

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2022

Global Equity Fund

NBI Active International Equity Fund

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 Active International Equity Fund's investment objective is to provide long-term capital growth. It invests, directly or indirectly through investments in securities of other mutual funds, in a portfolio comprised primarily of common shares of international companies.

The portfolio's sub-advisor conducts a bottom-up, fundamental-driven investment approach. The securities chosen to compose the portfolio are those of growth-oriented companies, presenting high barriers to entry and having top-notch management teams. In-depth knowledge of the companies allows the portfolio sub-advisor to manage risks without depending on a large diversification and to favor a qualitative selection rather than a quantitative one.

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

The NBI Active International Equity Fund was launched on November 23, 2022, and the Fund's net asset value was \$0.15 million as at December 31, 2022. Investment performance is not provided for a Fund that has been available for less than one year.

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.

International stocks lost ground during 2022 amidst a range of geopolitical developments centred around after-effects of the Covid pandemic and the onset of Ukraine War. These exerted contrasting pressures on reconfiguring supply chains which took place alongside a global move into a tighter monetary policy environment.

The eurozone economy, which initially benefitted from an unleashing of pent-up following the relaxation of Covid measures early in the year, slowed steadily in the second half, as businesses adjusted to tough European Union sanctions levied upon Russia. Denial of Russian oil shipments to an energy-dependent Germany, and removal of Russia from the global U.S. dollar payment system created a range of uncertainties which are still playing out. The Japanese securities were also hit hard during the year. The falling Japanese yen significantly increased the price of energy imports in local terms and worsened the losses of foreign investors in Japanese stocks in U.S. and Canadian dollar terms.

Tough economic developments, however, increased hopes for moderation by a hawkish European Central Bank as the year ended. On the Asian front, China's relaxation of its Covid policy created hopes in the world's second-largest economy's trading partners, particularly Hong Kong and Taiwan where the stock prices of many companies picked up some momentum.

Top contributing sectors to the Fund's relative performance included Real Estate, Financials, and Health Care. Bottom contributors included Consumer Discretionary, Information Technology, and Industrials.

Top individual contributors to the Fund's relative performance included MS&AD, Equinor, and Ashtead. MS&AD generated solid growth in its insurance premium revenues throughout the year, cut losses in its MS Amlin reinsurance division and benefitted from increased investment yield on its balance sheet assets in a rising interest rate environment, all of which caused a multiple expansion in its stock price. Equinor shares rose alongside strong energy and oil prices throughout much of the year. Ashtead Group's shares saw momentum following robust and resilient private sector construction throughout the year, and the release of industry data which suggested that construction increased by more than expected in December, signalling increased demand for industrial equipment rental services that it provides.

Top detractors from the Fund's performance included Teleperformance, Adidas, and Sinch. Teleperformance's shares underperformed after news emerged that the Colombian government was investigating working conditions at the back-office services provider's local affiliate, despite a strong response from management which denied the claim and provided evidence to the contrary. Adidas faced multiple headwinds this year. These ranged from supply chain disruptions, inventory gluts leading to higher discounting environments, ongoing weakness in China partially caused by the ongoing lockdowns, and issues related to their partnership with Kanye West, which ended after the artist made antisemitic comments. Sinch's stock underperformed due to gross margin headwinds related to its limited ability to pass on inflation costs due to contract lock-ins, and questions regarding its accounting and resulting restatement of certain items.

Recent Developments

Several transactions have taken place during the year 2022 resulting in few additions of new positions in the portfolio and some divestments in other companies. Thus, additions include CSL, L'Oreal, Sinch AB (sold later in the year), Ashtead, Coloplast, Keyence, Sika AG and Unicharm Corp. Conversely, the Fund divested holdings in B&M European Value Retail, Koninklijke Philips, Tenemos AG, Varta AG, Nitto Denko, Sinch AB, and Tsuruha Holdings.

The Fund's deviations from its benchmark in terms of region, sector and currency allocations remained negligible as we focus on security selection to add value through different market environments.

Lost production volumes and the effects of sanctions amidst Russia's invasion of Ukraine are complexifying numerous existing inflationary drivers. These include aging demographics, a labour force reassessing its work/life balance, Covid-related production hurdles, and regionalization trends. Consequently, we are focused on business models that have strong pricing power.

The uncertainty surrounding changes in supply chains, consumer behaviours, digitization and rising wages will have a lasting impact on business models.

The Fund continues to identify relative valuation dislocations caused by rapidly shifting market narratives that are offering compelling opportunities to book profits and reinvest in misunderstood and therefore mispriced stocks.

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.

Portfolio Manager

The Manager has appointed National Bank Trust Inc. (“NBT”), an indirect wholly-owned subsidiary of the Bank, as the portfolio manager for the Fund. A flat fee is payable annually to NBT for its management services.

Distribution and Dealer Compensation

NBII acts as principal distributor for the Fund. In this capacity, NBII buys, sells and swaps securities through external registered representatives. Fund securities are also offered by National Bank Financial Inc. (including its division National Bank Direct Brokerage), CABN Investments (a division of NBII) and other affiliated entities. Brokers may receive, depending on the distributed series, a monthly commission representing a percentage of the average daily value of the securities held by their 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
Total brokerage fees	51.29
Brokerage fees paid to National Bank Financial	51.29

Holdings

As at December 31, 2022, National Bank Investments Inc. held 15,195.83 Fund securities for a value of \$150,590.69, which represented close to 100.0000% 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

NTC 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 [†]
Advisor Series			
Front-end load	1.60%	62.50%	37.50%
Series F	0.60%	—	100.00%
Series N and Series NR*	0.30%	—	100.00%

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

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

Past Performance

Investment performance is not provided for a Fund that has been available for less than one year.

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: November 23, 2022

Accounting Period Ended	2022
	December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	10.00
Increase (Decrease) from Operations (\$)	
Total revenue	0.13
Total expenses	—
Realized gains (losses)	—
Unrealized gains (losses)	(0.09)
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.04
Distributions (\$)	
From net investment income (excluding dividends)	0.01
From dividends	0.12
From capital gains	—
Return of capital	—
Total Annual Distributions (\$) ⁽³⁾	0.13
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.91

Ratios and Supplemental Data

Accounting Period Ended	2022
	December 31
Total net asset value (000's of \$) ⁽⁵⁾	148
Number of units outstanding ⁽⁵⁾	14,892
Management expense ratio (%) ⁽⁶⁾	0.41
Management expense ratio before waivers or absorptions (%)	11.34
Trading expense ratio (%) ⁽⁷⁾	0.27
Portfolio turnover rate (%) ⁽⁸⁾	—
Net asset value per unit (\$)	9.91

Series F

Net Assets per Unit⁽¹⁾

Commencement of operations: November 23, 2022

Accounting Period Ended	2022
	December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	10.00
Increase (Decrease) from Operations (\$)	
Total revenue	0.13
Total expenses	—
Realized gains (losses)	—
Unrealized gains (losses)	(0.09)
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.04
Distributions (\$)	
From net investment income (excluding dividends)	0.01
From dividends	0.12
From capital gains	—
Return of capital	—
Total Annual Distributions (\$) ⁽³⁾	0.13
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.91

Ratios and Supplemental Data

Accounting Period Ended	2022
	December 31
Total net asset value (000's of \$) ⁽⁵⁾	1
Number of units outstanding ⁽⁵⁾	101
Management expense ratio (%) ⁽⁶⁾	0.41
Management expense ratio before waivers or absorptions (%)	11.34
Trading expense ratio (%) ⁽⁷⁾	0.27
Portfolio turnover rate (%) ⁽⁸⁾	—
Net asset value per unit (\$)	9.91

Series N

Net Assets per Unit⁽⁴⁾

Commencement of operations: November 23, 2022

Accounting Period Ended	2022 December 31
Net Assets, Beginning of Accounting Period Shown⁽⁴⁾	10.00
Increase (Decrease) from Operations (\$)	
Total revenue	0.13
Total expenses	—
Realized gains (losses)	—
Unrealized gains (losses)	(0.09)
Total Increase (Decrease) from Operations (\$)⁽²⁾	0.04
Distributions (\$)	
From net investment income (excluding dividends)	0.01
From dividends	0.12
From capital gains	—
Return of capital	—
Total Annual Distributions (\$)⁽³⁾	0.13
Net Assets, End of Accounting Period Shown (\$)⁽⁴⁾	9.91

Ratios and Supplemental Data

Accounting Period Ended	2022 December 31
Total net asset value (000's of \$) ⁽⁵⁾	1
Number of units outstanding ⁽⁵⁾	101
Management expense ratio (%) ⁽⁶⁾	0.41
Management expense ratio before waivers or absorptions (%)	11.34
Trading expense ratio (%) ⁽⁷⁾	0.27
Portfolio turnover rate (%) ⁽⁸⁾	—
Net asset value per unit (\$)	9.91

Series NR

Net Assets per Unit⁽⁴⁾

Commencement of operations: November 23, 2022

Accounting Period Ended	2022 December 31
Net Assets, Beginning of Accounting Period Shown⁽⁴⁾	10.00
Increase (Decrease) from Operations (\$)	
Total revenue	0.13
Total expenses	—
Realized gains (losses)	—
Unrealized gains (losses)	(0.09)
Total Increase (Decrease) from Operations (\$)⁽²⁾	0.04
Distributions (\$)	
From net investment income (excluding dividends)	0.01
From dividends	0.12
From capital gains	—
Return of capital	—
Total Annual Distributions (\$)⁽³⁾	0.13
Net Assets, End of Accounting Period Shown (\$)⁽⁴⁾	9.91

Ratios and Supplemental Data

Accounting Period Ended	2022 December 31
Total net asset value (000's of \$) ⁽⁵⁾	1
Number of units outstanding ⁽⁵⁾	101
Management expense ratio (%) ⁽⁶⁾	0.41
Management expense ratio before waivers or absorptions (%)	11.34
Trading expense ratio (%) ⁽⁷⁾	0.27
Portfolio turnover rate (%) ⁽⁸⁾	—
Net asset value per unit (\$)	9.91

- ⁽¹⁾ This information is derived from the Fund's Annual Audited Financial Statements. The net assets per unit presented in the financial statements might differ from the net asset value calculated for fund pricing purposes. The differences are explained in the notes to the financial statements.
- ⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the average number of units outstanding over the accounting period.
- ⁽³⁾ Distributions were paid in cash or reinvested in additional units of the Fund, or both.
- ⁽⁴⁾ The net assets are calculated in accordance with IFRS.
- ⁽⁵⁾ This information is provided as at the last day of the accounting period shown.
- ⁽⁶⁾ Management expense ratio is based on total expenses including sales taxes for the accounting period indicated (excluding commission, other portfolio transaction costs and withholding taxes) and is expressed as an annualized percentage of daily average net value during the accounting period.
- ⁽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.
- ⁽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, 2022

Portfolio Top Holdings

	% of Net Asset Value
NBI Active International Equity ETF	96.8
Cash, Money Market and Other Net Assets	3.2
	100.0
Net asset value	\$150,621

Regional Allocation

	% of Net Asset Value
Japan	22.7
Germany	13.8
Other countries	11.9
France	10.0
United Kingdom	9.2
Switzerland	9.1
Singapore	5.7
Australia	5.2
Denmark	4.9
Norway	4.8
Cash, Money Market and Other Net Assets	2.7

Sector Allocation

	% of Net Asset Value
Financials	18.7
Industrials	15.0
Health Care	13.8
Consumer Discretionary	10.9
Consumer Staples	10.8
Information Technology	8.3
Materials	8.1
Energy	4.8
Communication Services	4.2
Real Estate	2.6
Utilities	0.1
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 website at 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.