of Net Asset Value
Financials	35.0
Communication Services	14.5
Energy	12.2
Industrials	10.1
Utilities	7.4
Information Technology	6.7
Consumer Staples	5.0
Real Estate	4.8
Cash, Money Market and Other Net Assets	4.3

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 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).