ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2019

Diversified Fund

National Bank Secure Diversified 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 National Bank Secure Diversified Fund's investment objective is to provide high current income while preserving capital by investing primarily in debt securities of Canadian federal, provincial and municipal governments and in a combination of term deposits, Treasury bills and other money market instruments.

The portfolio manager's security selection is based on an analysis of economic conditions in Canada and their impact on interest rates. Shorter or longer term issues will be favored depending on whether interest rates are expected to rise or fall. It is expected that investments in foreign securities will not exceed approximately 25% of the Fund's assets.

Risks

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

Results of Operations

For the twelve-month period ended December 31, 2019, the National Bank Secure Diversified Fund returned 9.79% compared to 10.45% for the Fund's blended benchmark. The broad-based indices, Morningstar Canada Liquid Bond Index (CAD) and the Morningstar Developed Markets Large-Mid Cap Index (CAD), returned 7.53% and 21.82% respectively. Unlike the indices, the Fund's performance is calculated after fees and expenses.

The Fund's net asset value dropped by 14.55% over the period, from $73.81 million as at December 31, 2018 to $63.07 million as at December 31, 2019.

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

In stark contrast to the fourth quarter of 2018, global financial markets closed out 2019 with nearly every major asset class showing positive returns, despite the high level of volatility observed during the period. These strong gains were nevertheless accompanied by a high level of volatility during the period.

To this end, the trade war involving the two biggest economies in the world significantly disrupted markets during the year. The uncertainty that was brought about by the U.S. and China going head to head in a tit for tat trade war was a main driver of the volatility in all financial markets. During the dispute, the two sides set the pace in the market by imposing tariffs and retaliating against each other. In December, they finally agreed on the terms of the phase one deal that reduces some U.S. tariffs on Chinese goods in exchange for Chinese purchases of American farm, energy and manufactured goods and better protection for U.S. intellectual property. The day after Christmas, the three major U.S. indices hit record highs on raised hopes that a trade deal was in line to be signed in January. "The deal is done, it's just being translated now", President Trump said, to traders' delight.

It is under these circumstances that the U.S. Federal Reserve ("Fed) orchestrated a 180-degree policy shift from projecting two rate hikes in 2019, to rather opt for three rate cuts; in July, September and October, much to the delight of both equities and bond investors. As justification, the Fed acknowledged the global headwinds that have plagued the marketplace – namely lingering anxieties on the US-China trade front that have clouded the global economic backdrop and threatened to spillover to the U.S. economy. After the Fed took some additional insurance in October by lowering its lending rate to a target range of 1.50% to 1.75%, it indicated that it would pause rate cuts for the foreseeable future. Since then, Fed officials have publicly characterized the U.S. economy as strong, led by solid consumer spending but threatened by exogenous factors such as global weakness, the U.S.-China tariff war and uncertainties associated with Brexit. Easy monetary policy was also mirrored by a majority of central banks around the world, except by the Bank of Canada which kept its key rate unchanged at 1.75% throughout the year.

Encouraged by the three Fed rate cuts and a strong domestic economy, 2019 was a strong year for the U.S. equity market. All sectors performed well as the worst performance was in the Energy sector which nevertheless gained 11.8%. The Information Technology and the Telecommunication Services sectors were the big winners this year as they gained 50.3% and 32.7% respectively. The S&P500, which gained 31.5% (USD) and slightly over 25% (CAD) throughout the year, reached several all-time highs during the year, the last of which was on December 27th, boosted by growing optimism over an initial U.S.-China trade deal.

Much like markets further west, 2019 was a good year for international markets where all sectors had a positive performance, and the worst performance came from the Energy sector gaining 8.6%. Businesses represented in the MSCI EAFE index also recorded outstanding results in 2019. Like the rest of the world's markets, the Information Technology sector was the main contributor to the index performance, gaining 38.1%. Italy was the best performer of the index, gaining 33.8% throughout the year, and Hong Kong underperformed, gaining 13% despite being the best performing index in December by gaining over 7% thanks to an upbeat mood on the trade front.

Along with most of the rest of the world, the Canadian equity market performed very well in 2019. The S&P/TSX index, which gained 22.8% throughout the year, reached several all-time highs during the period, lastly on December 20th, boosted by upbeat economic data from China amid growing optimism over an initial U.S.-China trade deal. The index was mainly driven by the Information Technology sector increasing by 64.1% and Utilities names gaining 37.5%. The only detractors this year was the Health Care sector losing 10.9% thanks to the unimpressive performance of names in the cannabis sector.

On the fixed income front, global bonds benefitted from the major uncertainty brought on by the trade war and the associated volatility in equity markets. Investors, unsure of what President Trump would tweet each day, were weary of market volatility and thus the safety of government bonds was an enticing solution. The second and third quarters of the year were particularly strong ones for global bonds, as the market saw no end in sight to the trade war between the U.S. and China. However, the asset class gave back some gains in the fourth quarter as some concrete solutions on the U.S.-China trade front began to appear, and a rotation back into risk assets saw capital flow into equity indices, many of which recorded record highs just before the end of the year.

Despite some losses at the end of the year, global bonds were still an impressive asset to own in 2019, though more so in the corporate and high yield bonds space rather than government debt. Within government issues, European periphery bonds were some of the best performers as 10-year bond yields in Italy and Greece fell by 130 and 290 basis points, respectively, with Portugal not far behind. Mexican 10-year bond yields lost 177 bps and, notably, those of Australia lost just over 100. For their part, U.S. and Canadian 10-year bond yields ended the year down 77 and 27. Emerging market debt also performed well with some USD denominated issues gaining as much as 15%.

During the period, the U.S. and Canadian yield curve inverted for the first time since 2007, reaching its most prominent inversion in August before returning to its usual self towards the end of the year. In U.S., corporate and high yield bonds also outperformed their government peers. Sector-wise, Telecoms and Banks outperformed whereas Utilities underperformed.

In Canada, 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% all in, 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%.

Meanwhile, the Canadian preferred share market underperformed other major asset classes such as corporate bonds and common equities. Despite a very strong final quarter of the year, it wasn't enough to erase what was a very difficult summer for the preferred share space. Overall, the S&P/TSX Preferred Share index gained 3.48% on a total return basis. Fixed rate perpetuals were the best performers, gaining about 11.4% thanks to the fall in in 5-year Canada bond yields, with banks outperforming the other sector. For their part, floating rate issues underperformed the asset classes by losing 6.6%, with the Energy sector getting hurt the most.

In this environment, global equities generated the strongest returns among the asset classes held in the Fund followed by Canadian equities. While fixed income assets also ended the period in positive territory, high yield bonds outpaced investment grade bonds (BBB-rated and over). Preferred equities for their part, lagged the other asset classes.

In this context, the Fund slightly underperformed its blended benchmark for the period. The falling rate environment and the credit spreads tightening benefitted to the bond component of the Fund overall, especially corporate and high yield bonds. In the equity component of the Fund, global equity holdings were the biggest contributors to performance. Canadian common shares also added value, to a lesser extent, however. Conversely, preferred shares detracted value, as they underperformed the other asset classes. Security selection in fixed-reset perpetuals and the overweight exposure to floating rate issues didn't help either. Security selection in both fixed rate and floating rate issues has fortunately offset somewhat.

Recent Developments

As policy uncertainty dissipates, the portfolio manager expects the environment of stabilizing growth prospects to boost risk assets in the coming year. What's more, central bankers have assumed an increased tolerance for exceeding their inflation targets and a willingness to let the economy run hot in order to sustain the record-long expansion, with positive implications for stocks, commodities (ex-gold) and other riskier asset classes at the expense of bonds and the U.S. dollar.

After a solid performance through 2019, return prospects for fixed income appear less appealing heading into 2020. He expects yield curves to steepen, with only modest repricing at the short end of the curve as policymakers pursue a sidelined approach. Meanwhile, the improved growth backdrop that fuels a modest revival in inflation expectations can put upward pressure on the long end of the curve. Within the asset class, he prefers maintaining a short duration and position the portfolio for a mildly steeper yield curve, while also looking further up the risk spectrum towards spread product and inflation protection – both of which should thrive in the pro-cyclical environment of negligible recession (default) risks and rising inflation expectations.

He thinks that equity markets will continue grinding higher on the back of both multiple expansion and modest earnings growth. Notably, the "goldilocks" environment of supportive central bank policies will help to nurture the recovery and extend the duration of the expansion, which should ultimately increase what investors are willing to pay for equities. Moreover, he thinks that earnings will play a more meaningful role going forward and momentum should improve on the back of a revitalized global growth backdrop. With so much gloom on the state of the economy, the bar is low for upside surprises to earnings forecasts and accordingly, equity prices. From a valuation perspective, equities offer a compelling risk-reward proposition at this time. The earnings yield on stocks far exceeds that of the corresponding 10-year government bond, which suggests that patient investors will be rewarded in the long-run should near-term market gyrations subside.

His central scenario is for a sustained global expansion (65%), which encompasses a "goldilocks" environment of healthy, trend-like global growth, modestly higher inflation, and stimulative central bank policies. This reflationary scenario bodes well for stocks over bonds from an asset allocation perspective and he's positioned as such heading into the fourth quarter.

Within equities, he has a preference for Canadian and emerging markets. He's neutral on U.S. stocks and underweight international equities.

He believes Canadian equities should prosper in the environment of higher commodity prices that bolster resource stocks, while steeper yield curves should buoy profits in the financial sector. These sectors represent a sizable majority of the S&P/TSX, while recent underperformance has created a substantial valuation discount to the S&P 500 that should narrow and close the performance gap with U.S. equities.

In the U.S., after an impressive stretch of gains through 2019, the equity market has already discounted the improved economic and corporate earnings backdrop, which implies more conservative U.S. equity gains for the year ahead. Moreover, his expectation for a stabilizing global growth backdrop and corresponding weakness in the U.S. dollar makes stocks outside the United States an attractive place to invest.

In Europe, persistently stagnant growth, political susceptibilities in the UK, and a vulnerable banking sector could hinder financial conditions and European equity performance in the coming year. Meanwhile, uncertainty regarding the future of the United Kingdom is likely to place undue pressure on sentiment towards UK stocks, while strength in the yen and a murky growth backdrop could rattle Japanese Bourses.

In emerging markets, he believes that investors positioned in the emerging market Bourses remain too pessimistic in the context of superior growth prospects versus the developed world, softer dollar conditions, and undemanding valuations – while an accommodative Federal Reserve, reflationary efforts in China, and receding trade tensions should also alleviate some pressure on emerging market assets.

In this context, prudence will remain a priority for next year. The portfolio manager may make changes to the different fixed income assets and equity allocations depending on the environment. Within fixed income assets, he will keep a bigger exposure to corporate bonds than federal, provincial and municipal bonds to enhance the Fund's return. Within equities, the global equity allocation was larger than the Canadian allocation at the end of the year.

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.

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 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.

Brokerage Fees

The Fund may pay broker's commissions at market rates to a corporation affiliated with NBII. The brokerage fees paid by the Fund for the period are as follows:

	Period ended December 31, 2019
Total brokerage fees	538.22
Brokerage fees paid to National Bank Financial	16.24

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†
Investor Series	1.25%	40.00%	60.00%

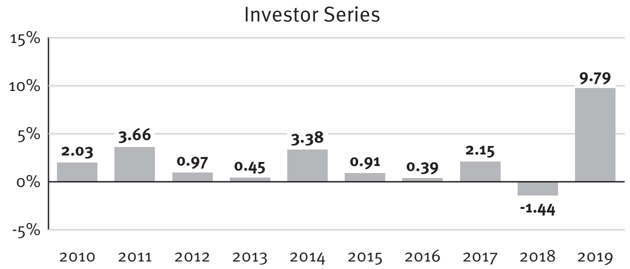
(†) *Includes all costs related to management, investment advisory services, general administration and profit.*

Past Performance

The performance of the Fund's series presented below is 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 chart indicates the performance for the Fund's series during the years shown, and illustrates how the performance has changed from year to year. It shows, 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.



Annual Compounded Performance

The following table shows the Fund's annual compound returns for each series in existence greater than one year and for each of the periods ended on December 31, 2019, compared with the following benchmarks:

The blended benchmark (the "Benchmark") is composed of:
- Morningstar Canada Liquid Bond Index (CAD) (80%)
- Morningstar Developed Markets Large-Mid Cap Index (CAD) (13%)
- Morningstar Canada Large-Mid Index (CAD) (7%)

The broad-based indices are as follows:
- Broad-based index 1: Morningstar Canada Liquid Bond Index (CAD)
- Broad-based index 2: Morningstar Developed Markets Large-Mid Cap Index (CAD)

National Bank Secure Diversified Fund

	1 year	3 years	5 years	10 years	Since inception
Investor Series[1]	9.79%	3.40%	2.29%	2.19%	–
Benchmark	10.45%	5.17%	4.89%	6.42%	–
Broad-based index 1	7.53%	3.81%	3.42%	4.55%	–
Broad-based index 2	21.82%	11.93%	11.86%	12.54%	–

[1]Commencement of operations: July 29, 1998

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

Index Descriptions

The **Morningstar Canada Liquid Bond Index** offers diversified exposure to federal debt securities guaranteed by the federal government, to provincial debt securities guaranteed by the provincial government and to corporate debt securities denominated in Canadian dollars in order to maintain liquidity. Small issuances, issuances with limited terms and issuances with credit ratings lower than those of investment-grade securities are excluded from the index.

The **Morningstar Developed Markets Large-Mid Cap Index** is a subset of large- and mid-cap stocks included in the Morningstar Developed Markets Index, a broad-based index that represents 97% of the market capitalization of developped markets.

The **Morningstar Canada Large-Mid Index** measures the performance of Canadian stock exchanges by targeting 90% of shares, based on their order of importance in terms of market capitalization.

The blended benchmark was modified to better reflect the categories of assets in which the Fund invests. The information related to the previous blended benchmark is presented below.

The previous blended benchmark was composed of:
- FTSE Canada Universe Bond Index (CAD) (43.4%)
- FTSE Canada Corporate Bond Index (CAD) (18.6%)
- MSCI World Index (CAD) (13%)
- Merrill Lynch High Yield (85% B, 15% C) Monthly Index (CAD hedged) (9%)
- S&P/TSX Preferred Share Index (CAD) (9%)
- S&P/TSX Composite Index (CAD) (7%)

The previous broad-based indices were as follows:
- Broad-based index 1: FTSE Canada Universe Bond Index (CAD)
- Broad-based index 2: FTSE Canada Corporate Bond Index (CAD)
- Broad-based index 3: MSCI World Index (CAD)

National Bank Secure Diversified Fund

	1 year	3 years	5 years	10 years	Since inception
Investor Series[1]	9.79%	3.40%	2.29%	2.19%	–
Benchmark	10.32%	5.04%	4.59%	5.97%	–
Broad-based index 1	6.87%	3.57%	3.18%	4.31%	–
Broad-based index 2	8.05%	4.14%	3.77%	4.88%	–
Broad-based index 3	21.22%	11.32%	11.22%	11.82%	–

[1]Commencement of operations: July 29, 1998

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 Series

Net Assets per Unit[1] Commencement of operations: July 29, 1998

Accounting Period Ended	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Net Assets, Beginning of Accounting Period Shown [4]	10.24	10.54	10.44	10.50	10.53
Increase (Decrease) from Operations ($)					
Total revenue	0.34	0.32	0.29	0.27	0.30
Total expenses	(0.17)	(0.17)	(0.17)	(0.17)	(0.17)
Realized gains (losses)	0.15	—	0.05	0.01	0.07
Unrealized gains (losses)	0.73	(0.28)	0.04	(0.07)	(0.10)
Total Increase (Decrease) from Operations ($) [2]	1.05	(0.13)	0.21	0.04	0.10
Distributions ($)					
From net investment income (excluding dividends)	0.11	0.10	0.08	0.09	0.12
From dividends	0.06	0.05	0.02	0.01	0.01
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
Total Annual Distributions ($) [3]	0.17	0.15	0.10	0.10	0.13
Net Assets, End of Accounting Period Shown ($) [4]	11.07	10.24	10.54	10.44	10.50

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 $) [5]	63,072	73,807	101,506	123,451	128,698
Number of units outstanding [5]	5,695,169	7,207,806	9,633,048	11,824,154	12,255,964
Management expense ratio (%) [6]	1.60	1.60	1.60	1.60	1.60
Management expense ratio before waivers or absorptions (%)	1.60	1.60	1.60	1.60	1.60
Trading expense ratio (%) [7]	0.01	0.01	0.01	—	—
Portfolio turnover rate (%) [8]	33.50	37.89	138.66	84.62	60.40
Net asset value per unit ($)	11.07	10.24	10.54	10.44	10.50

[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. 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.

[8] The Fund's portfolio turnover rate indicates how actively the Fund portfolio's manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the accounting period. The higher a Fund's portfolio turnover rate in an accounting period, the greater the trading costs payable by the Fund in the accounting period, and the greater the chance of an investor receiving taxable capital gains in the accounting period. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

Summary of Investment Portfolio

As of December 31, 2019

Portfolio Top Holdings

	% of Net Asset Value
NBI Global Equity Fund, Series O	12.6
NBI High Yield Bond Fund , Series O	9.1
NBI Preferred Equity Fund, Series O	8.9
NBI Canadian Equity Growth Fund, Series O	2.7
Toronto-Dominion Bank, 1.91%, due July 18, 2023	1.6
Province of Quebec, 5.00%, due December 1, 2038	1.5
Government of Canada, 2.25%, due June 1, 2029	1.3
NBI Canadian Family Business ETF	1.1
AltaGas Ltd., 4.40%, due March 15, 2024	1.0
Canada Housing Trust, 2.65%, due December 15, 2028	1.0
Province of Ontario, 4.70%, due June 2, 2037	1.0
Province of New Brunswick, 2.60%, due August 14, 2026	1.0
Manulife Financial Corp., 3.05%, due August 20, 2029	1.0
Cash, Money Market and Other Net Assets	0.9
Bank of America Corp., Floating, due March 15, 2022	0.9
BCIMC Realty Corp., 3.00%, due March 31, 2027	0.9
Canadian Utilities Ltd., 4.54%, due October 24, 2041	0.9
Province of Alberta, 2.90%, due September 20, 2029	0.9
Smart Real Estate Investment Trust, 2.88%, due March 21, 2022	0.9
Honda Canada Finance Inc., 2.16%, due February 18, 2021	0.8
Canadian Imperial Bank of Commerce, Floating, due January 26, 2021	0.7
Goldman Sachs Group Inc./The, 3.55%, due February 12, 2021	0.7
Manufacturers Life Insurance Co., Floating, due November 22, 2022	0.7
Province of Ontario, 2.80%, due June 2, 2048	0.7
Province of Ontario, 5.60%, due June 2, 2035	0.7
	53.5

Net asset value $63,071,708

Asset Mix

	% of Net Asset Value
Corporate Bonds	38.4
Provincial Bonds	11.6
Preferred Shares	8.7
US Equity	8.0
Federal Bonds	7.0
US Bonds	6.9
International Equity	5.7
Canadian Equity	5.2
Foreign Bonds	2.9
Municipal Bonds	1.3
Exchange Traded Funds	1.1
Mortgage Backed Securities	0.5
Asset Backed Securities	0.4
Cash, Money Market and Other Net Assets	2.3

Sector Allocation

	% of Net Asset Value
Corporate Bonds	38.6
Provincial Bonds	11.6
Financials	8.8
Federal Bonds	7.0
US Bonds	6.9
Industrials	3.4
Information Technology	3.2
Foreign Bonds	2.9
Consumer Staples	2.3
Consumer Discretionary	2.3
Energy	2.1
Health Care	1.9
Municipal Bonds	1.3
Communication Services	1.3
Exchange Traded Funds	1.1
Utilities	1.1
Materials	0.7
Mortgage Backed Securities	0.5
Asset Backed Securities	0.4
Real Estate	0.3
Cash, Money Market and Other Net Assets	2.3

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

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