

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2019

Global Equity Private Portfolio

NBI North American Dividend 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 North American Dividend Private Portfolio's investment objective is to maximize long-term capital growth potential and generate high dividend income. The Fund invests, directly or through investments in securities of other mutual funds, in a portfolio consisting primarily of equity securities of Canadian and U.S. companies that pay dividends.

The portfolio manager incorporates a growth-at-a-reasonable-price approach with a long-term investment horizon, when selecting securities for the Fund. Fundamental research is also conducted to identify securities with growth potential not recognized by the market that are trading at attractive prices.

Risks

The Fund's risk level was modified from "medium" to "low to medium" during the year. This change aims to more accurately reflect the Fund's actual risk level.

Results of Operations

For the twelve-month period ended December 31, 2019, the NBI North American Dividend Private Portfolio's Advisor Series units returned 18.77% compared to 24.04% for the Fund's blended benchmark. The broad-based indices, the S&P 500 Index (CAD) and the S&P/TSX Composite Index (CAD), returned 25.07% and 22.88% 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 5.62% over the period, from \$56.05 million as at December 31, 2018 to \$59.19 million as at December 31, 2019.

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 the benchmark. Stock selection in Industrials and Information Technology were the main detractors to performance over the year. Important contributors in the Fund were WSP Global, Open Text and Manulife. Meanwhile, Nielsen, SNC-Lavalin and Walgreens were the major detractors to performance.

Recent Developments

During the year, the portfolio manager exited positions in Great-West Lifeco, Keyera Corp., Canadian Tire Corp., ARC Resources, Innergex, BB&T Corp., Walgreens, Bristol-Myers Squibb, CVS Health and Davita Inc. The exit of Keyera and ARC Resources was due in large part to skepticism about their abilities to generate value going forward at current commodity prices. The portfolio manager chose to exit Canadian Tire due in part to macro expectations as the company is largely a discretionary retailer. That downside risk is amplified by its growing credit card portfolio and high leverage. Other risks continue to mount, including ecommerce competition, branded sporting goods moving to direct-to-consumer, direct competition at opening price point sporting goods and elevated leverage. Valuation appears inexpensive relative to the market. However, the portfolio manager believes that risk is elevated and does not see acceptable returns going forward.

The portfolio manager initiated new positions in Nutrien Ltd., Premium Brands, Bank OZK, M&T Bank, Cognizant Technology Solutions, Abbott Laboratories, Johnson & Johnson and Verizon Communications. Compared to the benchmark, the Fund is underweight Communication Services, Energy, Financials and Materials. Meanwhile, the Fund is overweight the Information Technology, Consumer Staples and Industrials.

In the longer term, expectations continue to be limited by secular headwinds. Developed economies are heavily indebted, have underinvested in productive capacity and are facing demographic headwinds due to an aging population base. In sum, the long-term trend rate of economic growth will continue to be modest even without the added uncertainty from protracted trade wars and Brexit negotiations. Central bank intervention will continue to be needed in the absence of truly significant fiscal policy stimulus. The portfolio manager expects more uncertainty in the increasingly multi-polar geopolitical world, which would only be magnified by a potential second term for President Trump. His re-election would allow him to put his "America First" trade and foreign relations policies into overdrive.

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	14,178.34
Brokerage fees paid to National Bank Financial	507.04

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	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%

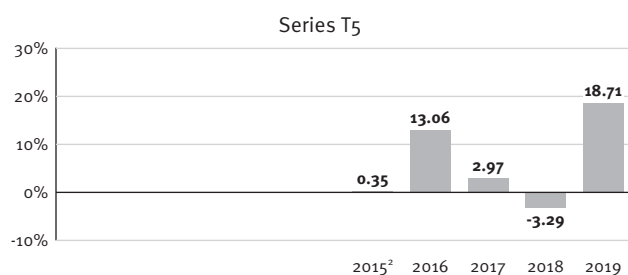
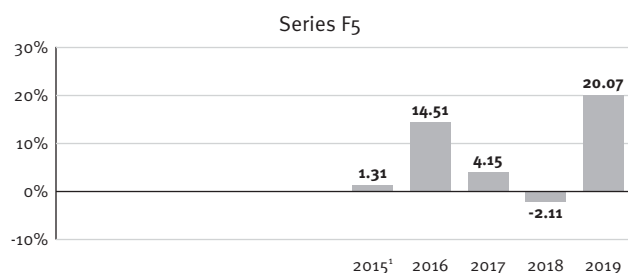
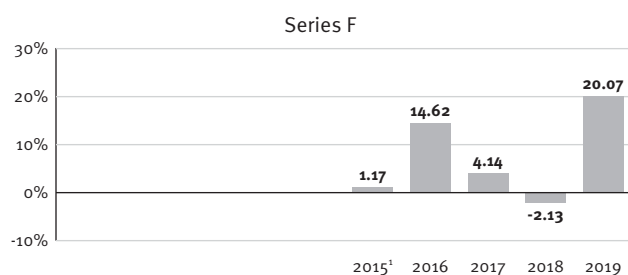
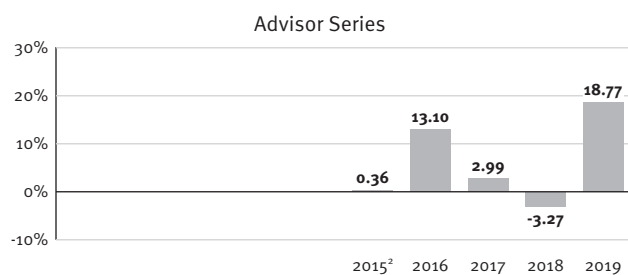
^(†) Includes all costs related to management, investment advisory services, general administration and profit.

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:

- S&P 500 Index (CAD) (50%)
- S&P/TSX Composite Index (CAD) (50%)

The broad-based indices are as follows:

- Broad-based index 1: S&P 500 Index (CAD)
- Broad-based index 2: S&P/TSX Composite Index (CAD)

NBI North American Dividend Private Portfolio

	1 year	3 years	5 years	10 years	Since inception
Advisor Series¹	18.77%	5.77%	–	–	6.82%
Benchmark	24.04%	10.48%	–	–	11.04%
Broad-based index 1	25.07%	14.00%	–	–	14.37%
Broad-based index 2	22.88%	6.89%	–	–	7.55%
Series F²	20.07%	6.96%	–	–	7.88%
Benchmark	24.04%	10.48%	–	–	11.05%
Broad-based index 1	25.07%	14.00%	–	–	15.38%
Broad-based index 2	22.88%	6.89%	–	–	6.60%
Series F5²	20.07%	6.97%	–	–	7.89%
Benchmark	24.04%	10.48%	–	–	11.05%
Broad-based index 1	25.07%	14.00%	–	–	15.38%
Broad-based index 2	22.88%	6.89%	–	–	6.60%
Series T5¹	18.71%	5.74%	–	–	6.79%
Benchmark	24.04%	10.48%	–	–	11.04%
Broad-based index 1	25.07%	14.00%	–	–	14.37%
Broad-based index 2	22.88%	6.89%	–	–	7.55%

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 **S&P 500 Index** is a float-adjusted market capitalization weighted index composed of 500 companies that measures the performance of the large-cap segment of the U.S. market.

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 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	11.13	11.57	11.29	10.02	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.29	0.28	0.27	0.27	0.13
Total expenses	(0.22)	(0.21)	(0.21)	(0.21)	(0.10)
Realized gains (losses)	0.53	0.17	(0.06)	0.02	0.01
Unrealized gains (losses)	1.50	(0.58)	0.34	1.73	0.35
Total Increase (Decrease) from Operations (\$) ⁽²⁾	2.10	(0.34)	0.34	1.81	0.39
Distributions (\$)					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.07	0.06	0.06	0.04	0.02
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.07	0.06	0.06	0.04	0.02
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	13.13	11.13	11.57	11.29	10.02

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⁾	18,555	16,993	20,231	13,545	2,505
Number of units outstanding ⁽⁵⁾	1,412,474	1,526,317	1,748,992	1,199,497	250,000
Management expense ratio (%) ⁽⁶⁾	1.77	1.78	1.85	1.98	2.01
Management expense ratio before waivers or absorptions (%)	1.77	1.78	1.85	1.98	2.02
Trading expense ratio (%) ⁽⁷⁾	0.03	0.03	0.03	0.05	0.16
Portfolio turnover rate (%) ⁽⁸⁾	21.98	13.01	11.01	7.08	7.68
Net asset value per unit (\$)	13.14	11.13	11.57	11.29	10.02

Series F

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⁾	11.15	11.60	11.30	10.03	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.29	0.28	0.28	0.27	0.17
Total expenses	(0.09)	(0.08)	(0.08)	(0.07)	(0.05)
Realized gains (losses)	0.48	0.17	(0.09)	0.01	0.01
Unrealized gains (losses)	1.66	(0.59)	0.41	1.47	0.10
Total Increase (Decrease) from Operations (\$) ⁽²⁾	2.34	(0.22)	0.52	1.68	0.23
Distributions (\$)					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.20	0.20	0.17	0.18	0.08
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.20	0.20	0.17	0.18	0.08
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	13.16	11.15	11.60	11.30	10.03

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⁾	33,018	33,883	47,471	26,753	13,910
Number of units outstanding ⁽⁵⁾	2,507,833	3,038,408	4,094,967	2,367,424	1,386,196
Management expense ratio (%) ⁽⁶⁾	0.68	0.68	0.68	0.68	0.69
Management expense ratio before waivers or absorptions (%)	0.68	0.68	0.68	0.68	0.69
Trading expense ratio (%) ⁽⁷⁾	0.03	0.03	0.03	0.05	0.16
Portfolio turnover rate (%) ⁽⁸⁾	21.98	13.01	11.01	7.08	7.68
Net asset value per unit (\$)	13.17	11.15	11.59	11.30	10.03

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 ⁽⁴⁾	9.83	10.57	10.67	9.78	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.26	0.25	0.25	0.26	0.17
Total expenses	(0.08)	(0.07)	(0.07)	(0.07)	(0.05)
Realized gains (losses)	0.41	0.14	(0.06)	0.02	—
Unrealized gains (losses)	1.33	(0.53)	0.35	1.64	0.16
Total Increase (Decrease) from Operations (\$) ⁽²⁾	1.92	(0.21)	0.47	1.85	0.28
Distributions (\$)					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.17	0.18	0.17	0.16	0.07
From capital gains	—	—	—	—	—
Return of capital	0.32	0.35	0.37	0.33	0.26
Total Annual Distributions (\$) ⁽³⁾	0.49	0.53	0.54	0.49	0.33
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	11.27	9.83	10.57	10.67	9.78

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⁾	6,613	4,274	5,673	3,880	1,044
Number of units outstanding ⁽⁵⁾	586,527	434,798	537,032	363,617	106,643
Management expense ratio (%) ⁽⁶⁾	0.68	0.68	0.68	0.66	0.69
Management expense ratio before waivers or absorptions (%)	0.68	0.68	0.68	0.66	0.70
Trading expense ratio (%) ⁽⁷⁾	0.03	0.03	0.03	0.05	0.16
Portfolio turnover rate (%) ⁽⁸⁾	21.98	13.01	11.01	7.08	7.68
Net asset value per unit (\$)	11.28	9.83	10.56	10.67	9.79

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 ⁽⁴⁾	9.46	10.29	10.52	9.78	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.24	0.24	0.25	0.26	0.14
Total expenses	(0.19)	(0.19)	(0.19)	(0.20)	(0.10)
Realized gains (losses)	0.44	0.15	(0.06)	0.02	0.02
Unrealized gains (losses)	1.23	(0.53)	0.27	1.69	(0.08)
Total Increase (Decrease) from Operations (\$) ⁽²⁾	1.72	(0.33)	0.27	1.77	(0.02)
Distributions (\$)					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.06	0.05	0.05	0.04	0.01
From capital gains	—	—	—	—	—
Return of capital	0.41	0.46	0.48	0.45	0.24
Total Annual Distributions (\$) ⁽³⁾	0.47	0.51	0.53	0.49	0.25
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	10.73	9.46	10.29	10.52	9.78

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⁾	1,007	896	988	761	153
Number of units outstanding ⁽⁵⁾	93,861	94,681	96,039	72,382	15,633
Management expense ratio (%) ⁽⁶⁾	1.78	1.79	1.86	2.01	2.01
Management expense ratio before waivers or absorptions (%)	1.78	1.79	1.86	2.02	2.14
Trading expense ratio (%) ⁽⁷⁾	0.03	0.03	0.03	0.05	0.16
Portfolio turnover rate (%) ⁽⁸⁾	21.98	13.01	11.01	7.08	7.68
Net asset value per unit (\$)	10.73	9.46	10.29	10.52	9.78

- ⁽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. For Series Advisor, F5 and T5, 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. 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
Microsoft Corp.	5.0
UnitedHealth Group Inc.	4.3
Open Text Corp.	3.8
Fiserv Inc.	3.2
Alimentation Couche-Tard Inc., Class B	3.0
PepsiCo Inc.	3.0
Brookfield Asset Management Inc., Class A	2.9
Becton Dickinson and Co.	2.7
Comcast Corp., Class A	2.7
Enbridge Inc.	2.7
WSP Global Group Inc.	2.7
Manulife Financial Corp.	2.7
Cash, Money Market and Other Net Assets	2.7
Canadian Natural Resources Ltd.	2.5
Canadian National Railway Co.	2.4
MasterCard Inc., Class A	2.4
US Bancorp	2.3
Royal Bank of Canada	2.2
Toronto-Dominion Bank	2.2
Oracle Corp.	2.1
Bank of Nova Scotia	2.0
Abbott Laboratories	1.9
Intact Financial Corp.	1.9
Nielsen Holdings PLC	1.9
Wells Fargo & Co.	1.9
	67.1

Net asset value \$59,193,697

Regional Allocation

	% of Net Asset Value
United States	49.1
Canada	48.2
Cash, Money Market and Other Net Assets	2.7

Sector Allocation

	% of Net Asset Value
Financials	23.3
Information Technology	19.3
Industrials	15.0
Consumer Staples	11.9
Health Care	10.6
Energy	8.7
Communication Services	4.2
Consumer Discretionary	3.4
Materials	0.9
Cash, Money Market and Other Net Assets	2.7

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.