

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2019

Short Term and Income Fund

## **NBI Tactical Mortgage & Income 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](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 Tactical Mortgage & Income Fund's investment objective is to provide a high level of current income while focusing on the preservation of capital. Directly or through investments in securities of other mutual funds, the Fund invests tactically in a portfolio comprised primarily of Canadian bonds (corporate, government or municipal) and first mortgages on residential or commercial properties located in Canada or insured or guaranteed mortgages (directly or through investments in mortgage-backed securities).

The portfolio manager employs an active management strategy that ensures the tactical allocation of assets among the different categories of fixed income securities. When investing for this Fund, the portfolio manager looks at Canadian economic conditions and how these conditions affect interest rates. The portfolio manager also carries out a credit analysis on each security and assesses each security's risk profile and relative performance.

### Risks

The global investment risk of the Fund remains as described in the simplified prospectus or any amendments thereto and Fund Facts.

### Results of Operations

For the twelve-month period ended December 31, 2019, the NBI Tactical Mortgage & Income Fund's Investor Series units returned 2.38% compared to 3.10% for the Fund's benchmark, the FTSE Canada Short Term Bond 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.

The Fund's net asset value dropped by 21.85% over the period, from \$91.83 million as at December 31, 2018 to \$71.77 million as at December 31, 2019.

The decline stemmed mainly from net redemptions by unitholders of the Fund.

With growth slowing in the U.S. in the first quarter of 2019, the U.S. Federal Reserve (the "Fed") pivoted from slowing the pace of rate hikes to talk of eliminating them all together. With this came the continued decline of interest rates across the yield curve. With financing for risk assets becoming more accommodative, corporate bonds followed the lead of equities higher. As we moved through the year, trade and political uncertainties occupied most of the headlines. The U.S. moved on from picking on Canada and Mexico with the USMCA resolved to target China instead. These escalating trade tensions increased the possibility of monetary policy easing. Central bankers were worried that global growth would be slow to recover with the uncertainty of tariffs along with political challenges from Brexit. In this context, the Federal Reserve lowered its key rate in July and continued with two additional decreases with the October move probably their last in either direction for the foreseeable future. Central banks globally also stepped up and pledged their support in 2019. The one exception was the Bank of Canada ("BoC"); rates in Canada were already 75 basis points lower than the U.S., and the BoC stated that the current policy remains appropriate at this time.

Towards the end of the summer period, demand for safe-haven assets was particularly strong when trade tensions between the U.S. and China peaked, leading to a downward movement in bond rates. However, as cooler heads prevailed, interest rates stabilized and crept higher into the close of 2019. In this context, the 10-year Canada government bond yield fell by 27 basis points to 1.70% for the year while having reached a low of 1.09% in mid-August.

Under these circumstances, the overall Canadian bond universe index ended 2019 with a return of 6.87%. With interest rates lower on the year, all sectors posted gains for the period. However, provincial and municipal bonds were still among the best performers, as were longer-term issues.

Within credit assets, high yield bonds (lower than BBB-rated) outperformed investment grade corporate bonds, returning about 10.4%, compared to 8.1% for all Canadian corporate bonds. Sector-wise, the Energy and Infrastructure sectors led the other sectors, gaining respectively 11.2% and 11.4% whereas securitized assets and the Financial sector underperformed, gaining, however, 4.7% and 5.2%.

In this environment, the Fund lagged its benchmark for the period. The Fund's exposure to corporate bonds was the main contributor of performance, especially in the Financial and Energy sectors. Security selection in provincial bonds also contributed positively. Conversely, federal government holdings detracted value as they didn't perform as well in the risk-on environment.

### Recent Developments

A tentative U.S./China trade deal has lifted immediate concerns about global economic conditions, but the lingering impact of trade uncertainty and the limited scope of the apparent deal will continue to weigh on business conditions. Manufacturing and business investment in particular remain weak. In Canada, the passage of the USMCA trade agreement will bring some relief on this front. In this context, the portfolio manager expects that the moderate overall growth will continue, including a modest lift from federal tax cuts and spending. With inflation running near target he thinks that the BoC will remain in wait-and-see mode before adding stimulus to the economy but is biased to easing should growth disappoint. In this environment he doesn't expect significant upward pressure on longer-term bond yields from current levels. The Canadian consumer is fatigued with high debt loads, Canadian fiscal policy is mildly stimulative, monetary policy is neutral but could shift to be more accommodative in coming months. Rising commodity prices (especially oil) will be a positive. All in all, Canada should avoid recession this year. Core inflation in Canada remains elevated but should reverse in coming months.

The low yield environment is set to continue, and he believes demand for higher-yielding investments will remain a dominant theme in 2020. However, credit spreads have narrowed from earlier attractive levels and provide less break-even protection than in the recent past. Given the elevated state of economic and geopolitical risks he expects increased volatility going forward and will remain disciplined at managing credit risk exposures.

Over the period, he increased the Fund's exposure to municipal bonds while decreasing exposure to federal bonds. He raised the weighting of AA-rated bonds while reducing the position of AAA-rated bonds. He also increased the exposure to Energy and Telecoms at the expense of Banks.

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

NBII acts as principal distributor for the Fund. In this capacity, NBII buys, sells and swaps securities through Bank branches and the National Bank Investments Advisory Service in Canadian provinces and territories, and 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.

## Holdings

As at December 31, 2019, National Bank Investments Inc. held 117.02 Fund securities for a value of \$1,195.96, which represented close to 0.0017% 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.

## Independent Review Committee Approvals and Recommendations

The Fund followed the standing instructions of its Independent Review Committee with respect to one or more of the following transactions:

- a) Purchasing or holding the securities of a related issuer, in particular, those of National Bank of Canada;
- b) Investing in the securities of an issuer when an entity related to the manager acts as an underwriter for the placement or at any time during the 60-day period after the end of the placement;
- c) Purchasing or selling securities to another investment Fund managed by the manager or a company in the same group;
- d) Purchasing or selling debt securities on the secondary market, through related brokers that are main brokers in the Canadian debt securities market (in accordance with an exemption received from the Canadian Securities Administrators);
- e) Entering into foreign exchange transactions (including both spot transactions and forward transactions) with National Bank of Canada.

The Manager has implemented policies and procedures to make sure that the conditions applicable to each of the above transactions are met. The applicable standing instructions require that these transactions be carried out in accordance with NBII policies, which specify, in particular, that investment decisions pertaining to these related party transactions must be made free from any influence by an entity related to NBII and without taking into account any consideration relevant to an entity related to NBII. Furthermore, the investment decisions must represent the business judgment of the securities advisor, uninfluenced by considerations other than the best interest of the Fund and must achieve a fair and reasonable result for the Fund.

## 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. 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>
Investor Series	1.20%	41.67%	58.33%
Advisor Series*			
Front-end load	1.20%	41.67%	58.33%
Back-end load - 1 to 6 years	1.20%	20.83%	79.17%
Back-end load - 7 years and more	1.20%	41.67%	58.33%
Low load - 1 to 3 years	1.20%	20.83%	79.17%
Low load - 4 years and more	1.20%	41.67%	58.33%
Series F	0.70%	—	100.00%
Series O	N/A**	—	100.00%

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

<sup>(\*)</sup> Excluding sales commissions paid on the Advisor Series with the low sales charge option and deferred sales charge option, which are not paid for out of the management fees.

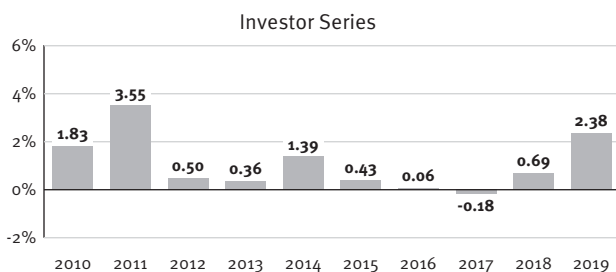
<sup>(\*\*)</sup> There are no management fees paid by the Fund with respect to the Series O. Instead, Series O securityholders pay a negotiated administration fee directly to National Bank Investments.

## Past Performance

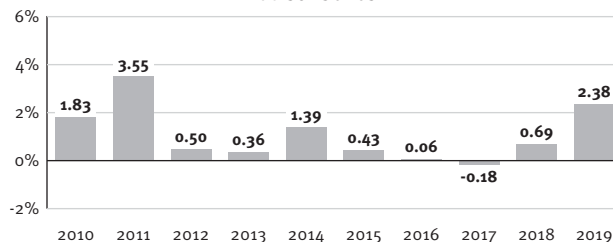
The performance of each series of the Fund is presented below and calculated as at December 31 of each year. It assumes that all distributions made in the periods shown were reinvested in additional securities and does not take into account sales, redemption charges, distributions, or optional charges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

## Annual Returns

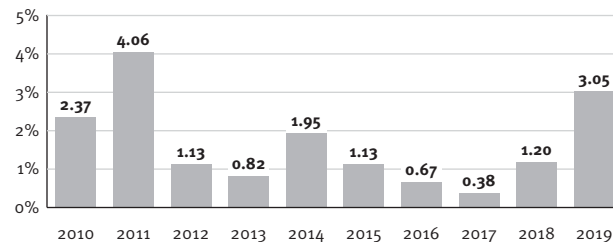
The bar charts indicate the performance for each the Fund's series in existence greater than one year during the years shown, and illustrate how the performance has changed from year to year. They show, in percentage terms, how much an investment made on January 1 (or made commencing from the start of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



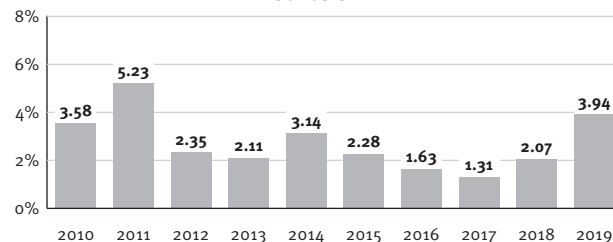
Advisor Series



Series F



Series O



## 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 benchmark:

- FTSE Canada Short Term Bond Index (CAD)

### NBI Tactical Mortgage & Income Fund

	1 year	3 years	5 years	10 years	Since inception
<b>Investor Series<sup>1</sup></b>	2.38%	0.96%	0.67%	1.09%	—
Benchmark	3.10%	1.69%	1.74%	2.37%	—
<b>Advisor Series<sup>2</sup></b>	2.38%	0.96%	0.67%	1.09%	—
Benchmark	3.10%	1.69%	1.74%	2.37%	—
<b>Series F<sup>3</sup></b>	3.05%	1.54%	1.28%	1.67%	—
Benchmark	3.10%	1.69%	1.74%	2.37%	—
<b>Series O<sup>4</sup></b>	3.94%	2.43%	2.24%	2.76%	—
Benchmark	3.10%	1.69%	1.74%	2.37%	—

<sup>1</sup>Commencement of operations: August 1, 1991

<sup>2</sup>Commencement of operations: February 8, 2002

<sup>3</sup>Commencement of operations: November 14, 2005

<sup>4</sup>Commencement of operations: May 4, 2006

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 **FTSE Canada Short Term Bond Index** measures the return of bonds issued by federal and provincial governments and by companies, with a term to maturity of one to five years.

## 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.

### Investor / Advisor\* Series

<sup>(\*)</sup> The Advisor Series was created on February 8, 2002.

Accounting Period Ended	Commencement of operations: August 1, 1991				
	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Net Assets per Unit <sup>(1)</sup>					
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	10.79	10.85	11.01	11.09	11.08
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.31	0.29	0.30	0.26	0.24
Total expenses	(0.16)	(0.16)	(0.16)	(0.18)	(0.20)
Realized gains (losses)	0.01	(0.12)	(0.01)	0.07	0.10
Unrealized gains (losses)	0.12	0.04	(0.13)	(0.14)	(0.06)
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	0.28	0.05	—	0.01	0.08
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	0.15	0.13	0.14	0.09	0.04
From dividends	—	—	—	—	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.15	0.13	0.14	0.09	0.04
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	10.90	10.79	10.85	11.01	11.09

### 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 (000's of \$) <sup>(5)</sup>	62,888	81,173	118,054	168,394	238,844
Number of units outstanding <sup>(5)</sup>	5,767,373	7,524,070	10,877,703	15,290,910	21,534,869
Management expense ratio (%) <sup>(6)</sup>	1.47	1.48	1.47	1.61	1.81
Management expense ratio before waivers or absorptions (%)	1.47	1.48	1.47	1.61	1.81
Trading expense ratio (%) <sup>(7)</sup>	—	—	—	—	—
Portfolio turnover rate (%) <sup>(8)</sup>	63.69	63.17	30.71	131.10	67.79
Net asset value per unit (\$)	10.90	10.79	10.85	11.01	11.09

## Series F

Accounting Period Ended	Commencement of operations: November 14, 2005				
	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Net Assets per Unit <sup>(1)</sup>					
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	10.03	10.09	10.24	10.31	10.29
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.28	0.27	0.28	0.25	0.22
Total expenses	(0.09)	(0.09)	(0.09)	(0.11)	(0.13)
Realized gains (losses)	0.01	(0.11)	(0.01)	0.06	0.09
Unrealized gains (losses)	0.11	0.05	(0.13)	(0.13)	(0.06)
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	0.31	0.12	0.05	0.07	0.12
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	0.19	0.18	0.19	0.14	0.10
From dividends	—	—	—	—	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.19	0.18	0.19	0.14	0.10
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	10.14	10.03	10.09	10.24	10.31

### 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 (000's of \$) <sup>(5)</sup>	8,876	10,654	11,351	12,844	13,941
Number of units outstanding <sup>(5)</sup>	875,341	1,061,930	1,125,016	1,254,689	1,352,227
Management expense ratio (%) <sup>(6)</sup>	0.90	0.90	0.90	1.02	1.21
Management expense ratio before waivers or absorptions (%)	0.90	0.90	0.90	1.02	1.21
Trading expense ratio (%) <sup>(7)</sup>	—	—	—	—	—
Portfolio turnover rate (%) <sup>(8)</sup>	63.69	63.17	30.71	131.10	67.79
Net asset value per unit (\$)	10.14	10.03	10.09	10.24	10.31

## Series O

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

Commencement of operations: May 4, 2006

Accounting Period Ended	2019	2018	2017	2016	2015
	December 31	December 31	December 31	December 31	December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	10.11	10.16	10.31	10.39	10.39
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.29	0.27	0.28	0.25	0.23
Total expenses	—	—	—	—	—
Realized gains (losses)	0.01	(0.12)	(0.01)	0.06	0.10
Unrealized gains (losses)	0.09	0.06	0.19	(0.13)	(0.03)
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	0.39	0.21	0.46	0.18	0.30
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	0.28	0.27	0.27	0.25	0.24
From dividends	—	—	—	—	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.28	0.27	0.27	0.25	0.24
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	10.22	10.11	10.16	10.31	10.39

## Ratios and Supplemental Data

Accounting Period Ended	2019	2018	2017	2016	2015
	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) <sup>(5)</sup>	1	1	1	6,681	8,845
Number of units outstanding <sup>(5)</sup>	117	114	111	648,082	851,593
Management expense ratio (%) <sup>(6)</sup>	—	—	0.02	0.02	0.02
Management expense ratio before waivers or absorptions (%)	1.19	1.57	0.02	0.02	0.02
Trading expense ratio (%) <sup>(7)</sup>	—	—	—	—	—
Portfolio turnover rate (%) <sup>(8)</sup>	63.69	63.17	30.71	131.10	67.79
Net asset value per unit (\$)	10.22	10.11	10.17	10.31	10.39

<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. 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.

<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, 2019

### Portfolio Top Holdings

	% of Net Asset Value
Province of Ontario, 3.50%, due June 2, 2024	15.0
Bank of Nova Scotia, 2.98%, due April 17, 2023	7.5
Canadian Mortgage Pools, 2.75%, due June 1, 2023	6.1
Canadian Imperial Bank of Commerce, 2.97%, due July 11, 2023	2.7
City of Côte Saint-Luc, 1.75%, due June 1, 2021	2.4
Bank of Montreal, 2.85%, due March 6, 2024	2.3
City of Normandin, 1.75%, due June 1, 2021	2.3
AltaGas Ltd., 3.72%, due September 28, 2021	2.2
Pembina Pipeline Corporation, 4.89%, due March 29, 2021	2.2
Province of Ontario, 2.85%, due June 2, 2023	2.2
Toronto-Dominion Bank, 1.99%, due March 23, 2022	2.0
Wells Fargo & Co., 2.09%, due April 25, 2022	1.9
Bank of Montreal, 2.89%, due June 20, 2023	1.7
Citigroup Inc., 3.39%, due November 18, 2021	1.7
Municipality of Saint-Louis, 1.75%, due June 1, 2021	1.7
North West Redwater Partnership / NWR Financing Co. Ltd., 2.10%, due February 23, 2022	1.5
Fédération des caisses Desjardins, 3.06%, due September 11, 2023	1.4
Intact Financial Corp., 4.70%, due August 18, 2021	1.4
Central 1 Credit Union, 3.06%, due October 14, 2026	1.3
Toronto-Dominion Bank, 2.85%, due March 8, 2024	1.2
City of Repentigny, 1.70%, due June 29, 2021	1.1
Royal Bank of Canada, Floating, due December 23, 2029	1.0
Daimler Canada Finance Inc., 2.23%, due December 16, 2021	1.0
Municipality of Val-Morin, 1.75%, due June 28, 2021	1.0
Cash, Money Market and Other Net Assets	0.7
	65.5

Net asset value ..... \$71,765,359

### Asset Mix

	% of Net Asset Value
Canadian Corporate Bonds	52.9
Provincial Bonds	17.2
Municipal Bonds	15.4
Mortgage Backed Securities	6.5
Asset Backed Securities	4.0
US Bonds	3.3
Cash, Money Market and Other Net Assets	0.7

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](http://www.nbinvestments.ca).