

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2022

Canadian Equity Fund

## **NBI *SmartBeta* Canadian 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.

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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 *SmartBeta* Canadian Equity Fund's investment objective is to provide long-term capital growth. The Fund invests directly, or through investments in securities of other mutual funds, in a portfolio composed mainly of equity securities of Canadian companies that are selected using quantitative analysis of risk factors.

The portfolio sub-advisor analyzes securities using a quantitative selection process based on an analysis of various risk measurements, so that each security in the portfolio contributes a similar degree of risk. The final selection of securities, as well as their weight within the portfolio, is determined so as to obtain a diversified portfolio by market sector. It is expected that investments in foreign securities will not exceed approximately 10% of the Fund's assets.

### Risks

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

### Results of Operations

For the twelve-month period ended December 31, 2022, the NBI *SmartBeta* Canadian Equity Fund's Investor Series units returned -5.97% 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 30.67% over the period, from \$420.68 million as at December 31, 2021 to \$291.66 million as at December 31, 2022.

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

Canadian equities declined over the one-year period ending December 31, 2022, largely in response to aggressive monetary tightening by the Bank of Canada ("BoC") amid surging inflationary pressures, geopolitical tensions and a weakening global economic backdrop. Early in 2022, the BoC embarked on an aggressive monetary tightening path to tame elevated inflationary pressures. The BoC raised its benchmark overnight interest rate by a total of 400 basis points ("bps") to 4.25%, the highest level since 2008. Canada's inflation rate reached its highest level since 1983 by midyear before easing. Consumer prices were pushed higher primarily due to surging gasoline and food prices, but price pressures were broad-based, reaching all sectors of the economy. Canada's labour market remained strong as the economy added jobs, while the unemployment rate finished the year lower than where it had begun. Canada's gross domestic product expanded over the period, but there were some signs of weakness. Manufacturing sector activity began to contract late in the year as global demand moderated, which hurt Canada's output. Canada's real estate also came under pressure as demand waned with mortgage rates climbing higher. Within the S&P/TSX Composite Index, the weakest-performing sectors were Health Care, Information Technology and Real Estate. Energy and Consumer Staples delivered the largest returns over the period.

Under these circumstances, the Fund underperformed its benchmark.

The Fund's underweight position and security selection in the Information Technology sector contributed to its relative performance over the period. The Information Technology sector lagged the benchmark over the period as rising interest rates raised questions about the sectors' valuations and future growth potential. From a security selection perspective, the Fund's lack of exposure to Shopify Inc. contributed to its relative performance, as shares of Shopify fell amid an expected slowdown in sales and profits. Also contributing to the Fund's outperformance against the benchmark was its security selection in the Financials sector. The Fund did not hold any shares of Brookfield Corp., whose share price dropped sharply amid concerns of future growth as interest rates rose and asset prices were volatile. The Fund's security selection in the Consumer Discretionary sector also contributed to relative performance against the benchmark. An overweight position in the outperforming Dollarama Inc. aided performance over the year. Shares of Dollarama advanced as tighter financial conditions had Canadian consumers searching for lower-priced goods, including food.

### Recent Developments

The Fund rebalances its portfolio on a quarterly basis, utilizing an investment approach that selects stocks with lower-risk characteristics and weights each stock equally by risk.

The Fund ended the year with several significant sector weight differences compared to the benchmark. The largest overweight allocations were to Utilities (24.6% vs. 4.4%), Consumer Staples (11.9% vs. 4.2%), and Communication Services (11.2% vs. 4.9%) while the largest underweight allocations were to Energy (3.3% vs. 18.0%), Financials (22.6% vs. 30.7%), and Materials (5.4% vs. 12.0%).

As a systematic risk-based manager, we do not forecast future market events or use expectations of future events to influence or change the strategy. Rather, we consistently and systematically apply a strategy that puts risk management at the heart of the portfolio construction process by selecting stocks with lower risk characteristics and weighting all stocks so that each contributes an equal amount of risk. The objective of this approach is to seek outperformance with less volatility over a full market cycle relative to market-capitalization weighted strategies.

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.

### 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.

## Portfolio Manager

The Manager has appointed National Bank Trust Inc. ("NBT"), an indirect wholly-owned subsidiary of the Bank, as the portfolio manager for the Fund. A flat fee is payable annually to NBT for its management services.

## Distribution and Dealer Compensation

NBII acts as principal distributor for the Fund. In this capacity, NBII buys, sells and swaps securities through Bank branches and the National Bank Investments Advisory Service in Canadian provinces and territories, and through external registered representatives. Fund securities are also offered by National Bank Financial Inc. (including its division National Bank Direct Brokerage), CABN Investments (a division of NBII) and other affiliated entities. Brokers may receive, depending on the distributed series, a monthly commission representing a percentage of the average daily value of the securities held by their clients.

## Brokerage Fees

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

	Period ended December 31, 2022
<b>Total brokerage fees</b>	72,064.68
<b>Brokerage fees paid to National Bank Financial</b>	72,064.68

## Holdings

As at December 31, 2022, National Bank Investments Inc. held 388.40 Fund securities for a value of \$4,905.38, which represented close to 0.0018% 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 1.28 Fund securities for a value of \$16.88, 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.

## Independent Review Committee Approvals and Recommendations

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

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

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

## Registered Plan Trust Services

NTC receives a fixed amount per registered account for services provided as trustee for registered plans.

## Administrative and Operating Services

The provision of certain services was delegated by the Fund Manager, NBII, to National Bank Trust Inc. ("NBT"), a wholly-owned indirect subsidiary of the Bank. These include accounting, reporting and portfolio valuation services. The fees incurred for these services are paid to NBT by the Fund manager.

## Management Fees

The Fund pays annual management fees to the Fund manager for its management services. As the Fund invests in underlying funds, the fees and expenses payable in connection with the management of the underlying funds are in addition to those payable by the Fund. However, the Fund manager makes sure that the Fund does not pay any management (or operating) fees that, to a reasonable person, would duplicate a fee payable by the underlying fund for the same service.

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 <sup>†</sup>
Investor Series	1.75%	57.14%	42.86%
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	0.65%	—	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> Rate applicable for all investments, including Advisor Series existing before May 14, 2015, systematic investment programs, reinvested distributions and switches.

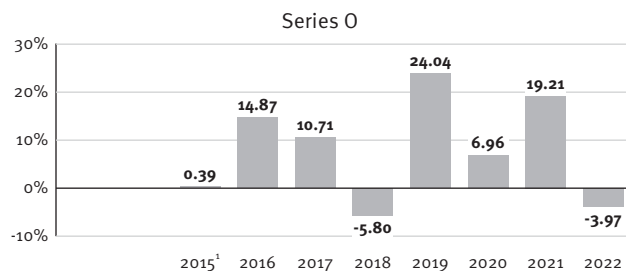
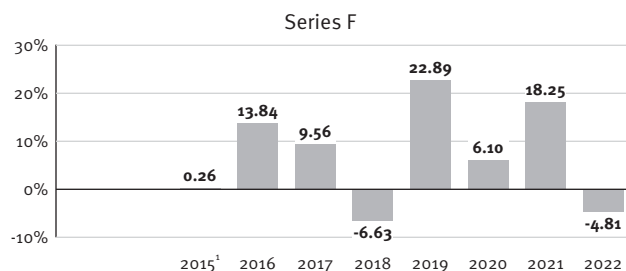
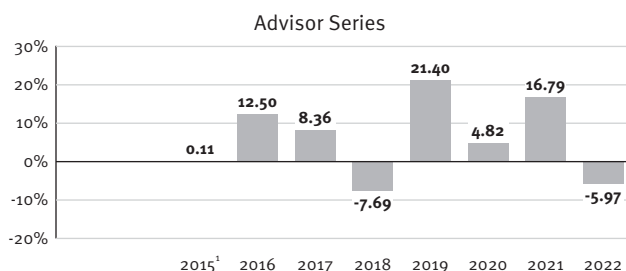
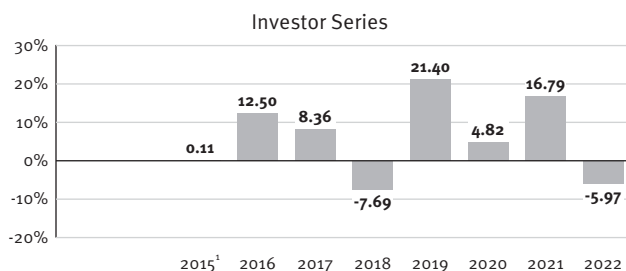
<sup>(\*\*\*)</sup> There are no management fees paid by the Fund with respect to the Series O. Instead, Series O securityholders pay a negotiated administration fee directly to National Bank Investments.

## 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, 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.



<sup>(1)</sup> Returns for the period from October 30, 2015 (commencement of operations) to December 31, 2015.

## 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, 2022, compared with the following benchmark:

- S&P/TSX Composite Index (CAD)

**NBI SmartBeta Canadian Equity Fund**

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>	<b>Since inception</b>
<b>Investor Series<sup>1</sup></b>	(5.97)%	4.80%	5.22%	–	6.53%
Benchmark	(5.84)%	7.54%	6.85%	–	8.58%
<b>Advisor Series<sup>1</sup></b>	(5.97)%	4.80%	5.22%	–	6.53%
Benchmark	(5.84)%	7.54%	6.85%	–	8.58%
<b>Series F<sup>1</sup></b>	(4.81)%	6.10%	6.50%	–	7.80%
Benchmark	(5.84)%	7.54%	6.85%	–	8.58%
<b>Series O<sup>1</sup></b>	(3.97)%	6.98%	7.43%	–	8.76%
Benchmark	(5.84)%	7.54%	6.85%	–	8.58%

<sup>1</sup>Commencement of operations: October 30, 2015

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

Net Assets per Unit <sup>(1)</sup>		Commencement of operations: October 30, 2015				
Accounting Period Ended	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31	
<b>Net Assets, Beginning of Accounting Period Shown<sup>(4)</sup></b>	13.94	13.13	12.53	10.56	11.56	
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.43	0.34	0.27	0.36	0.33	
Total expenses	(0.28)	(0.31)	(0.27)	(0.25)	(0.24)	
Realized gains (losses)	0.62	1.70	(0.02)	0.28	(0.03)	
Unrealized gains (losses)	(1.56)	0.47	0.53	1.96	(0.96)	
<b>Total Increase (Decrease) from Operations (\$)<sup>(2)</sup></b>	(0.79)	2.20	0.51	2.35	(0.90)	
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	—	—	—	—	—	
From dividends	0.15	0.01	—	0.12	0.11	
From capital gains	0.19	1.38	—	0.17	—	
Return of capital	—	—	—	—	—	
<b>Total Annual Distributions (\$)<sup>(3)</sup></b>	0.34	1.39	—	0.29	0.11	
<b>Net Assets, End of Accounting Period Shown (\$)<sup>(4)</sup></b>	12.77	13.94	13.13	12.53	10.56	

### 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 \$) <sup>(5)</sup>	4,282	4,970	4,377	2,303	2,258
Number of units outstanding <sup>(6)</sup>	335,212	356,600	333,297	183,749	213,912
Management expense ratio (%) <sup>(4)</sup>	2.09	2.11	2.12	2.11	2.11
Management expense ratio before waivers or absorptions (%)	2.10	2.12	2.12	2.11	2.11
Trading expense ratio (%) <sup>(7)</sup>	0.02	0.03	0.04	0.03	0.03
Portfolio turnover rate (%) <sup>(8)</sup>	67.69	83.30	94.28	54.02	108.16
Net asset value per unit (\$)	12.77	13.94	13.13	12.53	10.56

### Series F

Net Assets per Unit <sup>(1)</sup>		Commencement of operations: October 30, 2015				
Accounting Period Ended	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31	
<b>Net Assets, Beginning of Accounting Period Shown<sup>(4)</sup></b>	14.35	13.34	12.66	10.66	11.72	
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.43	0.35	0.27	0.37	0.33	
Total expenses	(0.12)	(0.13)	(0.11)	(0.11)	(0.11)	
Realized gains (losses)	0.73	1.67	0.07	0.28	0.04	
Unrealized gains (losses)	(1.40)	0.52	0.39	1.94	(0.95)	
<b>Total Increase (Decrease) from Operations (\$)<sup>(2)</sup></b>	(0.36)	2.41	0.62	2.48	(0.69)	
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	—	—	—	—	—	
From dividends	0.30	0.17	0.09	0.27	0.28	
From capital gains	0.17	1.25	—	0.17	—	
Return of capital	—	—	—	—	—	
<b>Total Annual Distributions (\$)<sup>(3)</sup></b>	0.47	1.42	0.09	0.44	0.28	
<b>Net Assets, End of Accounting Period Shown (\$)<sup>(4)</sup></b>	13.20	14.35	13.34	12.66	10.66	

### 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 \$) <sup>(5)</sup>	7,401	15,133	11,466	5,497	4,937
Number of units outstanding <sup>(6)</sup>	560,641	1,054,822	859,367	434,232	463,319
Management expense ratio (%) <sup>(4)</sup>	0.86	0.87	0.87	0.91	0.98
Management expense ratio before waivers or absorptions (%)	0.87	0.88	0.88	0.91	0.99
Trading expense ratio (%) <sup>(7)</sup>	0.02	0.03	0.04	0.03	0.03
Portfolio turnover rate (%) <sup>(8)</sup>	67.69	83.30	94.28	54.02	108.16
Net asset value per unit (\$)	13.20	14.35	13.34	12.66	10.66

## Series O

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

Commencement of operations: October 30, 2015

Accounting Period Ended	2022	2021	2020	2019	2018
	December 31	December 31	December 31	December 31	December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	14.46	13.52	12.92	10.77	11.80
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.44	0.36	0.28	0.38	0.35
Total expenses	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Realized gains (losses)	0.63	1.76	(0.21)	0.28	(0.07)
Unrealized gains (losses)	(1.68)	0.47	0.81	1.81	(0.96)
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(0.62)	2.58	0.87	2.46	(0.69)
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.47	0.31	0.30	0.29	0.30
From capital gains	0.21	1.35	—	0.15	0.04
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.68	1.66	0.30	0.44	0.34
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	13.22	14.46	13.52	12.92	10.77

### Ratios and Supplemental Data

Accounting Period Ended	2022	2021	2020	2019	2018
	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) <sup>(5)</sup>	277,561	390,992	288,314	296,354	168,397
Number of units outstanding <sup>(5)</sup>	20,994,697	27,037,984	21,318,561	22,942,403	15,635,606
Management expense ratio (%) <sup>(6)</sup>	0.03	0.03	0.03	0.03	0.03
Management expense ratio before waivers or absorptions (%)	0.03	0.03	0.03	0.03	0.03
Trading expense ratio (%) <sup>(7)</sup>	0.02	0.03	0.04	0.03	0.03
Portfolio turnover rate (%) <sup>(8)</sup>	67.69	83.30	94.28	54.02	108.16
Net asset value per unit (\$)	13.22	14.46	13.52	12.92	10.77

## Private Series\*

<sup>(1)</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	2022	2021	2020	2019	2018
	December 31	December 31	December 31	December 31	December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	13.71	13.05	12.39	10.29	11.52
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.41	0.31	0.26	0.37	0.38
Total expenses	(0.11)	(0.11)	(0.11)	(0.10)	(0.10)
Realized gains (losses)	0.60	1.23	(0.01)	0.26	(0.36)
Unrealized gains (losses)	(1.39)	1.23	0.81	1.57	(1.00)
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(0.49)	2.66	0.95	2.10	(1.08)
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.95	0.30	0.11	0.15	0.07
From capital gains	0.50	1.43	—	0.12	0.40
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	1.45	1.73	0.11	0.27	0.47
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	11.62	13.71	13.05	12.39	10.29

### Ratios and Supplemental Data

Accounting Period Ended	2022	2021	2020	2019	2018
	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) <sup>(5)</sup>	2,421	9,584	20,006	9,943	2,928
Number of units outstanding <sup>(5)</sup>	208,358	699,106	1,533,577	802,168	284,547
Management expense ratio (%) <sup>(6)</sup>	0.80	0.76	0.83	0.84	0.83
Management expense ratio before waivers or absorptions (%)	0.80	0.76	0.83	0.84	0.83
Trading expense ratio (%) <sup>(7)</sup>	0.02	0.03	0.04	0.03	0.03
Portfolio turnover rate (%) <sup>(8)</sup>	67.69	83.30	94.28	54.02	108.16
Net asset value per unit (\$)	11.62	13.71	13.05	12.39	10.29

- <sup>(1)</sup> This information is derived from the Fund's Annual Audited Financial Statements. The net assets per unit presented in the financial statements might differ from the net asset value calculated for fund pricing purposes. The differences are explained in the notes to the financial statements.
- <sup>(2)</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the average number of units outstanding over the accounting period.
- <sup>(3)</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both.
- <sup>(4)</sup> The net assets are calculated in accordance with IFRS.
- <sup>(5)</sup> This information is provided as at the last day of the accounting period shown.
- <sup>(6)</sup> Management expense ratio is based on total expenses including sales taxes for the accounting period indicated (excluding commission, other portfolio transaction costs and withholding taxes) and is expressed as an annualized percentage of daily average net value during the accounting period.
- <sup>(7)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the accounting period. The trading expense ratio includes, if necessary, the trading expenses from its underlying funds, as described in Article 15.2 of Regulation 81-106.
- <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, 2022

### Portfolio Top Holdings

	% of Net Asset Value
Hydro One Inc.	4.0
Shaw Communications Inc., Class B	3.2
Fortis Inc.	3.1
Atco Ltd., Class I	2.8
Canadian Utilities Ltd., Class A	2.5
Emera Inc.	2.5
Barrick Gold Corp.	2.4
Rogers Communications Inc., Class B	2.3
Quebecor Inc., Class B	2.2
Fairfax Financial Holdings Ltd.	2.1
Thomson Reuters Corp.	2.1
Capital Power Corp.	2.0
Loblaw Companies Ltd.	2.0
Franco-Nevada Corp.	2.0
Metro Inc.	1.9
BCE Inc.	1.8
Empire Company Ltd., Class A	1.8
Intact Financial Corp.	1.8
Royal Bank of Canada	1.7
Enbridge Inc.	1.7
George Weston Ltd.	1.7
TMX Group Ltd.	1.7
Northland Power Inc.	1.7
Saputo Inc.	1.7
Cash, Money Market and Other Net Assets	0.4
	53.1

Net asset value .....\$291,664,290

### Asset Mix

	% of Net Asset Value
Canadian Equity	99.1
Exchange Traded Funds	0.5
Cash, Money Market and Other Net Assets	0.4

### Sector Allocation

	% of Net Asset Value
Utilities	23.8
Financials	23.0
Consumer Staples	11.4
Communication Services	11.1
Industrials	11.0
Materials	5.5
Energy	4.5
Consumer Discretionary	4.0
Information Technology	3.8
Real Estate	1.0
Exchange Traded Funds	0.5
Cash, Money Market and Other Net Assets	0.4

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](http://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](http://www.sedar.com).