ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2022

Canadian Equity Fund

NBI Canadian Equity Growth Fund

Notes on forward-looking statements

This report may contain forward-looking statements concerning the Fund, its future performance, its strategies or prospects or about future events or circumstances. Such forward-looking statements include, among others, statements with respect to our beliefs, plans, expectations, estimates and intentions. The use of the expressions "foresee", "intend", "anticipate", "estimate", "assume", "believe" and "expect" and other similar terms and expressions indicate forward-looking statements.

By their very nature, forward-looking statements imply the use of assumptions and necessarily involve inherent risks and uncertainties. Consequently, there is a significant risk that the explicit or implicit forecasts contained in these forward-looking statements might not materialize or that they may not prove to be accurate in the future. A number of factors could cause future results, conditions or events to differ materially from the objectives, expectations, estimates or intentions expressed in such forward-looking statements. Such differences might be caused by several factors, including changes in Canadian and worldwide economic and financial conditions (in particular interest and exchange rates and the prices of other financial instruments), market trends, new regulatory provisions, competition, changes in technology and the potential impact of conflicts and other international events.

The foregoing list of factors is not exhaustive. Before making any investment decision, investors and others relying on our forward-looking statements should carefully consider the foregoing factors and other factors. We caution readers not to rely unduly on these forward-looking statements. We assume no obligation to update forward-looking statements in the light of new information, future events or other circumstances unless applicable legislation so provides.

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

Management Discussion of Fund Performance

Investment Objective and Strategies

The NBI Canadian Equity Growth Fund aims to provide investors with superior investment returns over the long term, having regard for the safety of capital. The Fund invests in a diversified portfolio of primarily Canadian equities.

The portfolio manager follows a company-focused investment style, seeking companies with strong management, good growth prospects and a solid financial position. Emphasis is placed on paying reasonable prices for the free cash flow growth that companies in the portfolio are expected to achieve. It is expected that investments in foreign securities will not exceed approximately 49% of the Fund's net 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, 2022, the NBI Canadian Equity Growth Fund's Investor Series units returned -12.57% compared to -5.84% for the Fund's benchmark, the S&P/TSX Composite Index (CAD). Unlike the benchmark, the Fund's performance is calculated after fees and expenses. Please see the *Past Performance* section for the returns of all of the Fund's series, which may vary mainly because of fees and expenses.

The Fund's net asset value dropped by 15.72% over the period, from $1.149 billion as at December 31, 2021 to $968,43 million as at December 31, 2022.

The decline stemmed mainly from withdrawals from the Fund by other NBI Funds and market fluctuations.

As we head into 2023, the general perception of the global economy is nearly the opposite of where it was only 12 months earlier. At the time, the consensus expectation was for robust global economic growth and for heightened inflation to prove quickly transitory, dropping back rapidly to pre-Covid levels. Corporate earnings were expected to continue to grow strongly, leading to ever-higher stock prices. As the year progressed the global economy was hit by a series of shocks, the market consensus swung 180 degrees, with forecasters and headline writers seemingly universally gloomy. The current consensus narrative is that "out of control inflation is forcing central banks to raise interest rates with unprecedented speed, guaranteeing a major recession."

Under these circumstances, the Fund underperformed its benchmark.

At the beginning of 2022, the economic consensus was for a year of robust global economic growth with Covid receding and the world beginning an extended economic cycle. This view seemed at odds with the underlying economic data, which suggested that the economy was late cycle and risked a significant slowdown. The sharp rotation into value stocks in the first quarter resulted in significant underperformance that was perhaps our worst on record. The businesses we own are much more resilient during periods of economic weakness. These types of companies often underperform in the early stages of an economic recovery and outperform during economic slowdowns. The Russian invasion of Ukraine exacerbated this as Russia is a major producer of many commodities including oil, natural gas and fertilizers resulting in sharp price increases for these commodities. Our lack of exposure to the energy sector was a meaningful headwind to relative performance in this environment.

As the year progressed, the consensus view converged with our view of dan economic downturn as the Fed aggressively raised rates in light of extremely high headline inflation numbers. The Fed appears well aware that monetary policy will not resolve supply issues (higher interest rates do not create semi-conductors or barrels of oil), instead it impacts the demand side of the economy as consumers and corporations gradually cut back on spending, slowing the overall economy. As a result, we expect to see weakening consumption and lower economic growth. With this significant increase in rates, growth stocks languished and there was a flight toward more quality, which is an environment conducive to our investment process and we outperformed in the subsequent three quarters.

Recent Developments

During the year, we initiated positions in Altus, CN Rail, Jacobs Engineering, Keysight, Linde, ON Semi and Telus.

Altus Group provides software and data solutions to the commercial real estate (CRE) industry. They provide offerings that span the entire CRE lifecycle, from acquisition of properties, leasing & asset management, disposition and a particular strength in property valuation. These are mission critical tools that some of the largest commercial real estate managers including Brookfield leverage in their global operations and are often considered the "gold standard" or even the Bloomberg of commercial real estate. Not surprisingly, 85% of their revenues are recurring in nature, under long-term agreements, providing good visibility to earnings. Given that their software is embedded in the workflow of these customers, the contracts tend to be very sticky and do not exhibit the cyclicality of the broader real estate market.

The commercial real estate industry appears to be at an inflection point in terms of technological adoption, similar to the proliferation of fintechs in the financial sector in the mid-2000s. Altus has carved a niche for themselves as the disruptor in this space and also the leader given their comprehensive solution set. The increasing penetration of data and analytics in the CRE industry is driving above-market growth for Altus in the double-digit range, while they continue to expand margins.

While we have been following this business in Canada for many years, the valuation had kept us on the sidelines. Earlier this year, a sharp correction in the stock following the departure of their CEO Mike Gordon made the valuation attractive and we initiated a position, adhering to our philosophy of purchasing superior businesses that trade at a discount to fair value.

CN Rail is another new business we added to throughout 2022. We think the rails are superior businesses with rational competition in a duopoly market structure, significant barriers to entry, strong pricing power, all of which allow them to grow at above market rates. While CP has outperformed from a margin perspective recently, we see no structural reason for lower margins at CN Rail. We expect to see gradual improvement in CN's operating performance as changes by the new leadership are implemented. There remain significant opportunities to realize operating leverage going forward by increasing focus on asset utilization, employment of smart technologies and gaining share over alternative modes of transport, principally truck. It is a defensive investment opportunity that enables us to participate in a broad base of industrial activity without having the price volatility and high capital intensity which is inherent in owning commodity companies directly.

We exited our position in CP Rail given our concerns with their acquisition of Kansas City Southern. From a strategic standpoint, the deal makes perfect sense as it creates a contiguous network covering Canada, the US, and Mexico with little overlap. Our reservation was centred around valuation and the synergies required to justify this deal were largely skewed to revenue synergies, which generally take longer and are more difficult to realize. In addition, the leverage it adds to the balance sheet in a period of market slowdown gives us considerable pause.

Jacob's Engineering is another company that we have followed, and admired, for close to two decades. The company has a long history as a pre-eminent engineering, construction, and consulting firm for energy, with a well-recognized expertise in the construction and operation of complex oil & gas refineries. Post a CEO transition in 2015, Jacob's divested their fossil-fuel oriented energy and chemical business and has continued to evolve toward a focus on clean energy and infrastructure. We believe that the global push toward decarbonization will act as a steady tailwind for revenue growth for Jacob's, much like the global expansion of the oil & gas industry did in prior decades.

As professional services company, Jacob's has a capital light business model and generates strong free cashflow. Unlike most of our holdings, Jacob's appears to be a low operating margin business, with margins that tend to be in the mid-single digits. In our view, this is more of a function of accounting treatment than an accurate reflection of underlying profitability. The company "passes through" any construction costs directly to clients on a dollar-for-dollar basis. From an accounting standpoint, these costs are booked as revenue and then offset as "direct cost of contracts." From the standpoint of economic reality, costs that are fully borne by clients need to be removed from the income statement to gauge underlying profitability. On this basis, Jacob's has solid operating margins that exceed 20%.

Keysight Technologies is a provider of electronic test and measurement tools and services, primarily for the communications industry. Keysight is the market leader in an attractive industry, with a diversified customer base that spans the globe. Since being spun out as separate company in 2014 from Agilent Technologies, the company has had an impressive track record of growing their revenue and increasing their profitability, resulting in earnings and free cashflow growth that eclipses their impressive revenue growth by a significant margin. This alone would make Keysight a strong contender for a spot in our portfolios.

But an understanding of the company and industry dynamics points toward an even brighter future for Keysight. In the past, the most important driver of industry revenues resulted from the evolution of communications networks—from EDGE to 3G to 4G and, more recently, 5G networks. Keysight sold testing equipment and services to telecommunications companies as they developed and deployed leading edge networks, and to the small number of companies' producing devices that hoped to communicate across these networks. While this segment of the market grew substantially in the smartphone era, it did result in revenue fluctuations as networks rolled out and then deployment slowed before the next generation of networks began to emerge.

One of the benefits of 5G networks is that they can handle a higher volume of traffic, across a multitude of devices and device types, with higher communication speed. Simply put, while communications networks of the past were centred around computers and smart phones, in the future almost any electronic device you can think of will need to communicate with other devices and networks: automobiles, appliances, industrial machinery, and robotics. As these devices all require testing to confirm that they comply with network and electronics standards, Keysight has moved from a key supplier to a small number of customers to an essential partner in a broad and growing ecosystem. In 2022 alone, Keysight added over 2,000 new customers. This reflects the growing diversity of Keysight's business created by the broad adoption of 5G.

Many of the most exciting long-term secular trends will run over networks that will require Keysight's products and services, including artificial intelligence, autonomous driving, energy transition, and Internet of Things. As the number of connected devices increase exponentially, the networks will have to continue to evolve and grow with them. Multiple iterations of 5G networks and even 6G networks are already being developed, and it is hard to imagine that any of these networks will be the last generation of improvement. In addition, while the sources of network traffic grow and diversify, more and more of Keysight's revenues now come from software and recurring revenue, giving the company an enviable combination of rising margins and increasing revenue stability.

Linde was formed through the 2018 merger of US-based Praxair with Germany-based Linde. We had followed Praxair for close to two decades and have always held the company in high regard. The merged business is a global leader in the production of industrial gases, including hydrogen, oxygen, argon, and nitrogen, which are used across industry and healthcare.

The industrial gas business is somewhat unusual in that it is a "patchwork" of geographic monopolies, created by high transportation costs for gases. Linde co-locates an industrial gas facility with a major anchor customer, creating a guaranteed source of demand and return on Linde's capital. The facility is then used to also supply other, smaller, local customers as well as regional consumer demand for packaged gases. This creates a much higher overall return on capital plus strong free cash generation for Linde, as the incremental sales are highly profitable. Historically, Linde has growth above GDP through a combination of steady volume growth, plus pricing power.

We believe that hydrogen gas will be a key future fuel used for both decarbonization and for heavy transportation (trains, large trucks). From the perspective of Linde, any material expansion of hydrogen production globally will be additive to overall growth, as Linde will be a key global supplier.

In our view, the next decade will see a significant transition toward vehicle electrification and industrial automation which will drive considerable revenue and margin expansion over time for ON Semi-conductor.

Over the past 5 years, we have watched the global automotive industry struggle with the transition toward electrification. During the past 24 months, the move from internal combustion to battery electric has finally reached the tipping point, with major automotive companies now fully committed to transitioning this decade. One of the key features of EVs is a much higher semi-conductor content per vehicle than internal combustion vehicles which will drive considerable market expansion for ON.

In addition, over the past decade, semi-conductors based on materials other than silicon have begun to enter the mainstream. These new materials have with different properties than traditional semis. Semi-conductors based on silicon carbide have proven to be far superior for high-power applications like EVs, allowing for faster charging and greater battery range. ON is one of a small group of semi-conductor companies that produce silicone carbide-based semis.

ON has also recently had a significant management change, with the highly respected management team from Cypress Semi-conductor taking charge, post the sale of Cypress. Although ON has always been well regarded—they were recently recognized as one of the World's Most Ethical Companies, for the 7th consecutive year—we believe that there is considerable scope for financial improvement at ON. The new management team is transitioning to a capital-light model and focusing on areas where ON has clear competitive advantages. The new strategy has already resulted in stepped profit margins and much stronger free cashflow, and we believe that there remains scope for further improvement over time.

The semi-conductor industry is an example of an industry that typically possesses investment characteristics that simply do not fit with the Bluewater investment philosophy. This includes extreme cyclicality, high working capital, capital intensity, unpredictability, and a business that is always vulnerable to technological disruption. Further, semi-conductor industry cycles tend to be very quick and very sharp which makes valuation very difficult and market timing important. Fortunately, portfolio holding Synopsys is a fantastic business that flies under radar and captures the growth in the semi-conductor industry without the negatives typical of the industry.

At a high level, Synopsis is an "Electronic Design Automation" (EDA) company that provides the tools for companies to design their own semi-conductor chips. For us, this represents the best way invest in the semi-conductor industry as Synopsys provides a highly recurring business model (over 90% of revenues), high returns on capital, low capital intensity, very high margins, and strong and growing free cashflow (essentially the opposite set of characteristics from the rest of the industry). In addition, the company is unique in that it operates in a virtual oligopoly where two players (Synopsis and Cadence) essentially control the industry. From a customer standpoint, it is impossible to design semi-conductors without EDA tools. With decades of accumulated intellectual property embedded in Synopsis's software tools and the costs of a failed chip design extraordinarily high, the barriers to entry in the EDA industry are truly massive; at this point it seems impossible to create a new EDA supplier. As a result, Synopsis occupies a key protected niche in a very important growth industry.

With a growing customer base that is now building their own chips, Synopsis participates in all the secular drivers that make the semi-conductor industry attractive, including the move to cloud infrastructure, autonomous driving, Internet of Things, and artificial intelligence, without the risks typically associated with the industry. Lastly, the company is unique in a highly cyclical industry as it sells software and tools under long-term contracts into customer's R&D labs. For Synopsis's customers, R&D spending is their highest priority making it highly resilient during slowing economic periods. In the semi-conductor industry, missing a single design cycle can seriously impair your business as competitors leap ahead of you and sales dry up. As a result, R&D spending continues to grow even when the overall economy is weak, as Synopsis's customers remain focused on funding innovation to retain their competitive advantages and ensure future growth.

Telus Corporation is one of the largest telecommunication providers in Canada and is a company we have long known and admired. Telus has a track record of prudently investing in their networks and focusing on customer service to enhance their competitive advantage. Certainly, it was the investments in their wireless and fibre networks over the last several years that allowed Telus to deliver the industry leading operating metrics that investors have come to appreciate. In addition, over the last number of years, Telus has been quietly investing in digital transformation services, digital healthcare and digital agriculture—value add services that leverage their networks. Management was able to identify the trends toward digital early and reposition the company early. Today these investments are paying dividends as they enjoy a superior growth profile relative to their peers. From our perspective, these are the hallmarks of a leader.

The company has recently embarked on an accelerated capital spending program, which should conclude this year, focusing on their fibre network and 5G rollout. While investments are large, there are significant cost savings opportunities principally from decommissioning the redundant copper network, while at the same time future-proofing their business, all of which should reward long-term shareholders.

We maintain no exposure to the energy sector, which was a 385 bps headwind to relative performance during the year. In our view, the energy transition will continue to pressure global oil demand going forward, such that a barrel of oil in ten years should be worth less than it is today. Given this long-term view, we have avoided exposure to this sector altogether.

From an oil supplier standpoint, there are two possible paths to managing an extended period of secular decline. The first is to try to maximize production the second is to try to manage price by restricting supply. The oversupply driven decline of oil prices to negative levels during Covid sent a clear message as to the dangers of maximizing production. If the global oil industry does not restrain supply, then prices are at risk of collapsing. This strategy of managing price results in high near-term cashflows offset by the cashflows ending earlier. From an equity market perspective, oil companies should be expected to look extremely "cheap" (low multiple versus history) as their future cashflows are now in doubt. This can actually be a solid setup for investors as long as the companies pay out the cashflows and the cashflow end date is viewed by the market as "unknown and in the future." This is particularly true during oil price spikes when cashflows become extremely large. This challenge with this style of investment is timing your exit correctly, as it tends to end in dramatic stock price declines when the market begins to suspect the cashflow end date is approaching.

While the energy transition was clearly underway as the decade began, the events in Russia/Ukraine have, in our view, changed both the nature and the timing of the shift. When talking to companies, it has become apparent that the overall transition has been significantly accelerated as security of energy supply has once again become an overriding priority. Unlike during past periods of global energy tension, technologies are now broadly available to alter both the supply and demand structure of the global energy markets. We believe that this will be a multi-decade undertaking and will benefit numerous industries and companies. From an investment standpoint, any industries attached to EVs and electrification more broadly, should see outsized growth this decade. There are also numerous large-scale pinch point problems in energy supply that will need to be resolved. Key battery commodities such as lithium require a step change in supply which should continue to lead to supportive pricing. The electrical grid itself will need to be significantly revamped. The traditional energy generation system was a "hub and spoke" with large baseload power plants and long distribution lengths. It is now evolving toward a "mesh," with many small generation sources (wind and solar for example) which often are intermittent power producers. All of this requires much greater grid intelligence to manage.

Over the past few years, we have investigated a large number of potential investments and unfortunately most of the companies involved in the energy transition have attributes that we do not view as particularly attractive. These include high levels of cyclicality, little or no pricing power, little competitive dominance, and extremely high levels of capital intensity. Companies with these characteristics generally struggle to consistently grow free cashflow over time, which we believe is the key to a successful investment. We have several investments in what we believe are key "pinch points" in EV design, including ON Semi-conductor (Silicon Carbide semi-conductors), Amphenol (electrical interconnects), and Keysight (electronic systems test and measurement). We have invested in Schneider Electric, the global leader in both low and medium voltage electrical equipment and the software intelligence needed to evolve the electrical grid. Jacob's Solutions and Stantec are involved in the planning and construction of large renewable energy projects. Finally, Linde is the global leader in hydrogen production, an alternative fuel that has begun to receive considerable government support, particularly in Europe. Periods of rapid change such as the energy transition create opportunities for above normal growth and profitability for companies. We believe that the Bluewater investment style of identifying dominant leaders with strong track records of free cashflow growth continues to be well suited to this environment.

The largest challenge facing stock markets in 2022 was the high and rising level of inflation which caused Central Banks globally to begin the fastest tightening cycle in recent memory. Higher interest rates ultimately create lower economic growth as borrowing becomes more expensive. This causes both consumers and corporations to gradually cut back on spending, slowing the overall economy.

First, the good news. In our view, as we look forward into 2023, we are increasingly seeing signs that physical goods inflation will end up ultimately proving transitory after all and would not be surprised if goods inflation turned negative (moving from inflation to deflation) in many categories in 2023. Underlying this shift is a steady reversal in the conditions that caused the inflation spike. Consumers are gradually rotating back to pre-Covid spending pattern with higher levels of travel and entertainment spending. Global supply chains are showing sharp signs of improvement, with shipping costs falling and component availability rising. Finally, China has ended its Zero Covid policy of rotating lockdowns that proved extraordinarily disruptive to the supply side of the global economy.

Next, the bad news. With goods inflation falling, it seems to make sense that global Central Banks would be starting to abandon their strategy of dramatically raising interest rates to slow inflation. Unfortunately, this has not been the case as the primary central banking concern in North America has begun to shift toward the extremely low level of unemployment.

It may seem strange to view employment that is too low as a significant economic concern—if everyone who wants a job has one, that sounds like a success, not a problem. The issue currently, particularly in the United States, is that there are more jobs than people willing to work in them. At the peak earlier this year, the combination of filled jobs and unfilled job openings in the United States totalled 170 million versus a civilian labour force of only 164 million people. That is a recipe for wage inflation as employers begin to compete for workers. While again that sounds like good news from a consumer/employee perspective, from a central bank perspective it risks leading to a "wage-price spiral." This is a difficult problem to fix, where rising wages results in excess demand (consumers have more money to spend), which pushes prices up as consumers compete for a limited supply of goods. Rising prices then cause consumers to demand higher wages, which they have a higher chance of receiving in a tight labour market. This causes a new round of higher prices driving demand for further wage increases, and the inflation rate in the economy begins to spiral upward.

The solution, from a central bank standpoint, is to continue to raise interest rates to the point that demand begins to falter, slowing the economy and restraining the job market as employers react to lower demand by laying off workers. Episodes of rising unemployment and weak economic growth are called recessions, which is why it is likely that 2023 will be a recessionary year. In economics there is a standard rule of thumb relationship between GDP growth and unemployment called Okun's Law that suggests a 1% increase in unemployment coincides with a 2% drop in GDP versus trend. This relationship is why recessions are invariable periods where unemployment rises significantly.

When thinking about economic growth, it's helpful to separate underlying trend growth from cyclical growth. The underlying trend is driven by technological improvement and population growth and occurs across decades. Technologically driven growth for the entire economy is surprisingly slow, at around 1.5%-2% a year. If you consider living conditions now versus 50 years ago, 100 years ago, or 150 years ago, the massive improvement we have experienced has been driven by the compounding impact of underlying technological improvement. This growth is also the key to the steady upward march of stock markets over long periods of time, as technological improvements drive corporate growth and occasionally create whole new industries. Shorter term deviations from this trend line (cycles) are driven, to a large extent, by fluctuations in unemployment, usually centred around activity levels in the housing industry, which is very sensitive to interest rates.

Strangely, if instead of a recession, we experience a "soft landing" with unemployment remaining near current levels, the outlook for economic growth would be extremely weak relative to past cycles. Historically, unemployment has gone up between 2% and 5% in a standard recession. Returning to Okun's law, this implies a short-term recessionary GDP headwind of 4% to 10% versus trend. The key is what happens once the recession ends, and the economy returns to growth. Gradually, across the cycle, unemployment goes down again as people return to work. This provides a significant boost to GDP growth, taking us well above trend. In essence, recessions "reset" the economy, through higher unemployment, higher interest rates, and lower housing activity. As all of those gradually reverse in the new cycle, it allows for another extended period of above trend growth, which coincides with a bull market for stocks. Starting a new economic cycle with the current "end of cycle" unemployment rate would mean that this large cyclical driver of growth would be absent, leading to an extremely anemic recovery.

In many ways, that creates the final piece of good news. The global economy has experienced nine recessions over the past 60 years. They are very much a normal part of the economic cycle and are eternally followed by recovery and a new economic cycle. Dramatic headlines notwithstanding, it is likely that the economic environment in 12–24 months will be much improved from today. It is important to keep in mind that investors, and the stock market, look forward, with a new bull market for stocks usually beginning 6–12 months ahead of the end of a recession. This suggests that even if 2023 proves a difficult year for the economy, it may not ultimately prove to be one for the stock market.

Bluewater has added value for investors by focusing on the small number of companies that are leaders in their industries, led by best-in-class management teams that grow their businesses at rates superior to the overall economy. These companies have business models that allow them to weather these types of uncertain environments and increase their advantages over their competitors. All our businesses are highly profitable, generate substantial free cashflow, and have strong balance sheets. We expect that the earnings power of our companies will be significantly less impacted than the general market.

While these small number of truly special businesses almost always trade at a premium to average companies, the market volatility of this year has resulted in a narrowing of that premium. This sets up a unique opportunity to own companies that can provide stable cashflow that compounds at rates above the market over very long periods of time, while owning them at valuations not typically seen.

On April 30, 2022, the Fund's independent review committee (the "IRC") was reduced to three members when Robert Martin resigned as IRC member. On May 1, 2022, the Fund's IRC was increased to four members when Line Deslandes was appointed as IRC member. However, on September 30, 2022, the Fund's IRC was reduced to three members when Line Deslandes resigned as IRC member.

On May 20, 2022, NBI discontinued the purchase offering of deferred sales charge and low sales charge purchase options for all new investments, including purchases made through systematic plans in all Canadian jurisdictions. Investors who purchased units under these sales charge options will continue to be subject to the redemption fee schedules under which they were purchased.

On or about October 1, 2022, the management fees and maximum annual trailing commissions for select series were reduced. The management fees for the Investor Series and Advisor Series of the Fund were reduced to 1.75% while the Investor-2 Series of the fund were reduced to 1.70%. The maximum annual trailing commissions for these series were reduced to 1.00%.

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, 2022
Total brokerage fees	483,128.63
Brokerage fees paid to National Bank Financial	17,603.60

Holdings

As at December 31, 2022, National Bank Investments Inc. held 107.41 Fund securities for a value of $3,048.18, which represented close to 0.0003% 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, 2022, National Bank Trust Inc. held 1.01 Fund securities for a value of $28.76, 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. Under the *Distribution* heading, expenses include the broker's compensation consisting of the maximum annual trailer fees and sales commissions paid to brokers. Under the *Other* heading, the fees relate mainly to investment management, investment advisory services, general administration and profit. The breakdown of major services provided in consideration of the management fees, expressed as an approximate percentage of the management fees is as follows:

Series	Management Fees	Distribution	Others[†]
Investor Series	1.75%	57.14%	42.86%
Investor-2 Series	1.70%	58.82%	41.18%
Advisor Series*			
Front-end load**	1.75%	57.14%	42.86%
Back-end load - 1 to 6 years	1.75%	28.57%	71.43%
Low load - 1 to 3 years	1.75%	28.57%	71.43%
Low load - 4 years and more	1.75%	57.14%	42.86%
Series F	0.75%	—	100.00%
Series O	N/A***	—	100.00%

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

(*) 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.

(**) Rate applicable for all investments, including Advisor Series existing before May 14, 2015, systematic investment programs, reinvested distributions and switches.

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

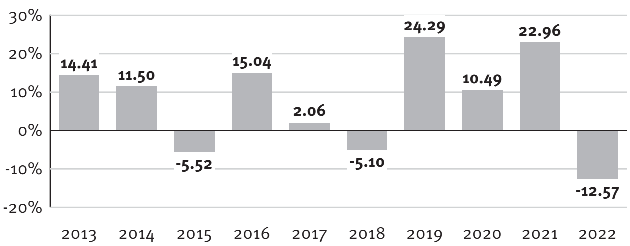
Past Performance

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.

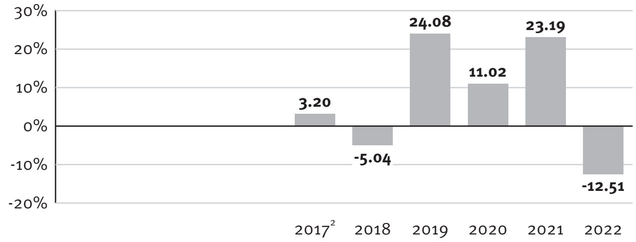
Annual Returns

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, in the case of the Annual management report of fund performance, or by June 30, in the case of the Interim management report of fund performance.

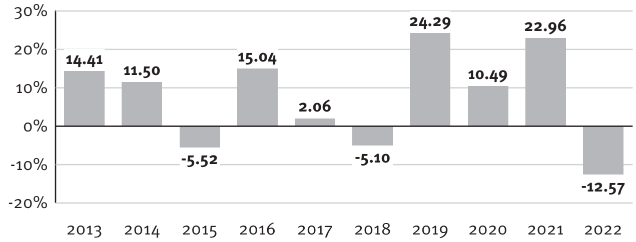
Investor Series



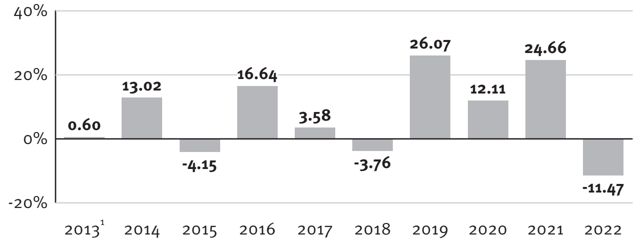
Investor-2 Series



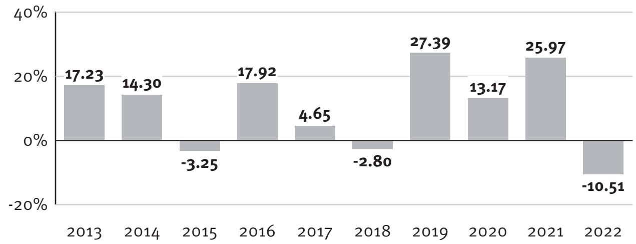
Advisor Series



Series F



Series O



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

(2) 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, 2016, compared with the following benchmark:

- S&P/TSX Composite Index (CAD)

NBI Canadian Equity Growth Fund

	1 year	3 years	5 years	10 years	Since inception
Investor Series[1]	(12.57)%	5.91%	6.98%	7.08%	–
Benchmark	(5.84)%	7.54%	6.85%	7.74%	–
Investor-2 Series[2]	(12.51)%	6.16%	7.11%	–	6.90%
Benchmark	(5.84)%	7.54%	6.85%	–	8.27%
Advisor Series[3]	(12.57)%	5.91%	6.98%	7.08%	–
Benchmark	(5.84)%	7.54%	6.85%	7.74%	–
Series F[4]	(11.47)%	7.35%	8.46%	–	7.84%
Benchmark	(5.84)%	7.54%	6.85%	–	7.27%
Series O[3]	(10.51)%	8.46%	9.58%	9.71%	–
Benchmark	(5.84)%	7.54%	6.85%	7.74%	–

[1]Commencement of operations: September 30, 1987
[2]Commencement of operations: May 19, 2017
[3]Commencement of operations: June 12, 2009
[4]Commencement of operations: December 24, 2013

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 **S&P/TSX Composite Index** is a subset of the S&P/TSX and reflects share price fluctuations of a group of companies listed on the Toronto Stock Exchange (TSX) and weighted by market capitalization.

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

(*) The Advisor Series was created on June 12, 2009.

Net Assets per Unit(1) — Commencement of operations: September 30, 1987

Accounting Period Ended	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31
Net Assets, Beginning of Accounting Period Shown (4)	79.27	64.44	58.32	46.97	49.63
Increase (Decrease) from Operations ($)					
Total revenue	1.13	0.86	0.82	0.90	0.91
Total expenses	(1.70)	(1.77)	(1.48)	(1.41)	(1.32)
Realized gains (losses)	3.78	7.58	5.71	3.44	3.63
Unrealized gains (losses)	(15.17)	7.78	0.63	8.94	(5.07)
Total Increase (Decrease) from Operations ($) (2)	(11.96)	14.45	5.68	11.87	(1.85)
Distributions ($)					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	—	—	—	—	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
Total Annual Distributions ($) (3)	—	—	—	—	—
Net Assets, End of Accounting Period Shown ($) (4)	69.29	79.27	64.44	58.32	46.97

Ratios and Supplemental Data

Accounting Period Ended	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31
Total net asset value (000's of $) (5)	227,904	368,310	475,091	527,536	525,456
Number of units outstanding (5)	3,288,643	4,646,805	7,370,667	9,042,809	11,194,692
Management expense ratio (%) (6)	2.35	2.42	2.46	2.47	2.47
Management expense ratio before waivers or absorptions (%)	2.35	2.42	2.46	2.47	2.47
Trading expense ratio (%) (7)	0.06	0.05	0.09	0.10	0.09
Portfolio turnover rate (%) (8)	64.61	58.91	121.59	78.90	70.78
Net asset value per unit ($)	69.30	79.26	64.46	58.34	46.94

Investor-2 Series

Net Assets per Unit(1) — Commencement of operations: May 19, 2017

Accounting Period Ended	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31
Net Assets, Beginning of Accounting Period Shown (4)	16.63	13.50	12.16	9.81	10.35
Increase (Decrease) from Operations ($)					
Total revenue	0.24	0.18	0.17	0.19	0.19
Total expenses	(0.34)	(0.34)	(0.25)	(0.31)	(0.26)
Realized gains (losses)	0.83	1.53	1.22	0.73	0.74
Unrealized gains (losses)	(3.37)	1.77	0.15	1.80	(1.12)
Total Increase (Decrease) from Operations ($) (2)	(2.64)	3.14	1.29	2.41	(0.45)
Distributions ($)					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	—	—	—	—	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
Total Annual Distributions ($) (3)	—	—	—	—	—
Net Assets, End of Accounting Period Shown ($) (4)	14.55	16.63	13.50	12.16	9.81

Ratios and Supplemental Data

Accounting Period Ended	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31
Total net asset value (000's of $) (5)	15,904	28,034	25,518	24,698	22,034
Number of units outstanding (5)	1,092,906	1,685,980	1,890,438	2,030,496	2,248,311
Management expense ratio (%) (6)	2.26	2.23	1.99	2.61	2.38
Management expense ratio before waivers or absorptions (%)	2.26	2.25	2.02	2.64	2.40
Trading expense ratio (%) (7)	0.06	0.05	0.09	0.10	0.09
Portfolio turnover rate (%) (8)	64.61	58.91	121.59	78.90	70.78
Net asset value per unit ($)	14.55	16.63	13.50	12.16	9.80

Series F

Net Assets per Unit[1] Commencement of operations: December 24, 2013

Accounting Period Ended	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31
Net Assets, Beginning of Accounting Period Shown [4]	22.05	17.69	15.78	12.54	13.06
Increase (Decrease) from Operations ($)					
Total revenue	0.32	0.24	0.23	0.25	0.25
Total expenses	(0.22)	(0.23)	(0.18)	(0.17)	(0.16)
Realized gains (losses)	0.48	1.95	1.71	1.02	0.85
Unrealized gains (losses)	(1.63)	2.45	0.96	1.81	(3.38)
Total Increase (Decrease) from Operations ($) [2]	(1.05)	4.41	2.72	2.91	(2.44)
Distributions ($)					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.02	—	—	0.02	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
Total Annual Distributions ($) [3]	0.02	—	—	0.02	—
Net Assets, End of Accounting Period Shown ($) [4]	19.50	22.05	17.69	15.78	12.54

Ratios and Supplemental Data

Accounting Period Ended	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31
Total net asset value (000's of $) [5]	127,171	45,989	26,712	14,620	7,727
Number of units outstanding [5]	6,521,190	2,086,142	1,509,895	926,257	616,498
Management expense ratio (%) [6]	1.07	1.09	1.05	1.04	1.04
Management expense ratio before waivers or absorptions (%)	1.07	1.09	1.05	1.04	1.04
Trading expense ratio (%) [7]	0.06	0.05	0.09	0.10	0.09
Portfolio turnover rate (%) [8]	64.61	58.91	121.59	78.90	70.78
Net asset value per unit ($)	19.50	22.05	17.69	15.78	12.53

Series O

Net Assets per Unit[1] Commencement of operations: June 12, 2009

Accounting Period Ended	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31
Net Assets, Beginning of Accounting Period Shown [4]	31.96	25.43	22.47	17.71	18.27
Increase (Decrease) from Operations ($)					
Total revenue	0.46	0.35	0.32	0.35	0.34
Total expenses	(0.02)	(0.02)	(0.03)	(0.03)	(0.02)
Realized gains (losses)	1.32	2.84	2.32	1.38	1.22
Unrealized gains (losses)	(5.22)	3.55	0.45	3.03	(2.60)
Total Increase (Decrease) from Operations ($) [2]	(3.46)	6.72	3.06	4.73	(1.06)
Distributions ($)					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.22	0.07	0.01	0.07	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
Total Annual Distributions ($) [3]	0.22	0.07	0.01	0.07	—
Net Assets, End of Accounting Period Shown ($) [4]	28.37	31.96	25.43	22.47	17.71

Ratios and Supplemental Data

Accounting Period Ended	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31
Total net asset value (000's of $) [5]	597,449	706,724	444,951	361,094	251,866
Number of units outstanding [5]	21,054,847	22,115,323	17,495,404	16,066,372	14,229,274
Management expense ratio (%) [6]	0.02	0.02	0.02	0.02	0.02
Management expense ratio before waivers or absorptions (%)	0.02	0.02	0.02	0.02	0.02
Trading expense ratio (%) [7]	0.06	0.05	0.09	0.10	0.09
Portfolio turnover rate (%) [8]	64.61	58.91	121.59	78.90	70.78
Net asset value per unit ($)	28.38	31.96	25.43	22.48	17.70

[1] This information is derived from the Fund's Annual Audited Financial Statements. The net assets per unit presented in the financial statements might differ from the net asset value calculated for fund pricing purposes. The differences are explained in the notes to the financial statements.

[2] Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the average number of units outstanding over the accounting period.

[3] Distributions were paid in cash or reinvested in additional units of the Fund, or both.

[4] The net assets are calculated in accordance with IFRS.

[5] This information is provided as at the last day of the accounting period shown.

[6] Management expense ratio is based on total expenses including sales taxes for the accounting period indicated (excluding commission, other portfolio transaction costs and withholding taxes) and is expressed as an annualized percentage of daily average net value during the accounting period.

[7] The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the accounting period. The trading expense ratio includes, if necessary, the trading expenses from its underlying funds, as described in Article 15.2 of Regulation 81-106.

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

Summary of Investment Portfolio

As of December 31, 2022

Portfolio Top Holdings

	% of Net Asset Value
Cash, Money Market and Other Net Assets	5.8
Stantec Inc.	5.2
TELUS Corp.	4.5
Aon PLC	4.4
Royal Bank of Canada	4.4
Intact Financial Corp.	4.1
Accenture PLC, Class A	3.9
Keysight Technologies Inc.	3.9
Premium Brands Holdings Corp.	3.8
Danaher Corp.	3.7
Canadian National Railway Co.	3.6
Thomson Reuters Corp.	3.6
ON Semiconductor Corp.	3.5
JACOBS SOLUTIONS INC	3.4
Dollarama Inc.	3.2
Becton Dickinson and Co.	3.1
Thermo Fisher Scientific Inc.	3.1
Boyd Group Services Inc.	2.9
CAE Inc.	2.9
BRP Inc.	2.8
Nutrien Ltd.	2.6
Amphenol Corp., Class A	2.5
Linde PLC	2.5
Altus Group Ltd.	2.3
Synopsys Inc.	2.1
	87.8

Net asset value $968,427,403

Asset Mix

	% of Net Asset Value
Canadian Equity	51.3
US Equity	25.4
International Equity	17.5
Cash, Money Market and Other Net Assets	5.8

Sector Allocation

	% of Net Asset Value
Industrials	24.7
Information Technology	16.7
Financials	14.1
Health Care	12.0
Consumer Discretionary	8.3
Materials	5.1
Consumer Staples	4.8
Communication Services	4.5
Real Estate	4.0
Cash, Money Market and Other Net Assets	5.8

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

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

If this investment Fund invests in other investment funds, please consult the prospectus and other information about the underlying investment funds on the website indicated above or on SEDAR's website at www.sedar.com.