

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2020

Global Equity Private Portfolio

## **NBI U.S. High Conviction Equity 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 U.S. High Conviction Equity Private Portfolio's investment objective is to provide long-term capital growth. The Fund invests directly, or through investments in securities of other mutual funds, in a portfolio consisting primarily of common shares of U.S. companies selected using a high conviction investment approach.

The portfolio manager seeks undervalued shares in every sector, and also considers the quality and liquidity of the securities. The portfolio manager relies on its convictions to select securities. In applying this high conviction investment approach, the industry and geographic allocation and the weighting of each security in the Portfolio will generally differ significantly from the allocation and weighting in the Fund's reference index.

### 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, 2020, the NBI U.S. High Conviction Equity Private Portfolio's Advisor Series units returned 18.11% compared to 16.32% for the Fund's benchmark, the S&P 500 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 32.25% over the period, from \$1.579 billion as at December 31, 2019 to \$2.089 billion as at December 31, 2020. The increase stemmed mainly from unit purchases by investors in the Fund and market fluctuations.

After a start marked by the emergence of a global pandemic and the fastest stock market plunge in history, 2020 ended with a third consecutive quarter of strong gains for risk assets. Overall, these twelve months have witnessed extreme variations between asset classes - especially in the first quarter. Nonetheless, both the stock and bond markets generally ended 2020 in positive territory, as lower interest rates led to significant gains for fixed income securities while supporting the economic and stock market recovery. Within equity regions, divergences were also quite spectacular, with the U.S. stock market dominating its peers throughout the first three quarter of the year thanks to its heavy allocation to more defensive sectors. That said, emerging markets rallied strongly later in 2020, lifted by a weaker U.S. dollar and the spectacular performance of Asian countries, most of which have managed to quickly contain the pandemic.

For their part, U.S. equities figured among the best performers worldwide thanks to the Information Technology and Consumer Discretionary sectors, which that gained over 40% and 30% respectively whereas the Energy sector suffered and lost more than 30% over the year.

Under the circumstances, the Fund outperformed its benchmark. Relative outperformance was mainly driven by stock selection in the Financials and Industrials sectors. A lack of exposure to the underperforming Energy sector further contributed to relative outperformance. Partially offsetting these positives was an underweight and weaker selection in the overperforming Information Technology sector, as well as a lack of exposure to the overperforming tech-giant, Apple, and online retailer, Amazon.

The top contributors to performance were MSCI and Carrier. On the other hand, the Fund suffered due to Becton Dickinson and U.S. Bancorp.

The investment application and index provider, MSCI Inc., reported solid results over the year and improved profit margins as both its Index and Analytics segments, which operate for the most part through a subscription business model, continue to provide for stable and recurring revenues while remaining well-positioned to benefit from long-term growth in ESG-related products.

Carrier's stock outperformed as the company reported stronger than anticipated earnings resulting from resilient demand for Residential HVAC systems, which benefited from increased housing-related expenditures during the year. Management's optimistic tone, as well as a decrease in debt concerns, further positively contributed to the stock's performance. Despite a weak macro, the company is seeing continued gradual improvements in demand trends for their HVAC and Refrigeration systems, as well as new opportunities in Indoor Air Quality systems, brought forth by the pandemic.

U.S.-based medical technology company, Becton Dickinson's stock underperformed over the year. The company reported a bigger than expected decline in gross margins due to lower sales volumes and less favourable product mix driven by COVID-19's impact on elective procedures and reduced hospital admissions, impacting demand for the company's high margin products. The stock price additionally negatively reacted to further delays in the submission for approval of one of BDx's products, the Alaris pump, following a temporary hold induced by the FDA. The company saw positive improvements toward the end of the year, driven by a healthy recovery in demand for interventional products, as well as important orders for their rapid COVID-19 testing device, Veritor.

As for U.S. Bancorp, its stock suffered alongside other banks as the COVID-19 crisis is poised to be challenging for the industry. Today's low rate environment and disruptions in the financial capital markets has had a material impact on the company's net interest income and is also expected to lead to lower fee revenue. While regulators drew up measures following the Great Financial Crisis to ensure that banks hold important buffers in terms of liquidity and capital to enable them to survive another crisis, the current environment is unprecedented, leading to fears of a sharp rise in loan loss provisions raising credit risk concerns.

### Recent Developments

During the first half of the year, United Technologies completed the split of elevator and escalator manufacturer, Otis, and dominant HVAC system player, Carrier into separate entities and concurrently completed its merger with Raytheon Corp. to form Raytheon Technologies. Following the split, the portfolio manager decided to exit Raytheon Technologies and consolidate positions in Otis and Carrier, given their more attractive thesis and lower short-term COVID-related risks. More specifically, Raytheon is highly exposed to the aerospace industry, which is facing key challenges related to the pandemic.

Furthermore, later this year, the portfolio manager exited the position in radiation oncology devices and software maker Varian Medical Systems, as Siemens Healthineers announced in August their intention to acquire the company in an all-cash deal. Following the announcement, the stock price rose materially, reaching a level that is close to that of its acquisition price. As such, the team took advantage of the current attractive opportunity, in the event that the takeover does not go through. The portfolio manager subsequently used the proceeds to add capital to several positions including Microsoft and Moody's.

Going into the first quarter of 2021, the portfolio manager remains underweight Information Technology, Communication Services and Utilities, as the portfolio manager continues to look for more attractive investment opportunities in other sectors, including Financials, Materials and Industrials.

The portfolio manager remains confident that his bottom-up, original, fundamental research, with a focus on very high-quality companies, will continue to provide steady returns over the long term, regardless of the macro environment.

On April 30, 2020, the Fund's independent review committee (the "IRC") was reduced to three members when Jacques Valotaire and Jean-François Bernier resigned as IRC members. On July 1, 2020, the Fund's IRC was increased to four members when Marie Desroches was appointed 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 Advisor Series, Series F, Series FH, Series F5, Series H or Series T5 of the Fund. NBF may receive, depending on the distributed series, a monthly commission representing a percentage of the average daily value of the securities held by its clients.

NBII acts as principal distributor for the Series N and Series NR of the Fund. Trailing commissions are covered by NBI Private Wealth Management's service fees, which are paid directly by investors.

### 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, 2020
Total brokerage fees	130,686.66
Brokerage fees paid to National Bank Financial	-

### Holdings

As at December 31, 2020, National Bank Investments Inc. held 970.91 Fund securities for a value of \$16,676.82, which represented close to 0.0011% 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. 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 <sup>1</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 FH	0.55%	—	100.00%
Series H	1.55%	64.52%	35.48%
Series N and Series NR*	0.30%	—	100.00%

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

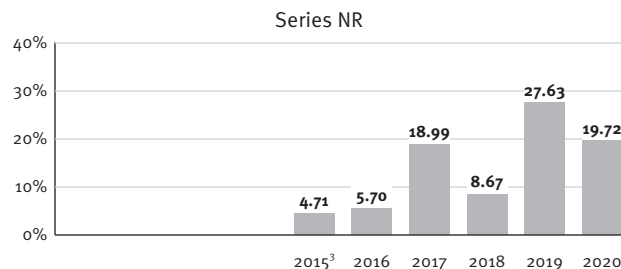
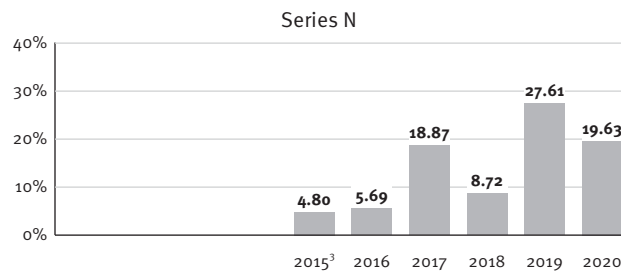
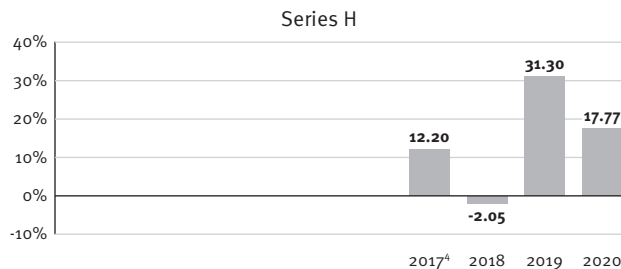
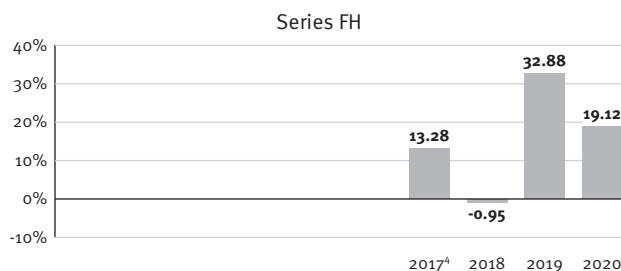
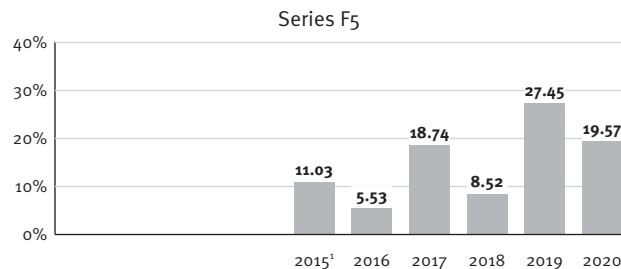
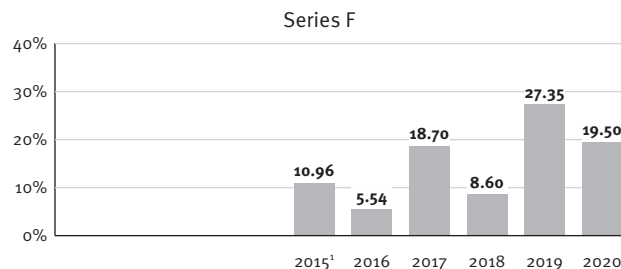
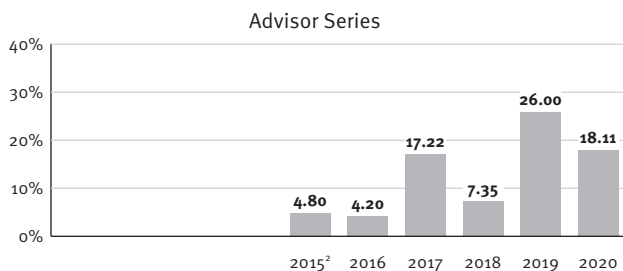
<sup>(\*)</sup> For Series N and NR, offered only to investors using the NBI Private Wealth Management service ("PWM"), management fees only cover management of fund investments, i.e. the fees related to management of fund portfolios constituting the PWM profiles. General administration services, trailer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

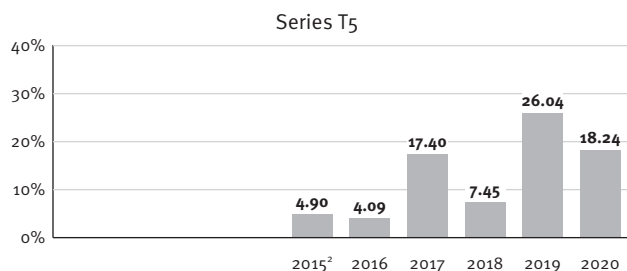
## Past Performance

The performance of each series of the Fund is presented below and calculated as at December 31 of each year. It assumes that all distributions made in the periods shown were reinvested in additional securities and does not take into account sales, redemption charges, distributions, or optional charges that would have reduced returns. Past performance of a series of a Fund does not necessarily indicate how it will perform in the future.

## Annual Returns

The bar charts indicate the performance for each the Fund's series in existence greater than one year during the years shown, and illustrate how the performance has changed from year to year. They show, in percentage terms, how much an investment made on January 1 (or made commencing from the start of the series) would have grown or decreased by December 31 of that year, or by June 30, as applicable.





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

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

<sup>(3)</sup> Returns for the period from October 30, 2015 (commencement of operations) to December 31, 2015.

<sup>(4)</sup> Returns for the period from May 12, 2017 (commencement of operations) to December 31, 2017.

## 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, 2020, compared with the following benchmark:

- S&P 500 Index (CAD)

### NBI U.S. High Conviction Equity Private Portfolio

	1 year	3 years	5 years	10 years	Since inception
<b>Advisor Series<sup>1</sup></b>	18.11%	16.90%	14.31%	–	13.97%
Benchmark	16.32%	14.81%	13.24%	–	14.74%
<b>Series F<sup>2</sup></b>	19.50%	18.23%	15.67%	–	15.95%
Benchmark	16.32%	14.81%	13.24%	–	15.52%
<b>Series F5<sup>2</sup></b>	19.57%	18.26%	15.69%	–	15.99%
Benchmark	16.32%	14.81%	13.24%	–	15.52%
<b>Series FH<sup>3</sup></b>	19.12%	16.17%	–	–	16.95%
Benchmark	16.32%	14.81%	–	–	16.10%
<b>Series H<sup>3</sup></b>	17.77%	14.84%	–	–	15.55%
Benchmark	16.32%	14.81%	–	–	16.10%
<b>Series N<sup>4</sup></b>	19.63%	18.40%	15.83%	–	16.31%
Benchmark	16.32%	14.81%	13.24%	–	14.31%
<b>Series NR<sup>4</sup></b>	19.72%	18.42%	15.87%	–	16.32%
Benchmark	16.32%	14.81%	13.24%	–	14.31%
<b>Series T5<sup>1</sup></b>	18.24%	16.99%	14.37%	–	14.05%
Benchmark	16.32%	14.81%	13.24%	–	14.74%

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

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

<sup>3</sup>Commencement of operations: May 12, 2017

<sup>4</sup>Commencement of operations: October 30, 2015

A discussion of the Fund's relative performance in comparison to the index (or indices) can be found in the *Results of Operations* Section of this report.

### Index Description

The **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. It measures the performance of the largest U.S. companies.

## 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\*

<sup>(\*)</sup> Please note that the data presented below is in CAD although this Series is also available under the USD purchase option.

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

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	17.29	13.73	12.80	10.92	10.48
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.37	0.20	0.17	0.20	0.16
Total expenses	(0.34)	(0.29)	(0.25)	(0.22)	(0.21)
Realized gains (losses)	0.29	0.38	0.03	0.97	0.19
Unrealized gains (losses)	2.73	3.19	0.95	0.79	0.59
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	3.05	3.48	0.90	1.74	0.73
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.02	—	—	0.01	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.02	—	—	0.01	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	20.40	17.29	13.73	12.80	10.92

### Ratios and Supplemental Data

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	70,760	45,496	29,746	25,617	14,702
Number of units outstanding <sup>(5)</sup>	3,467,241	2,630,415	2,166,538	2,002,430	1,346,782
Management expense ratio (%) <sup>(6)</sup>	1.83	1.79	1.80	1.86	1.99
Management expense ratio before waivers or absorptions (%)	1.83	1.79	1.80	1.86	1.99
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.01	0.02	0.03
Portfolio turnover rate (%) <sup>(8)</sup>	13.27	14.90	6.79	15.44	17.75
Net asset value per unit (\$)	20.41	17.30	13.73	12.79	10.92

## Series F\* / Private Series\*

<sup>(\*)</sup> Please note that the data presented below is in CAD although these Series are also available under the USD purchase option. The Private Series was created on November 28, 2016 and is offered by way of private placement.

Net Assets per Unit<sup>(1)</sup>

Commencement of operations: May 21, 2015

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown <sup>(4)</sup></b>	18.78	14.81	13.72	11.65	11.08
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.39	0.22	0.19	0.21	0.17
Total expenses	(0.14)	(0.12)	(0.10)	(0.09)	(0.08)
Realized gains (losses)	0.34	0.44	0.03	1.16	0.21
Unrealized gains (losses)	2.69	3.34	1.01	0.86	0.43
<b>Total Increase (Decrease) from Operations (\$) <sup>(2)</sup></b>	3.28	3.88	1.13	2.14	0.73
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.26	0.07	0.08	0.10	0.05
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$) <sup>(3)</sup></b>	0.26	0.07	0.08	0.10	0.05
<b>Net Assets, End of Accounting Period Shown (\$) <sup>(4)</sup></b>	22.18	18.78	14.81	13.72	11.65

### Ratios and Supplemental Data

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	691,557	439,637	233,152	184,788	99,219
Number of units outstanding <sup>(5)</sup>	31,176,896	23,395,573	15,747,269	13,475,623	8,522,283
Management expense ratio (%) <sup>(6)</sup>	0.68	0.67	0.67	0.67	0.68
Management expense ratio before waivers or absorptions (%)	0.68	0.67	0.67	0.67	0.68
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.01	0.02	0.03
Portfolio turnover rate (%) <sup>(8)</sup>	13.27	14.90	6.79	15.44	17.75
Net asset value per unit (\$)	22.18	18.79	14.81	13.71	11.64

## Series FH

Net Assets per Unit<sup>(1)</sup>

Commencement of operations: May 12, 2017

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31
<b>Net Assets, Beginning of Accounting Period Shown <sup>(4)</sup></b>	14.77	11.15	11.32	10.00
<b>Increase (Decrease) from Operations (\$)</b>				
Total revenue	0.40	0.17	0.15	0.09
Total expenses	(0.12)	(0.11)	(0.10)	(0.06)
Realized gains (losses)	0.97	0.29	(0.49)	0.42
Unrealized gains (losses)	5.10	3.13	0.58	0.94
<b>Total Increase (Decrease) from Operations (\$) <sup>(2)</sup></b>	6.35	3.48	0.14	1.39
<b>Distributions (\$)</b>				
From net investment income (excluding dividends)	—	—	—	—
From dividends	0.17	0.04	0.05	0.02
From capital gains	—	—	—	—
Return of capital	—	—	—	—
<b>Total Annual Distributions (\$) <sup>(3)</sup></b>	0.17	0.04	0.05	0.02
<b>Net Assets, End of Accounting Period Shown (\$) <sup>(4)</sup></b>	17.41	14.77	11.15	11.32

### Ratios and Supplemental Data

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	54,437	42,446	18,227	12,660
Number of units outstanding <sup>(5)</sup>	3,125,102	2,872,472	1,634,186	1,119,204
Management expense ratio (%) <sup>(6)</sup>	0.80	0.81	0.80	0.80
Management expense ratio before waivers or absorptions (%)	0.80	0.81	0.80	0.80
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.01	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	13.27	14.90	6.79	15.44
Net asset value per unit (\$)	17.42	14.78	11.15	11.31

## Series F5\*

<sup>(\*)</sup> Please note that the data presented below is in CAD although this Series is also available under the USD purchase option.

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

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown <sup>(4)</sup></b>	15.48	12.69	12.26	10.86	10.75
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.32	0.18	0.16	0.19	0.15
Total expenses	(0.11)	(0.10)	(0.09)	(0.08)	(0.07)
Realized gains (losses)	0.28	0.41	0.03	0.82	0.19
Unrealized gains (losses)	1.83	2.92	0.97	0.92	0.01
<b>Total Increase (Decrease) from Operations (\$) <sup>(2)</sup></b>	2.32	3.41	1.07	1.85	0.28
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.24	0.08	0.08	0.11	0.07
From capital gains	—	—	—	—	—
Return of capital	0.54	0.56	0.53	0.48	0.39
<b>Total Annual Distributions (\$) <sup>(3)</sup></b>	0.78	0.64	0.61	0.59	0.46
<b>Net Assets, End of Accounting Period Shown (\$) <sup>(4)</sup></b>	17.62	15.48	12.69	12.26	10.86

### Ratios and Supplemental Data

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	14,894	16,010	7,905	8,682	2,496
Number of units outstanding <sup>(5)</sup>	844,982	1,034,127	622,737	708,288	229,845
Management expense ratio (%) <sup>(6)</sup>	0.66	0.65	0.65	0.65	0.65
Management expense ratio before waivers or absorptions (%)	0.66	0.65	0.65	0.65	0.65
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.01	0.02	0.03
Portfolio turnover rate (%) <sup>(8)</sup>	13.27	14.90	6.79	15.44	17.75
Net asset value per unit (\$)	17.63	15.48	12.69	12.26	10.86

## Series H

Net Assets per Unit<sup>(1)</sup> Commencement of operations: May 12, 2017

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31
<b>Net Assets, Beginning of Accounting Period Shown <sup>(4)</sup></b>	14.42	10.99	11.22	10.00
<b>Increase (Decrease) from Operations (\$)</b>				
Total revenue	0.31	0.17	0.15	0.10
Total expenses	(0.28)	(0.26)	(0.23)	(0.13)
Realized gains (losses)	1.44	0.33	(0.47)	0.37
Unrealized gains (losses)	2.03	3.28	0.25	0.91
<b>Total Increase (Decrease) from Operations (\$) <sup>(2)</sup></b>	3.50	3.52	(0.30)	1.25
<b>Distributions (\$)</b>				
From net investment income (excluding dividends)	—	—	—	—
From dividends	0.03	—	—	—
From capital gains	—	—	—	—
Return of capital	—	—	—	—
<b>Total Annual Distributions (\$) <sup>(3)</sup></b>	0.03	—	—	—
<b>Net Assets, End of Accounting Period Shown (\$) <sup>(4)</sup></b>	16.95	14.42	10.99	11.22

### Ratios and Supplemental Data

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	4,963	4,013	844	761,445
Number of units outstanding <sup>(5)</sup>	292,671	278,171	76,777	48,101
Management expense ratio (%) <sup>(6)</sup>	1.95	1.96	1.94	1.96
Management expense ratio before waivers or absorptions (%)	1.95	1.96	1.94	1.96
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.01	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	13.27	14.90	6.79	15.44
Net asset value per unit (\$)	16.96	14.43	10.99	11.22



## Series N\*

<sup>(1)</sup> Please note that the data presented below is in CAD although this Series is also available under the USD purchase option.

Net Assets per Unit<sup>(1)</sup> Commencement of operations: October 30, 2015

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	17.74	14.00	12.96	11.01	10.47
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.40	0.21	0.18	0.20	0.16
Total expenses	(0.10)	(0.09)	(0.07)	(0.06)	(0.06)
Realized gains (losses)	0.28	0.37	0.03	1.10	0.19
Unrealized gains (losses)	2.86	3.36	0.72	0.86	0.65
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	3.44	3.85	0.86	2.10	0.94
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.30	0.12	0.09	0.12	0.07
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.30	0.12	0.09	0.12	0.07
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	20.93	17.74	14.00	12.96	11.01

### Ratios and Supplemental Data

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	662,083	605,174	478,800	313,888	217,901
Number of units outstanding <sup>(5)</sup>	31,628,716	34,095,998	34,211,740	24,227,425	19,800,045
Management expense ratio (%) <sup>(6)</sup>	0.52	0.52	0.52	0.52	0.52
Management expense ratio before waivers or absorptions (%)	0.52	0.52	0.52	0.52	0.52
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.01	0.02	0.03
Portfolio turnover rate (%) <sup>(8)</sup>	13.27	14.90	6.79	15.44	17.75
Net asset value per unit (\$)	20.93	17.75	14.00	12.96	11.01

## Series NR\*

<sup>(1)</sup> Please note that the data presented below is in CAD although this Series is also available under the USD purchase option.

Net Assets per Unit<sup>(1)</sup> Commencement of operations: October 30, 2015

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	14.54	12.01	11.70	10.46	10.43
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.32	0.17	0.16	0.19	0.15
Total expenses	(0.08)	(0.07)	(0.07)	(0.06)	(0.06)
Realized gains (losses)	0.22	0.30	0.03	1.01	0.19
Unrealized gains (losses)	2.28	2.82	0.66	0.85	0.54
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	2.74	3.22	0.78	1.99	0.82
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.24	0.10	0.09	0.12	0.09
From capital gains	—	—	—	—	—
Return of capital	0.63	0.62	0.61	0.56	0.45
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.87	0.72	0.70	0.68	0.54
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	16.41	14.54	12.01	11.70	10.46

### Ratios and Supplemental Data

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	7,572	7,535	6,417	4,780	3,398
Number of units outstanding <sup>(5)</sup>	461,241	518,044	534,220	408,725	325,021
Management expense ratio (%) <sup>(6)</sup>	0.52	0.52	0.52	0.52	0.52
Management expense ratio before waivers or absorptions (%)	0.52	0.52	0.52	0.52	0.52
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.01	0.02	0.03
Portfolio turnover rate (%) <sup>(8)</sup>	13.27	14.90	6.79	15.44	17.75
Net asset value per unit (\$)	16.42	14.54	12.01	11.70	10.45

## Series T5\*

<sup>(1)</sup> Please note that the data presented below is in CAD although this Series is also available under the USD purchase option.

Net Assets per Unit <sup>(1)</sup>		Commencement of operations: July 14, 2015				
Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31	
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	14.04	11.65	11.38	10.20	10.23	
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.30	0.17	0.15	0.18	0.16	
Total expenses	(0.26)	(0.23)	(0.21)	(0.20)	(0.20)	
Realized gains (losses)	0.24	0.33	0.03	0.85	0.22	
Unrealized gains (losses)	2.19	2.49	0.84	0.77	1.24	
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	2.47	2.76	0.81	1.60	1.42	
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	—	—	—	—	—	
From dividends	0.10	—	—	0.03	—	
From capital gains	—	—	—	0.04	—	
Return of capital	0.60	0.58	0.57	0.48	0.44	
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.70	0.58	0.57	0.55	0.44	
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	15.81	14.04	11.65	11.38	10.20	

### Ratios and Supplemental Data

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	1,417	974	536	441	327
Number of units outstanding <sup>(5)</sup>	89,611	69,323	45,995	38,807	32,083
Management expense ratio (%) <sup>(6)</sup>	1.74	1.72	1.73	1.79	1.98
Management expense ratio before waivers or absorptions (%)	1.74	1.72	1.73	1.79	1.99
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.01	0.02	0.03
Portfolio turnover rate (%) <sup>(8)</sup>	13.27	14.90	6.79	15.44	17.75
Net asset value per unit (\$)	15.82	14.05	11.65	11.37	10.19

## Series PW\*

<sup>(1)</sup> Please note that the data presented below is in CAD although this Series is also available under the USD purchase option. This Series is offered by way of private placement.

Net Assets per Unit <sup>(1)</sup>		Commencement of operations: May 21, 2015				
Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31	
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	33.09	26.11	24.19	20.53	19.60	
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.73	0.38	0.34	0.37	0.29	
Total expenses	(0.16)	(0.13)	(0.12)	(0.10)	(0.09)	
Realized gains (losses)	0.53	0.72	0.06	2.04	0.37	
Unrealized gains (losses)	5.40	6.11	1.52	1.46	(0.13)	
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	6.50	7.08	1.80	3.77	0.44	
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	—	—	—	—	—	
From dividends	0.56	0.23	0.20	0.22	0.20	
From capital gains	—	—	—	—	—	
Return of capital	—	—	—	—	—	
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.56	0.23	0.20	0.22	0.20	
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	39.00	33.09	26.11	24.19	20.53	

### Ratios and Supplemental Data

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	551,321	389,962	269,205	178,558	69,651
Number of units outstanding <sup>(5)</sup>	14,133,028	11,781,093	10,309,306	7,383,923	3,393,419
Management expense ratio (%) <sup>(6)</sup>	0.43	0.43	0.43	0.43	0.43
Management expense ratio before waivers or absorptions (%)	0.43	0.43	0.43	0.43	0.43
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.01	0.02	0.03
Portfolio turnover rate (%) <sup>(8)</sup>	13.27	14.90	6.79	15.44	17.75
Net asset value per unit (\$)	39.01	33.10	26.11	24.18	20.53

## Series PWH\*

<sup>(1)</sup> Please note that the data presented below is in CAD although this Series is also available under the USD purchase option. This Series is offered by way of private placement.

Net Assets per Unit<sup>(1)</sup>

Commencement of operations: May 2, 2017

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	14.73	11.13	11.29	10.00
<b>Increase (Decrease) from Operations (\$)</b>				
Total revenue	0.31	0.16	0.15	0.10
Total expenses	(0.07)	(0.06)	(0.06)	(0.03)
Realized gains (losses)	1.25	0.26	(0.41)	0.81
Unrealized gains (losses)	1.38	3.33	0.25	0.47
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	2.87	3.69	(0.07)	1.35
<b>Distributions (\$)</b>				
From net investment income (excluding dividends)	—	—	—	—
From dividends	0.23	0.09	0.09	0.05
From capital gains	—	—	—	—
Return of capital	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.23	0.09	0.09	0.05
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	17.36	14.73	11.13	11.29

Ratios and Supplemental Data

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	4	4	3	3
Number of units outstanding <sup>(5)</sup>	248	245	243	241
Management expense ratio (%) <sup>(6)</sup>	0.48	0.47	0.45	0.48
Management expense ratio before waivers or absorptions (%)	0.61	0.58	0.61	0.84
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.01	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	13.27	14.90	6.79	15.44
Net asset value per unit (\$)	17.37	14.73	11.13	11.28

## Series PWO\*

<sup>(1)</sup> Please note that the data presented below is in CAD although this Series is also available under the USD purchase option. This Series is offered by way of private placement.

Net Assets per Unit<sup>(1)</sup>

Commencement of operations: May 21, 2015

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	40.09	31.66	29.36	24.94	23.71
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.91	0.46	0.40	0.46	0.36
Total expenses	(0.05)	(0.04)	(0.04)	(0.03)	(0.03)
Realized gains (losses)	0.65	0.79	0.08	2.59	0.42
Unrealized gains (losses)	6.04	8.00	2.36	1.63	2.18
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	7.55	9.21	2.80	4.65	2.93
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.86	0.43	0.37	0.39	0.22
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.86	0.43	0.37	0.39	0.22
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	47.24	40.09	31.66	29.36	24.94

Ratios and Supplemental Data

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	29,498	27,987	28,645	31,484	28,375
Number of units outstanding <sup>(5)</sup>	624,232	697,833	904,745	1,072,915	1,137,965
Management expense ratio (%) <sup>(6)</sup>	0.10	0.10	0.10	0.10	0.10
Management expense ratio before waivers or absorptions (%)	0.10	0.10	0.10	0.10	0.10
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.01	0.02	0.03
Portfolio turnover rate (%) <sup>(8)</sup>	13.27	14.90	6.79	15.44	17.75
Net asset value per unit (\$)	47.25	40.10	31.66	29.34	24.93

## Series PWOH\*

<sup>(\*)</sup> Please note that the data presented below is in CAD although this Series is also available under the USD purchase option. This Series is offered by way of private placement.

Net Assets per Unit<sup>(1)</sup>

Commencement of operations: May 2, 2017

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	14.74	11.13	11.29	10.00
<b>Increase (Decrease) from Operations (\$)</b>				
Total revenue	0.31	0.17	0.15	0.10
Total expenses	(0.03)	(0.02)	(0.02)	(0.01)
Realized gains (losses)	1.25	0.26	(0.41)	0.81
Unrealized gains (losses)	1.40	3.34	0.24	0.47
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	2.93	3.75	(0.04)	1.37
<b>Distributions (\$)</b>				
From net investment income (excluding dividends)	—	—	—	—
From dividends	0.28	0.14	0.13	0.07
From capital gains	—	—	—	—
Return of capital	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.28	0.14	0.13	0.07
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	17.38	14.74	11.13	11.29

## Ratios and Supplemental Data

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	4	4	3	3
Number of units outstanding <sup>(5)</sup>	251	247	245	242
Management expense ratio (%) <sup>(6)</sup>	0.16	0.13	0.14	0.15
Management expense ratio before waivers or absorptions (%)	0.28	0.24	0.30	0.51
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.01	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	13.27	14.90	6.79	15.44
Net asset value per unit (\$)	17.39	14.74	11.13	11.29

<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, 2020

### Portfolio Top Holdings

	% of Net Asset Value
Microsoft Corp.....	8.1
Moody's Corp.....	6.6
Alphabet Inc., Class A.....	5.7
MasterCard Inc., Class A.....	5.5
UnitedHealth Group Inc.....	4.7
Johnson & Johnson.....	4.4
MSCI Inc.....	4.4
Sherwin-Williams Co./The.....	4.3
PepsiCo Inc.....	4.2
Becton Dickinson and Co.....	3.7
AutoZone Inc.....	3.6
Nike Inc., Class B.....	3.5
Lowe's Companies Inc.....	3.4
Linde PLC.....	3.2
TJX Companies Inc.....	3.2
Analog Devices Inc.....	3.1
Graco Inc.....	3.0
Oracle Corp.....	3.0
Carrier Global Corp.....	2.8
CME Group Inc., Class A.....	2.7
Mettler-Toledo International Inc.....	2.7
Otis Worldwide Corp.....	2.5
Colgate-Palmolive Co.....	2.4
Middleby Corp.....	2.4
Cash, Money Market and Other Net Assets.....	1.0
	94.1

Net asset value..... \$2,088,511,396

### Sector Allocation

	% of Net Asset Value
Information Technology.....	24.5
Financials.....	15.9
Consumer Discretionary.....	13.7
Health Care.....	12.8
Industrials.....	10.7
Materials.....	9.2
Consumer Staples.....	6.5
Communication Services.....	5.7
Cash, Money Market and Other Net Assets.....	1.0

The above table shows the top 25 positions held by the Fund. In the case of a Fund with fewer than 25 positions, all positions are indicated.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the investment Fund. A quarterly update is available. Please consult our Web site at [www.nbinvestments.ca](http://www.nbinvestments.ca).