

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2019

Global Equity Fund

## **NBI Global 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](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 Global Equity Fund's investment objective is to achieve long-term capital growth. It builds a diversified portfolio of common and preferred shares listed on recognized stock exchanges.

The portfolio manager invests up to all of its net assets in mutual funds and exchange traded funds ("ETFs"). The portfolio may also invest in other mutual funds managed by third parties (ETFs and other types of mutual funds are collectively referred to as "Underlying Funds"). The portfolio manager applies a tactical allocation valuation process in which asset allocation and the choice of Underlying Funds are subject to frequent changes depending on economic and market conditions. When the target asset allocation and the choice of Underlying Funds are modified, the fund are generally rebalanced based on the new selection.

### Risks

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

### Results of Operations

For the twelve-month period ended December 31, 2019, the NBI Global Equity Fund's Investor Series units returned 24.43% compared to 21.22% for the Fund's benchmark, the MSCI World Index (CAD). Unlike the benchmark, the Fund's return 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 15.61% over the period, from \$1.735 billion as at December 31, 2018 to \$2.006 billion as at December 31, 2019.

The increase stemmed mainly from unit purchases by investors in the Fund, investments in the Fund by other NBI Funds and market fluctuations.

Much like markets further west, 2019 was a good year for international markets, where all sectors had a positive performance (with the exception of the Energy sector).

In Europe, all country representative indices finished in the green for 2019. The laggards were Norway, Spain and the UK. Greece and Italy were among the European countries that fared the best in 2019. In Asia, both South Korea's Kospi and Japan's Nikkei gained. Malaysia was the only detractor in emerging market countries, as the MSCI Emerging Market posted double-digit gains in 2019.

Argentinian stocks performed well in local currency but the crash of the Argentinian Peso pushed the S&P Merval index down in USD terms. Since the second quarter of 2018, Argentina is facing one of its worst recessions. Rising government debt levels, including a loan from the IMF, and a rampant inflation rate had devastating effects on the economy - the IMF expects the Argentinian economy to shrink by 3.1% this year and 1.3% in 2020.

After the government of Hong Kong tried to pass a controversial bill that would have allowed extradition of fugitives to mainland China, protests began in June. Even though Hong Kong's leader Carrie Lam agreed to fully withdraw the bill, it was too late as peaceful protests descended into violent clashes with police and vandalism, sending investors to the exits.

Under these circumstances, the Fund outperformed its benchmark. The Fund's relative outperformance was mainly driven by stock selection in the Financial Services, Materials as well as Consumer Discretionary sectors. The lack of exposure to the underperforming Energy sector also contributed to the Fund's relative outperformance.

In terms of individual stocks, the top contributors to the Fund were Moody's, MSCI and Mastercard. Conversely, the Fund suffered due to 3M and Unilever.

### Recent Developments

Early in the year, the portfolio manager exited the Fund's position in Svenska Handelsbanken and redeployed the proceeds to preferred higher quality securities within the Fund. The thesis for Svenska has not changed, however the global fund is a very selective combination of the portfolio manager's best ideas from the U.S. and EAFE strategy, and he preferred higher quality securities within the fund. The portfolio manager also exited the Fund's positions in 3M and Colgate Palmolive and used the proceeds to initiate a position in Louis-Vuitton Moët Hennessy.

The Fund is currently overweight Industrials, Consumer Staples and Financials while underweight Energy, Communication Services and Utilities.

The portfolio manager remains focused on owning the highest quality stocks at reasonable valuations. As a quality-focused manager he would expect to lag the market in a low-quality rally or excessively exuberant market where valuations are ignored. He is confident in the value-added that the companies held in the Fund will provide over the long-run and have demonstrated good down-market capture in declining markets.

Effective on or about May 7, 2019, the management fees for the Series F and F5 were reduced to 0.75%.

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.

#### 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
<b>Total brokerage fees</b>	153,222.38
<b>Brokerage fees paid to National Bank Financial</b>	-

#### Holdings

As at December 31, 2019, National Bank Investments Inc. held 237.16 Fund securities for a value of \$7,909.34, which represented close to 0.0004% 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.

As at December 31, 2019, National Bank Trust Inc. held 1.00 Fund securities for a value of \$33.35, which represented close to 0.0000% of the net asset value of the Fund at that date. Transactions between National Bank Trust 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. 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>†</sup>
Investor Series	2.25%	55.56%	44.44%
Investor-2 Series	2.00%	62.50%	37.50%
Advisor Series and Series T5*			
Front-end load	2.25%	55.56%	44.44%
Back-end load - 1 to 6 years	2.25%	22.22%	77.78%
Back-end load - 7 years and more	2.25%	55.56%	44.44%
Low load - 1 to 3 years	2.25%	22.22%	77.78%
Low load - 4 years and more	2.25%	44.44%	55.56%
Advisor-2 Series*			
Front-end load	2.00%	62.50%	37.50%
Back-end load - 1 to 6 years	2.00%	25.00%	75.00%
Back-end load - 7 years and more	2.00%	62.50%	37.50%
Low load - 1 to 3 years	2.00%	25.00%	75.00%
Low load - 4 years and more	2.00%	50.00%	50.00%
Series F and Series F5	0.75%	—	100.00%
Series F-2	0.75%	—	100.00%
Series O	N/A**	—	100.00%

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

<sup>(\*)</sup> Excluding sales commissions paid on the Advisor Series, Advisor-2 Series and Series T5 with low sales charges option and deferred sales charge option, which are not paid for out of the management fees.

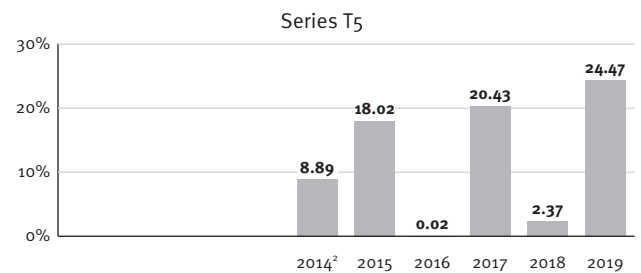
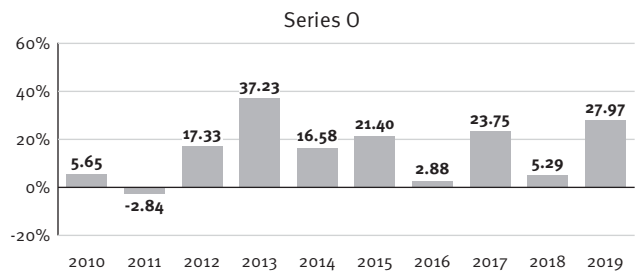
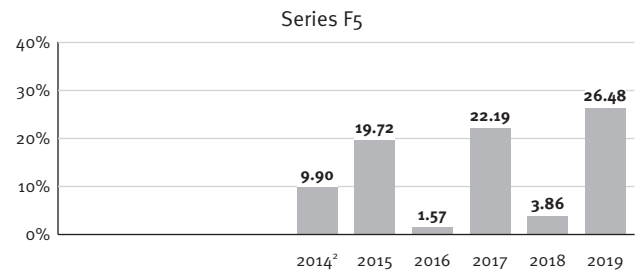
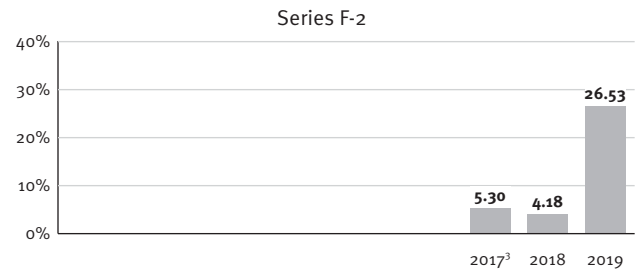
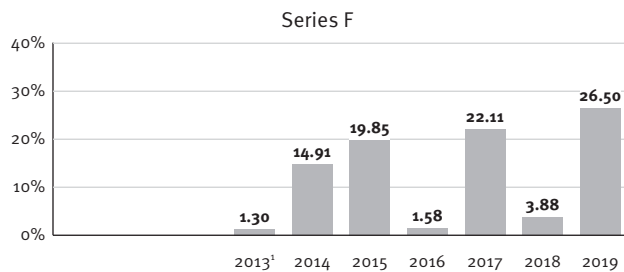
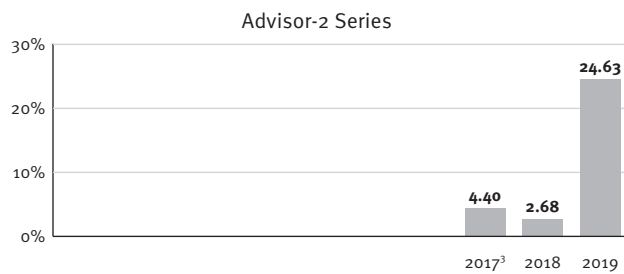
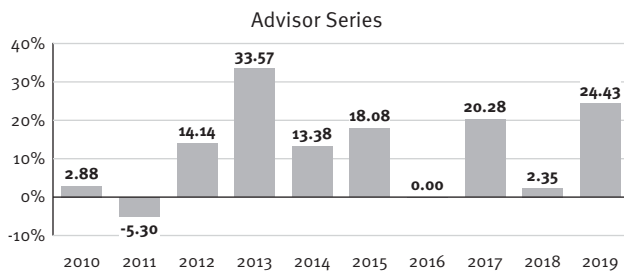
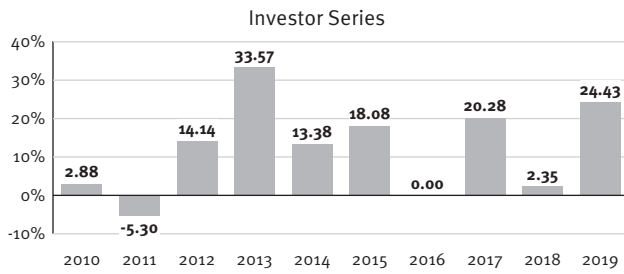
<sup>(\*\*)</sup> There are no management fees paid by the Fund with respect to the Series O. Instead, Series O securityholders pay a negotiated administration fee directly to National Bank Investments.

#### 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.



<sup>(1)</sup> Returns for the period from December 24, 2013 (commencement of operations) to December 31, 2013.

<sup>(2)</sup> Returns for the period from May 21, 2014 (commencement of operations) to December 31, 2014

<sup>(3)</sup> Returns for the period from May 19, 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, 2019, compared with the following benchmark:

- MSCI World Index (CAD)

## NBI Global Equity Fund

	1 year	3 years	5 years	10 years	Since inception
<b>Investor Series<sup>1</sup></b>	24.43%	15.27%	12.58%	11.78%	–
Benchmark	21.22%	11.32%	11.22%	11.82%	–
<b>Advisor Series<sup>2</sup></b>	24.43%	15.27%	12.58%	11.78%	–
Benchmark	21.22%	11.32%	11.22%	11.82%	–
<b>Series F<sup>3</sup></b>	26.50%	17.07%	14.33%	–	14.61%
Benchmark	21.22%	11.32%	11.22%	–	11.99%
<b>Series F-2<sup>4</sup></b>	26.53%	–	–	–	13.34%
Benchmark	21.22%	–	–	–	11.85%
<b>Series F5<sup>5</sup></b>	26.48%	17.08%	14.31%	–	14.55%
Benchmark	21.22%	11.32%	11.22%	–	13.04%
<b>Series O<sup>6</sup></b>	27.97%	18.58%	15.80%	14.91%	–
Benchmark	21.22%	11.32%	11.22%	11.82%	–
<b>Series T5<sup>5</sup></b>	24.47%	15.34%	12.62%	–	12.86%
Benchmark	21.22%	11.32%	11.22%	–	13.04%

<sup>1</sup>Commencement of operations: January 28, 2000

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

<sup>3</sup>Commencement of operations: December 24, 2013

<sup>4</sup>Commencement of operations: May 19, 2017

<sup>5</sup>Commencement of operations: May 21, 2014

<sup>6</sup>Commencement of operations: March 1, 2005

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 **MSCI World Index** is designed to measure global developed market equity performance and is made up of approximately 1,500 companies listed on stock exchanges in the 22 developed countries that make up the MSCI national indexes.

## 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.

Net Assets per Unit<sup>(1)</sup> Commencement of operations: January 28, 2000

Accounting Period Ended	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	15.28	14.93	12.42	12.44	10.54
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.28	0.23	0.27	0.28	0.22
Total expenses	(0.50)	(0.44)	(0.42)	(0.35)	(0.34)
Realized gains (losses)	0.67	0.50	2.65	0.32	0.86
Unrealized gains (losses)	3.45	0.35	0.06	(0.27)	1.26
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	3.90	0.64	2.56	(0.02)	2.00
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	—	—	0.01	—	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	—	—	0.01	—	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	19.00	15.28	14.93	12.42	12.44

### Ratios and Supplemental Data

Accounting Period Ended	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Total net asset value (ooo's of \$) <sup>(5)</sup>	698,101	776,431	1,318,064	689,845	711,328
Number of units outstanding <sup>(5)</sup>	36,741,052	50,837,333	88,328,272	55,594,304	57,336,667
Management expense ratio (%) <sup>(6)</sup>	2.86	2.85	2.85	2.85	2.85
Management expense ratio before waivers or absorptions (%)	2.86	2.85	2.85	2.85	2.85
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.06	0.01	0.03
Portfolio turnover rate (%) <sup>(8)</sup>	11.12	5.36	17.14	14.93	10.69
Net asset value per unit (\$)	19.00	15.27	14.92	12.41	12.41

### Investor-2 Series

Net Assets per Unit<sup>(1)</sup> Commencement of operations: May 19, 2017

Accounting Period Ended	2019 December 31	2018 December 31	2017 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	10.73	10.45	10.00
<b>Increase (Decrease) from Operations (\$)</b>			
Total revenue	0.19	0.16	0.08
Total expenses	(0.33)	(0.27)	(0.16)
Realized gains (losses)	0.49	0.33	0.03
Unrealized gains (losses)	2.31	0.09	0.48
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	2.66	0.31	0.43
<b>Distributions (\$)</b>			
From net investment income (excluding dividends)	—	—	—
From dividends	—	—	—
From capital gains	—	—	—
Return of capital	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	—	—	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	13.37	10.73	10.45

### Ratios and Supplemental Data

Accounting Period Ended	2019 December 31	2018 December 31	2017 December 31
Total net asset value (ooo's of \$) <sup>(5)</sup>	83,677	73,542	79,376
Number of units outstanding <sup>(5)</sup>	6,260,471	6,859,753	7,605,379
Management expense ratio (%) <sup>(6)</sup>	2.64	2.51	2.55
Management expense ratio before waivers or absorptions (%)	2.65	2.52	2.56
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.06
Portfolio turnover rate (%) <sup>(8)</sup>	11.12	5.36	17.14
Net asset value per unit (\$)	13.37	10.72	10.44

## Advisor-2 Series

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

Commencement of operations: May 19, 2017

Accounting Period Ended	2019	2018	2017
	December 31	December 31	December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	10.73	10.45	10.00
<b>Increase (Decrease) from Operations (\$)</b>			
Total revenue	0.20	0.16	0.08
Total expenses	(0.33)	(0.27)	(0.16)
Realized gains (losses)	0.47	0.34	0.03
Unrealized gains (losses)	2.43	0.21	0.40
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	2.77	0.44	0.35
<b>Distributions (\$)</b>			
From net investment income (excluding dividends)	—	—	—
From dividends	—	—	—
From capital gains	—	—	—
Return of capital	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	—	—	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	13.36	10.73	10.45

### Ratios and Supplemental Data

Accounting Period Ended	2019	2018	2017
	December 31	December 31	December 31
Total net asset value (000's of \$) <sup>(5)</sup>	6,776	7,799	11,331
Number of units outstanding <sup>(5)</sup>	507,026	727,252	1,085,710
Management expense ratio (%) <sup>(6)</sup>	2.68	2.48	2.55
Management expense ratio before waivers or absorptions (%)	2.69	2.49	2.56
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.06
Portfolio turnover rate (%) <sup>(8)</sup>	11.12	5.36	17.14
Net asset value per unit (\$)	13.36	10.72	10.44

## Series F

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

Commencement of operations: December 24, 2013

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>	17.98	17.30	14.18	13.99	11.67
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.31	0.27	0.27	0.33	0.25
Total expenses	(0.24)	(0.23)	(0.22)	(0.18)	(0.18)
Realized gains (losses)	0.88	0.52	3.14	0.35	0.82
Unrealized gains (losses)	3.40	(0.07)	(1.20)	(0.37)	0.91
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	4.35	0.49	1.99	0.13	1.80
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	—	—	0.01	—	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	—	—	0.01	—	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	22.72	17.98	17.30	14.18	13.99

### 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>	85,757	31,130	20,367	2,014	2,247
Number of units outstanding <sup>(5)</sup>	3,775,058	1,732,825	1,177,984	142,149	161,052
Management expense ratio (%) <sup>(6)</sup>	1.17	1.35	1.35	1.34	1.31
Management expense ratio before waivers or absorptions (%)	1.22	1.42	1.43	1.36	1.32
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.06	0.01	0.03
Portfolio turnover rate (%) <sup>(8)</sup>	11.12	5.36	17.14	14.93	10.69
Net asset value per unit (\$)	22.72	17.96	17.29	14.17	13.95

## Series F-2

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

Commencement of operations: May 19, 2017

Accounting Period Ended	2019	2018	2017
	December 31	December 31	December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(a)</sup>	10.98	10.54	10.00
<b>Increase (Decrease) from Operations (\$)</b>			
Total revenue	0.20	0.17	0.08
Total expenses	(0.15)	(0.12)	(0.07)
Realized gains (losses)	0.49	0.35	0.02
Unrealized gains (losses)	2.47	0.19	0.30
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(a)</sup>	3.01	0.59	0.33
<b>Distributions (\$)</b>			
From net investment income (excluding dividends)	—	—	—
From dividends	—	—	—
From capital gains	—	—	—
Return of capital	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	—	—	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(a)</sup>	13.88	10.98	10.54

### Ratios and Supplemental Data

Accounting Period Ended	2019	2018	2017
	December 31	December 31	December 31
Total net asset value (000's of \$) <sup>(5)</sup>	2,232	2,971	4,589
Number of units outstanding <sup>(5)</sup>	160,853	270,793	435,901
Management expense ratio (%) <sup>(6)</sup>	1.20	1.07	1.12
Management expense ratio before waivers or absorptions (%)	1.22	1.09	1.14
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.06
Portfolio turnover rate (%) <sup>(8)</sup>	11.12	5.36	17.14
Net asset value per unit (\$)	13.88	10.97	10.53

## Series F5

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

Commencement of operations: May 21, 2014

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>(a)</sup>	13.57	13.72	11.79	12.26	10.71
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.24	0.20	0.27	0.27	0.22
Total expenses	(0.19)	(0.19)	(0.19)	(0.16)	(0.17)
Realized gains (losses)	0.53	0.33	2.86	0.32	0.84
Unrealized gains (losses)	3.20	(0.13)	(0.40)	(0.27)	1.18
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(a)</sup>	3.78	0.21	2.54	0.16	2.07
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	0.09	—
From dividends	0.03	—	0.05	—	—
From capital gains	—	—	—	—	—
Return of capital	0.64	0.69	0.49	0.52	0.53
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.67	0.69	0.54	0.61	0.53
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(a)</sup>	16.41	13.57	13.72	11.79	12.26

### 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>	844	368	2	1	1
Number of units outstanding <sup>(5)</sup>	51,433	27,105	119	113	108
Management expense ratio (%) <sup>(6)</sup>	1.22	1.37	1.30	1.35	1.43
Management expense ratio before waivers or absorptions (%)	1.25	1.39	1.80	2.43	2.72
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.06	0.01	0.03
Portfolio turnover rate (%) <sup>(8)</sup>	11.12	5.36	17.14	14.93	10.69
Net asset value per unit (\$)	16.41	13.56	13.71	11.78	12.22



## Series O

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

Commencement of operations: March 1, 2005

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>(a)</sup>	26.08	24.77	20.05	19.51	16.07
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.47	0.39	0.38	0.44	0.35
Total expenses	(0.01)	(0.01)	(0.03)	(0.01)	(0.01)
Realized gains (losses)	1.21	0.73	2.21	0.57	1.30
Unrealized gains (losses)	5.60	(0.16)	1.35	(0.51)	1.90
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(a)</sup>	7.27	0.95	3.91	0.49	3.54
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	—	—	0.02	—	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	—	—	0.02	—	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(a)</sup>	33.35	26.08	24.77	20.05	19.51

### 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>	1,118,172	836,923	415,529	79,742	57,333
Number of units outstanding <sup>(5)</sup>	33,527,640	32,112,908	16,787,691	3,982,753	2,946,043
Management expense ratio (%) <sup>(6)</sup>	0.02	0.02	0.02	0.02	0.02
Management expense ratio before waivers or absorptions (%)	0.02	0.02	0.02	0.02	0.02
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.06	0.01	0.03
Portfolio turnover rate (%) <sup>(8)</sup>	11.12	5.36	17.14	14.93	10.69
Net asset value per unit (\$)	33.35	26.06	24.75	20.02	19.46

## Series T5

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

Commencement of operations: May 21, 2014

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>(a)</sup>	12.66	12.99	11.34	11.96	10.61
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.22	0.20	0.19	0.25	0.22
Total expenses	(0.40)	(0.37)	(0.37)	(0.32)	(0.34)
Realized gains (losses)	0.57	0.42	1.14	0.35	0.45
Unrealized gains (losses)	2.61	0.27	0.79	(0.22)	0.57
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(a)</sup>	3.00	0.52	1.75	0.06	0.90
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	0.01	—
From dividends	—	—	0.01	—	—
From capital gains	—	—	—	—	—
Return of capital	0.63	0.65	0.61	0.59	0.53
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.63	0.65	0.62	0.60	0.53
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(a)</sup>	15.07	12.66	12.99	11.34	11.96

### 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>	10,276	5,883	9,031	852	564
Number of units outstanding <sup>(5)</sup>	682,158	464,891	695,827	75,275	47,251
Management expense ratio (%) <sup>(6)</sup>	2.80	2.79	2.80	2.81	2.86
Management expense ratio before waivers or absorptions (%)	2.83	2.82	2.83	2.85	2.88
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.06	0.01	0.03
Portfolio turnover rate (%) <sup>(8)</sup>	11.12	5.36	17.14	14.93	10.69
Net asset value per unit (\$)	15.06	12.65	12.98	11.32	11.93

- <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. For the Investor Series, Advisor Series, Series F, O and T5, the detailed calculation of the total Increase (Decrease) from Operations as at December 31, 2015 has been adjusted to reflect the proper allocation between the following items: Total revenue, Total expenses, Realized gain (losses) and/or Unrealized gain (losses). It is a non-material correction related to a programming error in the ratio calculation.
- <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. For Investor and Advisor Series, the trading expense ratio history has been adjusted to include the trading expenses from its underlying funds and the calculation method described above has been used.
- <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
Moody's Corp.....	6.3
MasterCard Inc., Class A.....	5.5
Keyence Corp.....	5.0
MSCI Inc.....	3.8
Becton Dickinson and Co.....	3.7
Alphabet Inc., Class A.....	3.5
Johnson & Johnson.....	3.5
Taiwan Semiconductor Manufacturing Co. Ltd., ADR.....	3.5
Sherwin-Williams Co./The.....	3.4
Diageo PLC.....	3.3
Nestlé SA.....	3.2
Roche Holding AG NPV.....	3.1
Unilever NV.....	3.1
AutoZone Inc.....	3.0
TJX Companies Inc.....	3.0
PepsiCo Inc.....	2.9
Intertek Group PLC.....	2.7
Schindler Holding AG, PTG Cert.....	2.7
United Technologies Corp.....	2.7
Intercontinental Hotels Group PLC.....	2.6
Nike Inc., Class B.....	2.5
Oracle Corp.....	2.5
US Bancorp.....	2.5
CME Group Inc., Class A.....	2.4
Cash, Money Market and Other Net Assets.....	0.3
	80.7

Net asset value..... \$2,005,835,651

### Regional Allocation

	% of Net Asset Value
United States.....	59.1
United Kingdom.....	13.6
Switzerland.....	12.6
Japan.....	6.4
Taiwan.....	3.5
India.....	2.5
France.....	2.0
Cash, Money Market and Other Net Assets.....	0.3

### Sector Allocation

	% of Net Asset Value
Information Technology.....	18.7
Financials.....	17.6
Industrials.....	17.0
Consumer Discretionary.....	14.7
Consumer Staples.....	12.5
Health Care.....	12.3
Communication Services.....	3.5
Materials.....	3.4
Cash, Money Market and Other Net Assets.....	0.3

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