

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2019

Global Equity Fund

## **NBI Westwood Emerging Markets 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.

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This annual management report of fund performance contains financial highlights, but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-888-270-3941 or 514-871-2082, by writing to us at National Bank Investments Advisory Service, 500, Place d'Armes, 12th floor, Montreal, Quebec, H2Y 2W3, by visiting our website at [www.nbinvestments.ca](http://www.nbinvestments.ca), by visiting SEDAR's website at [www.sedar.com](http://www.sedar.com), or by contacting your advisor. You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

## Management Discussion of Fund Performance

### Investment Objective and Strategies

The NBI Westwood Emerging Markets Fund's investment objective is to ensure long-term capital growth. The Fund will invest its net assets primarily in equity securities whose issuers are located in emerging markets.

The portfolio manager analyzes stocks by first carrying out a macroeconomic analysis, in order to determine which markets and economic sectors will perform well. The portfolio manager then seeks undervalued securities in every sector, and also considers the quality and liquidity of the securities. An extensive database to screen securities is used to select the best companies in emerging markets.

### Risks

The Fund's risk level was modified from "medium to high" 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 Westwood Emerging Markets Fund's Investor Series units returned 9.42% compared to 12.45% for the Fund's benchmark, the MSCI Emerging Markets Index (CAD). Unlike the benchmark, the Fund's performance is calculated after fees and expenses. Please see the *Past Performance* section for the returns of all of the Fund's series, which may vary mainly because of fees and expenses.

Certain series of the Fund, as applicable, may make distributions at a rate determined by the manager. This rate may change from time to time. If the aggregate amount of distributions in such series exceeds the portion of net income and net realized capital gains allocated to such series, the excess will constitute a return of capital. The manager does not believe that the return of capital distributions made by such series of the Fund have a meaningful impact on the Fund's ability to implement its investment strategy or to fulfill its investment objective.

The Fund's net asset value dropped by 53.64% over the period, from \$341.89 million as at December 31, 2018 to \$158.51 million as at December 31, 2019.

The decline stemmed mainly from rebalancing of the managed solutions.

Global equity markets rallied strongly in 2019 to cap off one of the best years since the Global Financial Crisis (2009), driven primarily by the developed world. Although the narrative for the year centered on U.S.-China trade tensions and growth concerns, an abundance of liquidity made available by central banks also played an equally important role, particularly as panic escalated over a potential global recession with the brief inversion of the U.S. yield curve for the first time since the Global Financial Crisis. Markets closed the year on a high with positive developments on two fronts — the U.S.-China trade deal in its first phase and the emphatic victory of the Conservatives in the UK elections, paving the way to a potential breakthrough in the Brexit impasse.

Emerging Markets ("EM") rose with double-digit gains for the year despite interim volatility from trade war uncertainty. All EM sectors advanced over the course of the year, namely Information Technology, Consumer Discretionary and Real Estate, while Health Care and Materials lagged. Commodities were positive as Brent Crude rose 19%, driven by OPEC supply cuts and the U.S. decision to end waivers on Iranian oil imports.

Under these circumstances, the Fund underperformed its benchmark. Within the portfolio, country allocation was the main reason for underperformance. From a country perspective, positioning in India, Taiwan and Egypt was positive, while China/HK, Chile and South Korea were the key detractors.

From a sector perspective, Materials, Communication Services and Utilities led contribution while Consumer Discretionary was the main detractor.

### Recent Developments

Over the past year, the portfolio manager added to the Fund's positioning in China across a range of sectors, from consumer products/services to financials. Exposure to Health Care and Information Technology has also increased with a few new positions in India, Taiwan and South Korea, while exposure to insurance and infrastructure has been incremental. She trimmed the exposure across all names in India to take profits, while exiting a number of names in Turkey, Thailand, Philippines and South Africa, and in areas like energy infrastructure, consumer products and financials, where she feels the fundamental thesis has been broken and/or the operating environment has deteriorated to limit further upside.

Despite the challenges of global trade war, growth concerns and geopolitical instability that precipitated uncertainty and volatility throughout most of last year, recent developments in trade negotiations and growth indicators that have helped to fuel an end of year market rally, provide reasons for optimism in the coming year, barring any unforeseen political and/or economic disruption.

She feels both earnings and relative EM growth are set to improve from cyclically low levels as a result of improved productivity, structural reforms and from an increase in growth-friendly fiscal policies. The valuation case for EM remains strong, particularly relative to developed markets, following the significant underperformance of recent years.

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.

#### 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>	387,138.09
<b>Brokerage fees paid to National Bank Financial</b>	-

#### Holdings

As at December 31, 2019, National Bank Investments Inc. held 210.57 Fund securities for a value of \$2,959.83, which represented close to 0.0019% 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 1.04 Fund securities for a value of \$15.44, 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	2.30%	54.35%	45.65%
Advisor Series*			
Front-end load	2.30%	54.35%	45.65%
Back-end load - 1 to 6 years	2.30%	21.74%	78.26%
Back-end load - 7 years and more	2.30%	54.35%	45.65%
Low load - 1 to 3 years	2.30%	21.74%	78.26%
Low load - 4 years and more	2.30%	43.48%	56.52%
Series F	1.05%	—	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 with the low sales charge option and deferred sales charge option, which are not paid for out of the management fees.

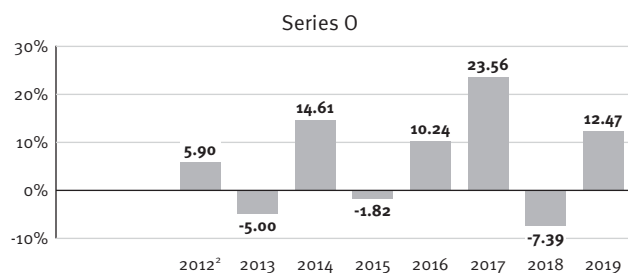
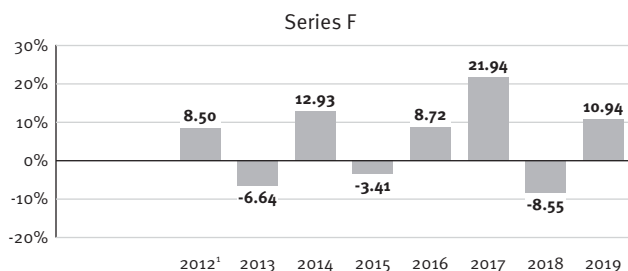
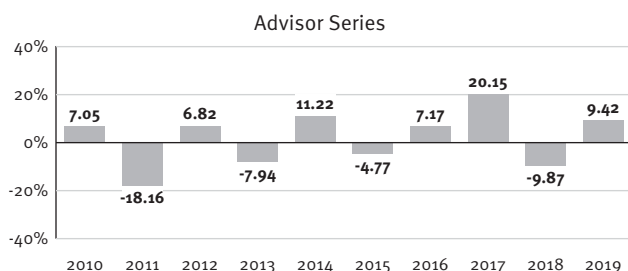
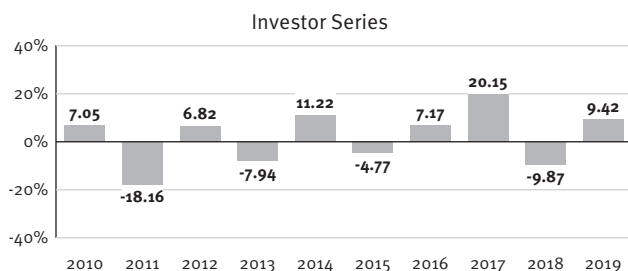
<sup>(\*\*)</sup> There are no management fees paid by the Fund with respect to the Series O. Instead, Series O securityholders pay a negotiated administration fee directly to National Bank Investments.

#### 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.



<sup>(1)</sup> Returns for the period from September 10, 2012 (commencement of operations) to December 31, 2012.

<sup>(2)</sup> Returns for the period from September 19, 2012 (commencement of operations) to December 31, 2012.

## 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 Emerging Markets Index (CAD)

## NBI Westwood Emerging Markets Fund

	1 year	3 years	5 years	10 years	Since inception
<b>Investor Series<sup>1</sup></b>	9.42%	5.82%	3.87%	1.48%	–
Benchmark	12.45%	10.33%	8.02%	6.00%	–
<b>Advisor Series<sup>2</sup></b>	9.42%	5.82%	3.87%	1.48%	–
Benchmark	12.45%	10.33%	8.02%	6.00%	–
<b>Series F<sup>3</sup></b>	10.94%	7.35%	5.37%	–	5.57%
Benchmark	12.45%	10.33%	8.02%	–	8.90%
<b>Series O<sup>4</sup></b>	12.47%	8.77%	6.85%	–	6.72%
Benchmark	12.45%	10.33%	8.02%	–	8.27%

<sup>1</sup>Commencement of operations: September 21, 2000

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

<sup>3</sup>Commencement of operations: September 10, 2012

<sup>4</sup>Commencement of operations: September 19, 2012

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 Emerging Markets Index** measures the performance of the equity markets of the global emerging markets. The index is based on market capitalization and adjusted to reflect "free float" of securities, which is the proportion of outstanding shares that are deemed to be available for purchase in the public markets by international investors.

## 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> Please note that the data presented below is in CAD although these Series are also available under the USD purchase option. The Advisor Series was created on February 8, 2002.

Net Assets per Unit <sup>(1)</sup>		Commencement of operations: September 21, 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>	21.58	23.93	20.00	18.83	19.81	
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.56	0.65	0.49	0.81	0.46	
Total expenses	(0.71)	(0.70)	(0.67)	(0.58)	(0.65)	
Realized gains (losses)	3.97	0.87	0.72	0.12	0.35	
Unrealized gains (losses)	(1.28)	(2.96)	3.66	1.09	(1.03)	
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	2.54	(2.14)	4.20	1.44	(0.87)	
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	—	—	—	—	—	
From dividends	—	—	—	0.22	—	
From capital gains	—	—	—	—	—	
Return of capital	—	—	—	—	—	
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	—	—	—	0.22	—	
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	23.58	21.58	23.93	20.00	18.83	

### 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>	54,677	245,571	390,799	333,151	343,821
Number of units outstanding <sup>(5)</sup>	2,319,090	11,395,877	16,342,167	16,740,422	18,304,066
Management expense ratio (%) <sup>(6)</sup>	2.80	2.83	2.83	2.82	3.05
Management expense ratio before waivers or absorptions (%)	2.80	2.83	2.83	2.82	3.05
Trading expense ratio (%) <sup>(7)</sup>	0.39	0.21	0.15	0.12	0.15
Portfolio turnover rate (%) <sup>(8)</sup>	29.76	31.19	25.12	22.37	30.76
Net asset value per unit (\$)	23.58	21.55	23.91	19.90	18.78

### Series F\*

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

Net Assets per Unit <sup>(1)</sup>		Commencement of operations: September 10, 2012				
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>	12.99	14.31	11.79	11.08	11.49	
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.41	0.40	0.30	0.48	0.28	
Total expenses	(0.24)	(0.22)	(0.20)	(0.17)	(0.21)	
Realized gains (losses)	1.10	0.53	0.41	0.08	0.22	
Unrealized gains (losses)	0.13	(1.87)	1.97	0.57	(0.82)	
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	1.40	(1.16)	2.48	0.96	(0.53)	
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	0.01	—	—	—	—	
From dividends	0.14	0.10	—	0.28	—	
From capital gains	—	—	—	—	—	
Return of capital	—	—	—	—	—	
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.15	0.10	—	0.28	—	
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	14.24	12.99	14.31	11.79	11.08	

### 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>	99,533	93,008	143,402	102,872	106,420
Number of units outstanding <sup>(5)</sup>	6,990,351	7,173,162	10,029,034	8,768,838	9,629,420
Management expense ratio (%) <sup>(6)</sup>	1.37	1.37	1.37	1.36	1.60
Management expense ratio before waivers or absorptions (%)	1.38	1.38	1.38	1.37	1.60
Trading expense ratio (%) <sup>(7)</sup>	0.39	0.21	0.15	0.12	0.15
Portfolio turnover rate (%) <sup>(8)</sup>	29.76	31.19	25.12	22.37	30.76
Net asset value per unit (\$)	14.24	12.97	14.30	11.73	11.05

## Series O

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

Commencement of operations: September 19, 2012

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>	13.52	14.83	12.10	11.35	11.58
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.43	0.31	0.27	0.49	0.28
Total expenses	(0.06)	(0.03)	(0.02)	(0.02)	(0.02)
Realized gains (losses)	1.14	0.66	0.31	0.09	0.21
Unrealized gains (losses)	0.16	(2.81)	1.95	0.62	(0.81)
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	1.67	(1.87)	2.51	1.18	(0.34)
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	0.01	0.01	—	0.01	—
From dividends	0.31	0.21	0.06	0.43	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.32	0.22	0.06	0.44	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	14.87	13.52	14.83	12.10	11.35

### 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>	2	1	112,690	15,959	14,485
Number of units outstanding <sup>(5)</sup>	109	107	7,604,662	1,325,934	1,279,278
Management expense ratio (%) <sup>(6)</sup>	—	0.02	0.02	0.02	0.02
Management expense ratio before waivers or absorptions (%)	0.69	0.02	0.02	0.02	0.02
Trading expense ratio (%) <sup>(7)</sup>	0.39	0.21	0.15	0.12	0.15
Portfolio turnover rate (%) <sup>(8)</sup>	29.76	31.19	25.12	22.37	30.76
Net asset value per unit (\$)	14.87	13.50	14.82	12.04	11.32

## Private Series\*

<sup>(\*)</sup> Please note that this Series is offered by way of private placement.

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

Commencement of operations: December 1, 2015

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>	12.00	13.18	10.84	10.01	10.00
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.38	0.35	0.28	0.39	0.01
Total expenses	(0.19)	(0.17)	(0.16)	(0.15)	(0.01)
Realized gains (losses)	0.83	0.51	0.36	0.31	(0.04)
Unrealized gains (losses)	0.27	(1.36)	1.72	(0.05)	0.05
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	1.29	(0.67)	2.20	0.50	0.01
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.13	0.09	—	0.08	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.13	0.09	—	0.08	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	13.20	12.00	13.18	10.84	10.01

### 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>	4,295	2,565	3,520	1,779	1
Number of units outstanding <sup>(5)</sup>	325,383	214,050	267,221	165,004	100
Management expense ratio (%) <sup>(6)</sup>	1.14	1.14	1.14	1.25	1.07
Management expense ratio before waivers or absorptions (%)	1.14	1.14	1.14	1.26	20.66
Trading expense ratio (%) <sup>(7)</sup>	0.39	0.21	0.15	0.12	0.15
Portfolio turnover rate (%) <sup>(8)</sup>	29.76	31.19	25.12	22.37	30.76
Net asset value per unit (\$)	13.20	11.98	13.17	10.78	9.98

- <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 all series created before 2016, 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. The management expense ratio before waivers or absorptions as at December 31, 2015 has been adjusted for the Private Series to reflect an adequate annualization. The ratio changed from 1.20 to 20.66.
- <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 series created before 2015, the trading expense ratio as at December 31, 2015 have been adjusted to reflect a non-material correction related to a programming error in the ratio calculation.
- <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
Taiwan Semiconductor Manufacturing Co. Ltd.	2.5
Netease.com, ADR	2.2
Commercial International Bank Egypt SAE	2.0
Enerjis SA	2.0
Perusahaan Gas Negara PT	2.0
AIA Group Ltd.	1.9
Alsea SAB de CV	1.9
Samsung Electronics Co. Ltd.	1.9
Southern Copper Corp.	1.9
BB Seguridade Participacoes SA	1.8
China Overseas Land & Investment Ltd.	1.8
CNOOC Ltd.	1.8
TAV Havalimanlari Holding AS	1.8
Tencent Holdings Ltd.	1.8
Tripod Technology Corp.	1.8
Galaxy Entertainment Group Ltd.	1.7
Ping An Insurance Group Co. of China Ltd., Class H	1.7
Porto Seguro SA	1.7
Raia Drogasil SA	1.7
Vale SA	1.7
Reliance Industries Ltd.	1.6
Telekomunikasi Indonesia Persero Tbk PT, Class B	1.6
The Bidvest Group Ltd.	1.6
Yum China Holdings Inc.	1.6
Cash, Money Market and Other Net Assets	0.5
	44.5

Net asset value ..... \$158,505,918

### Regional Allocation

	% of Net Asset Value
Asia Ex-Japan	61.0
Americas	28.6
Africa	9.4
Europe	0.5
Cash, Money Market and Other Net Assets	0.5

### Sector Allocation

	% of Net Asset Value
Financials	24.7
Information Technology	12.8
Consumer Discretionary	11.9
Materials	8.9
Industrials	8.7
Consumer Staples	8.4
Utilities	6.9
Communication Services	5.6
Energy	5.0
Real Estate	3.6
Health Care	3.0
Cash, Money Market and Other Net Assets	0.5

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).