

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2019

NBI Portfolio

NBI Growth Portfolio

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 Growth Portfolio's investment objective is to ensure long-term capital appreciation and some current income. To do this, it invests primarily in a diverse mix of mutual funds (that may include exchange-traded funds ("ETFs")) that are fixed income funds and equity funds.

The portfolio manager invests up to 100% of its net assets in mutual funds and ETFs. The portfolio may also invest in other mutual funds managed by third parties (ETFs and other types of mutual funds are collectively referred to as "Underlying Funds"). The portfolio manager applies a tactical allocation valuation process in which asset allocation and the choice of Underlying Funds are subject to frequent changes depending on economic and market conditions. When the target asset allocation and the choice of Underlying Funds are modified, the Fund is generally rebalanced based on the new selection.

Risks

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

Results of Operations

For the twelve-month period ended December 31, 2019, the NBI Growth Portfolio's Investor Series units returned 16.80% compared to 18.70% for the Fund's blended benchmark. The broad-based indices, the Morningstar Canada Large-Mid Index (CAD), the Morningstar U.S. Large Cap Index (CAD) and the Morningstar Canada Liquid Bond Index (CAD), returned 22.74%, 25.34% and 7.53% respectively. Unlike the indices, 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 rose by 39.47% over the period, from \$657.37 million as at December 31, 2018 to \$916.86 million as at December 31, 2019.

The net asset value increase stemmed mainly from unit purchases by investors in the Fund as well as market fluctuations.

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

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

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

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

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

Emerging Markets ("EM") also posted double-digit gains for the year despite 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. On Sept. 16, a drone attack shut down about 5.7M b/d of crude production in Saudi Arabia, the biggest single supply disruption ever, but output was subsequently restored within weeks. Most industrial and precious metals also rallied, including copper and iron ore, gold, silver and platinum, while soft commodities were mixed. Gold rose to a 6-year high as a perceived safe haven against geopolitical tensions.

Along with most of the rest of the world, the Canadian equity market performed very well in 2019. The S&P/TSX index, which gained 22.8% throughout the year, reached several all-time highs during the period, lastly on December 20th, boosted by upbeat economic data from China amid growing optimism over an initial U.S.-China trade deal. The index was mainly driven by the Information Technology sector increasing by 64.1% and Utilities names gaining 37.5%. The only detractors this year was the Health Care sector losing 10.9% thanks to the unimpressive performance of names in the cannabis sector. Canadian small caps for their part, underperformed their larger relatives over the period, while still posting a return of 15.8%. The Energy and Health Care sectors were the only detractors, losing 18.9% and 20.1% respectively while the Financial and Utilities sectors outperformed, gaining respectively 48.1% and 35.9%.

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

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

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

In Canada, the overall Canadian bond universe index ended 2019 with a return of 6.87%. With interest rates lower on the year, all sectors posted gains for the period. However, provincial and municipal bonds were still among the best performers, as were longer-term issues.

Within credit assets, high yield bonds (lower than BBB-rated) outperformed investment grade corporate bonds, returning about 10.4% all in, compared to 8.1% for all Canadian corporate bonds. Sector-wise, the Energy and Infrastructure sectors led the other sectors, gaining respectively 11.2% and 11.4% whereas securitized assets and the Financial sector underperformed, gaining, however, 4.7% and 5.2%.

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

In this environment, global equities generated the strongest returns among the asset classes held in the Fund followed by U.S. and Canadian equities while emerging markets lagged, but still generated better results than bonds. While fixed income assets also ended the year in positive territory, high yield bonds outpaced investment grade bonds (BBB-rated and above). Preferred equities for their part, lagged the other asset classes.

Given this context, the Fund underperformed its blended index for the period. Among the different mandates, the NBI Global Equity Fund was the biggest contributor of performance overall followed by the NBI U.S. Equity Index Fund. The NBI Canadian Equity Growth Fund and the NBI Canadian Equity Index Fund also added value in the equity component of the portfolio. The NBI Unconstrained fixed income Fund and the NBI High yield bond Fund also stood out from the other fixed income funds held in the portfolio.

In counterpart, exposure to the NBI Canadian Small Cap Fund which underperformed larger cap detracted some value to the overall portfolio, but a judicious selection of stocks helped somewhat counter this impact. Less successful stock selection in the NBI Canadian Equity Fund, the NBI Canadian All Cap equity Fund and the NBI SmartData U.S. Equity Fund also hindered some returns. Exposure and selection in preferred equities have also been detrimental.

Recent Developments

With monetary conditions set to remain accommodative and global growth expected to pick up, 2020 is shaping up to be a positive year for risk assets. However, investors must temper their return expectations given the already high level of valuation for most financial assets. What more, high optimism currently reflected in the markets calls for some prudence in the near term. Under these circumstances, the portfolio manager still considers his modest overweight in equities as the right positioning.

Within the equity market, he's well aware of a growing consensus in favour of shifting assets away from the U.S. market and into more cyclical indices such as Canada S&P/TSX and the MSCI Emerging markets – a legitimate choice assuming that global growth does indeed accelerate. Yet, it is specifically for this reason that he's already holding more of these last two regions than what his /geographical relative trend model" currently recommends. Therefore, he's keeping his geographical asset mix unchanged for now, but could soon bring changes depending on how market trends evolve.

In the bond market, the backdrop of rising inflation, better growth and stable overnight policy rates should lead to steeper yield curves through modestly higher long-term interest rates. Against this background, shorter duration spread products should fare relatively well within the fixed income space, but he doesn't expect returns much better than their current yield-to-maturity.

Turning to the FX market, he expects the U.S. dollar to face some headwinds in the coming months as global growth rebounds and the risk-on mood is reflected as such in the FX space. This should in turn support the Canadian dollar which has so far benefitted only slightly from the United States-Mexico-Canada Agreement's "USMCA" ratification and a sharp rise in interest rate spreads late last year. That said, the Loonie's upside potential seems limited so long as the Bank of Canada doesn't adopt a more hawkish tone, something he doesn't foresee for now.

In the commodity space, crude oil prices are likely to remain strong this year, benefitting from sustained OPEC+ supply cuts, growing demand, reduced trade uncertainties, and a weaker U.S. dollar. As for gold, while it also tends to benefit from dollar weakness and provides a good hedge against most of the key risks prevailing this year, he doesn't see the precious metal maintaining its 2019 momentum under his base case scenario.

Under these circumstances, he will follow various inflation measures through the year. They should tell us whether monetary tightening is coming sooner than expected, or if recent monetary easing fails in its attempt to re-anchor inflation expectations on target. Geopolitics should also keep investors on their toes as tensions between the U.S. and China -albeit not as severe as last year - could take markets by surprise. And, finally, the U.S. Presidential campaign is likely to bring its share of uncertainties, as investors and businesses will have to weigh in the potential for higher taxes and greater regulatory burden against four more years of Trumpism.

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.

On June 19, 2019, changes were made to the Fund in order to optimize it. Given this context, the NBI Canadian Bond Index Fund, the NBI Canadian Equity Index Fund, the NBI U.S. Equity Index Fund, the NBI International Equity Index Fund and the iShares Core MSCI Emerging Markets ETF were replaced by the NBI Tactical Asset Allocation Fund. This Fund invests primarily in ETFs and index mutual funds and is used to make tactical adjustments within NBI Portfolios.

Related Party Transactions

National Bank of Canada (“the Bank”) and its affiliated companies’ roles and responsibilities related to the Fund are as follows:

Trustee

National Bank Trust Inc. (“NBT”), a wholly-owned indirect subsidiary of the Bank, is the Fund’s trustee. In this capacity, it is the legal owner of the Fund’s investments.

Custodian and Registrar

Natcan Trust Company (“NTC”) acts as registrar for the Fund’s securities and the names of securityholders. NTC also acts as the Fund’s custodian. The fees for NTC’s custodial services are based on the standard rates in effect at NTC.

Agent for securities lending transactions

NTC acts as the agent for securities lending transactions acts on behalf of the Fund in administering securities lending transactions entered into by the Fund. NTC is an affiliate of the Manager.

Fund Manager

The Fund is managed by National Bank Investments Inc. (“NBII”), which is a wholly-owned subsidiary of the Bank. Therefore, NBII provides or ensures the provision of all general management and administrative services required by the Fund’s current operations, including investment consulting, the arrangement of brokerage contracts for the purchase and sale of the investment portfolio, bookkeeping and other administrative services required by the Fund.

The Manager pays the operating expenses of the Fund other than its “Fund costs” (defined below) (the “variable operating expenses”), in exchange for the Fund’s payment to the Manager of annual fixed-rate administration fees with respect to each series of the Fund.

The administration fees are equal to a specified percentage of the net asset value of each series of the Fund, calculated and paid in the same manner as the Fund’s management fees. The variable operating expenses payable by the Manager include, but are not limited to: transfer agency and recordkeeping costs; custodial costs; accounting and valuation fees; audit fees and legal fees; costs of preparing and distributing financial reports, simplified prospectuses, annual information forms, Fund Facts, continuous disclosure material and other securityholder communications; and costs of trustee services relating to registered tax plans, as applicable.

In addition to administration fees, the Fund shall also pay certain Fund costs, namely: taxes (including, but not limited to, GST/HST and income taxes); costs of compliance with any changes to existing governmental or regulatory requirements introduced after August 1, 2013; costs of compliance with any new governmental or regulatory requirements, including any new fees introduced after August 1, 2013; interest and borrowing costs; costs related to external services that were not commonly charged in the Canadian mutual fund industry as at August 1, 2013; Independent Review Committee costs, including compensation paid to IRC members, travel expenses, insurance premiums and costs associated with their continuing education; and variable operating expenses incurred outside of the normal course of business of the Fund.

The Manager may, from time to time and at its sole discretion, decide to absorb a portion of a series’ management fees, administration fees or Fund costs.

As described under the heading *Management Fees*, the Fund pays annual management fees to NBII as consideration for its services.

Portfolio Manager

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

Distribution and Dealer Compensation

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

Brokerage Fees

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

	Period ended December 31, 2019
Total brokerage fees	987.28
Brokerage fees paid to National Bank Financial	987.28

Holdings

Registered Plan Trust Services

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

Administrative and Operating Services

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

Management Fees

The Fund pays annual management fees to the Fund manager for its management services. The fees are calculated based on a percentage of the Fund’s daily net asset value before applicable taxes and are paid on a monthly basis. A portion of the management fees paid by the Fund covers maximum annual trailer fees and sales commissions paid to brokers. The remainder of the management fees primarily covers investment management and general administration services. The breakdown of major services provided in consideration of the management fees, expressed as an approximate percentage of the management fees is as follows:

Series	Management Fees	Distribution	Others [†]
Investor Series and Series R	1.90%	47.37%	52.63%
Investor-2 Series	1.40%	50.00%	50.00%

^(†) 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.

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.



⁽¹⁾ Returns for the period from May 19, 2017 (commencement of operations) to December 31, 2017.

Annual Compounded Performance

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

The blended benchmark (the "Benchmark") is composed of:

- Morningstar Canada Large-Mid Index (CAD) (28%)
- Morningstar U.S. Large Cap Index (CAD) (28%)
- Morningstar Canada Liquid Bond Index (CAD) (20%)
- Morningstar Developed Markets ex North America Index (CAD) (16%)
- Morningstar Emerging Markets Large-Mid Index (CAD) (8%)

The broad-based indices are as follows:

- Broad-based index 1: Morningstar Canada Large-Mid Index (CAD)
- Broad-based index 2: Morningstar U.S. Large Cap Index (CAD)
- Broad-based index 3: Morningstar Canada Liquid Bond Index (CAD)

NBI Growth Portfolio

	1 year	3 years	5 years	10 years	Since inception
Investor Series¹	16.80%	-	-	-	4.88%
Benchmark	18.70%	-	-	-	10.31%
Broad-based index 1	22.74%	-	-	-	9.62%
Broad-based index 2	25.34%	-	-	-	18.03%
Broad-based index 3	7.53%	-	-	-	3.98%
Investor-2 Series¹	17.60%	-	-	-	5.69%
Benchmark	18.70%	-	-	-	10.31%
Broad-based index 1	22.74%	-	-	-	9.62%
Broad-based index 2	25.34%	-	-	-	18.03%
Broad-based index 3	7.53%	-	-	-	3.98%
Series R¹	16.68%	-	-	-	4.98%
Benchmark	18.70%	-	-	-	10.31%
Broad-based index 1	22.74%	-	-	-	9.62%
Broad-based index 2	25.34%	-	-	-	18.03%
Broad-based index 3	7.53%	-	-	-	3.98%

¹Commencement of operations: May 19, 2017

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

Index Descriptions

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

The **Morningstar U.S. Large Cap Index** measures the performance of U.S. large-cap stocks, which represent 70% of this investment universe.

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

The **Morningstar Developed Markets ex North America Index** measures the performance of businesses in developed markets that do not include North America. It covers approximately 97% of the total market capitalization of developed markets that do not include North America.

The **Morningstar Emerging Markets Large-Mid Index** measures the performance of emerging markets by targeting 90% of shares, based on their order of importance in terms of market capitalization.

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

The previous blended benchmark was composed of:

- MSCI World Index (CAD) (55%)
- S&P/TSX Composite Index (CAD) (25%)
- FTSE Canada Universe Bond Index (CAD) (20%)

The previous broad-based indices were as follows:

- Broad-based index 1: FTSE Canada Universe Bond Index (CAD)
- Broad-based index 2: MSCI World Index (CAD)
- Broad-based index 3: S&P/TSX Composite Index (CAD)

NBI Growth Portfolio

	1 year	3 years	5 years	10 years	Since inception
Investor Series¹	16.80%	–	–	–	4.88%
Benchmark	18.76%	–	–	–	9.65%
Broad-based index 1	6.87%	–	–	–	3.74%
Broad-based index 2	21.22%	–	–	–	11.85%
Broad-based index 3	22.88%	–	–	–	9.36%
Investor-2 Series¹	17.60%	–	–	–	5.69%
Benchmark	18.76%	–	–	–	9.65%
Broad-based index 1	6.87%	–	–	–	3.74%
Broad-based index 2	21.22%	–	–	–	11.85%
Broad-based index 3	22.88%	–	–	–	9.36%
Series R¹	16.68%	–	–	–	4.98%
Benchmark	18.76%	–	–	–	9.65%
Broad-based index 1	6.87%	–	–	–	3.74%
Broad-based index 2	21.22%	–	–	–	11.85%
Broad-based index 3	22.88%	–	–	–	9.36%

¹Commencement of operations: May 19, 2017

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the accounting periods shown.

Investor Series

Net Assets per Unit⁽¹⁾

Commencement of operations: May 19, 2017

Accounting Period Ended	2019	2018	2017
	December 31	December 31	December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.70	10.29	10.00
Increase (Decrease) from Operations (\$)			
Total revenue	0.19	0.15	0.07
Total expenses	(0.25)	(0.24)	(0.14)
Realized gains (losses)	0.18	0.07	0.06
Unrealized gains (losses)	1.45	(0.75)	0.69
Total Increase (Decrease) from Operations (\$) ⁽²⁾	1.57	(0.77)	0.68
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⁾	11.33	9.70	10.29

Ratios and Supplemental Data

Accounting Period Ended	2019	2018	2017
	December 31	December 31	December 31
Total net asset value (000's of \$) ⁽⁵⁾	866,227	609,192	225,574
Number of units outstanding ⁽⁵⁾	76,475,504	62,782,074	21,930,886
Management expense ratio (%) ⁽⁶⁾	2.40	2.39	2.40
Management expense ratio before waivers or absorptions (%)	2.48	2.47	2.45
Trading expense ratio (%) ⁽⁷⁾	0.07	0.06	0.10
Portfolio turnover rate (%) ⁽⁸⁾	15.73	36.43	14.68
Net asset value per unit (\$)	11.33	9.70	10.29

Investor-2 Series

Net Assets per Unit⁽¹⁾

Commencement of operations: May 19, 2017

Accounting Period Ended	2019	2018	2017
	December 31	December 31	December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.83	10.34	10.00
Increase (Decrease) from Operations (\$)			
Total revenue	0.18	0.13	0.06
Total expenses	(0.18)	(0.17)	(0.10)
Realized gains (losses)	0.18	0.07	0.03
Unrealized gains (losses)	1.57	(0.50)	1.01
Total Increase (Decrease) from Operations (\$) ⁽²⁾	1.75	(0.47)	1.00
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⁾	11.56	9.83	10.34

Ratios and Supplemental Data

Accounting Period Ended	2019	2018	2017
	December 31	December 31	December 31
Total net asset value (000's of \$) ⁽⁵⁾	45,823	43,796	52,078
Number of units outstanding ⁽⁵⁾	3,965,120	4,454,779	5,036,759
Management expense ratio (%) ⁽⁶⁾	1.70	1.61	1.64
Management expense ratio before waivers or absorptions (%)	1.70	1.61	1.64
Trading expense ratio (%) ⁽⁷⁾	0.07	0.06	0.11
Portfolio turnover rate (%) ⁽⁸⁾	15.73	36.43	14.68
Net asset value per unit (\$)	11.56	9.83	10.34

Series R

Net Assets per Unit⁽¹⁾

Commencement of operations: May 19, 2017

Accounting Period Ended	2019	2018	2017
	December 31	December 31	December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	8.90	9.96	10.00
Increase (Decrease) from Operations (\$)			
Total revenue	0.15	0.13	0.06
Total expenses	(0.22)	(0.22)	(0.14)
Realized gains (losses)	0.15	0.06	0.04
Unrealized gains (losses)	1.37	(0.54)	0.87
Total Increase (Decrease) from Operations (\$) ⁽²⁾	1.45	(0.57)	0.83
Distributions (\$)			
From net investment income (excluding dividends)	—	—	—
From dividends	—	—	—
From capital gains	—	—	—
Return of capital	0.49	0.55	0.32
Total Annual Distributions (\$) ⁽³⁾	0.49	0.55	0.32
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.87	8.90	9.96

Ratios and Supplemental Data

Accounting Period Ended	2019	2018	2017
	December 31	December 31	December 31
Total net asset value (000's of \$) ⁽⁵⁾	4,812	4,383	3,684
Number of units outstanding ⁽⁵⁾	487,542	492,729	370,063
Management expense ratio (%) ⁽⁶⁾	2.40	2.39	2.40
Management expense ratio before waivers or absorptions (%)	2.46	2.47	2.41
Trading expense ratio (%) ⁽⁷⁾	0.07	0.06	0.11
Portfolio turnover rate (%) ⁽⁸⁾	15.73	36.43	14.68
Net asset value per unit (\$)	9.87	8.90	9.96

⁽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, 2019

Portfolio Top Holdings

	% of Net Asset Value
NBI Global Equity Fund, Series O	21.8
NBI SmartData U.S. Equity Fund, Series O	14.4
NBI Tactical Asset Allocation Fund	9.7
NBI Diversified Emerging Markets Equity Fund, Series O	7.6
NBI SmartData International Equity Fund, Series O	7.0
NBI Canadian Equity Growth Fund, Series O	6.7
NBI Canadian Equity Fund, Series O	6.5
NBI Canadian All Cap Equity Fund, Series O	6.3
NBI Small Cap Fund, Series O	6.1
NBI Bond Fund, Series O	5.4
NBI Corporate Bond Fund, Series O	2.9
NBI Unconstrained Fixed Income Fund, Series O	1.9
NBI Global Tactical Bond Fund, Series O US	1.7
NBI Preferred Equity Fund, Series O	1.1
NBI High Yield Bond Fund, Series O	1.0
Cash, Money Market and Other Net Assets	(0.1)
	100.0

Net asset value \$916,861,583

Asset Mix

	% of Net Asset Value
US Equity	31.6
International Equity	24.3
Canadian Equity	21.1
Corporate Bonds	5.3
Provincial Bonds	2.4
Foreign Bonds	2.1
US Bonds	1.4
Federal Bonds	1.3
Preferred Shares	1.1
Exchange Traded Funds	1.0
Asset Backed Securities	0.7
Municipal Bonds	0.6
Mortgage Backed Securities	0.4
Derivative Products	(0.5)
Cash, Money Market and Other Net Assets	7.2

Sector Allocation

	% of Net Asset Value
Financials	14.5
Bonds	13.1
Information Technology	12.7
Industrials	11.1
Consumer Discretionary	9.6
Health Care	7.8
Consumer Staples	6.9
Energy	4.7
Materials	4.0
Communication Services	3.8
Real Estate	1.8
Utilities	1.2
Exchange Traded Funds	0.9
Asset Backed Securities	0.7
Mortgage Backed Securities	0.4
Derivative Products	(0.4)
Cash, Money Market and Other Net Assets	7.2

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.