NBI Exchange-Traded Funds

Interim Management Report of Fund Performance

For the period ended June 30, 2023

NATIONAL BANK INVESTMENTS

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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

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NBI Sustainable Global Equity ETF

Notes on forward-looking statements

This report may contain forward-looking statements concerning the ETF, 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 interim management report of fund performance contains financial highlights, but does not contain the complete interim financial statements of the ETF. You can get a copy of the interim financial statements of the ETF at your request, and at no cost, by calling 1-866-603-3601, by emailing us at investments@nbc.ca, 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 ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Results of Operations

For the six-month period ended June 30, 2023, the NBI Sustainable Global Equity ETF's units returned 9.43% compared to 12.40% for the ETF's benchmark, the MSCI World Index. Unlike the benchmark, the ETF's performance is calculated after fees and expenses. Please see the *Past Performance* section for the ETF's returns, which may vary mainly because of fees and expenses.

The Fund's net asset value rose by 21.74% over the period, from $481.58 million as at December 31, 2022 to $586.26 million as at June 30, 2023.

The increase stemmed mainly from investments in the Fund by other NBI Funds.

Global equity markets rebounded strongly from 2022, with the MSCI ACWI rising 11.3% for H1 2023 in CAD.

The year got off to a strong start amid economic data that was more resilient than generally feared and the rebound of profitless (i.e., lower quality) companies, but was quickly altered by a scare across the Financials sector with the failure of Silicon Valley Bank. This triggered a flight to safety in mega-cap technology names in March, which helped growth stocks outperform value and large cap outperform small caps for the quarter.

The second quarter continued to see narrow leadership from US technology companies and FANGS albeit with some tentative broadening towards the end of the period. The excitement about AI, disinflation traction and anticipation of a pause from the Fed propelled growth stocks, which strongly outperformed their value counterparts, and erased all of the underperformance that occurred in 2021 and 2022.

The rebound in investor sentiment on the back of NVIDIA's strong results and the potential for AI brought back "FOMO," while masking brewing challenges for economic growth and corporate fundamentals in the second half of the year. Indeed, growth concerns are not completely gone in our view, evidenced by cyclical factor underperformance and weakness in commodities such as oil.

This extreme narrowness of market leadership proved challenging for the Fund that otherwise fared quite well, recovering some ground notably in May and June as we benefitted from AI exposures and as the market started broadening towards the end of the second quarter.

Under these circumstances, the Fund underperformed its benchmark.

Top 3 contributors:

• West Pharmaceutical, from our Health theme, is a drug-delivery solutions company that enables more effective and consumer-friendly drug consumption via novel delivery systems and easier-to-use syringes. Shares performed strongly in the first quarter after the company provided comforting earnings guidance for 2023 amidst concerns about the headwind on results from lower COVID-19 vaccine-related product sales. West's underlying, ex-COVID-related product sales have performed strongly in recent years, and the company is well positioned to continue to benefit from selling critical drug packaging and delivery systems that enable biotechnology medicines to reach patients.

• SMC, from our Climate theme, makes pneumatic equipment that controls motion in production lines, machine tools, moving parts, and robots. Shares benefitted from continued tailwinds with growing investment in automation, expansion in Capex in EV and Semi and good momentum with acquisition of new customers.

• OnSemi, from our Climate theme, engages in the provision of power and sensing solutions, as well as technologies for the electrification of the automotive industry. The company contributed after posting strong results and raised long-term targets during its analyst day, citing robust silicon carbide device demand and a booming EV market. Onsemi technologies are the cornerstones of EV transformation.

Top 3 detractors:

• SVB Financial, from our Empowerment theme, operated one of the only banks in the world that provided financial services to the "global innovation market." Shares declined as the bank was placed in receivership (and subsequently sold) following its failure triggered by unprecedentedly swift and large run-on deposits. This was one of the smallest positions in the portfolio but nonetheless detracted significantly from the results. While we were aware of the risks associated with the company—from the cash burn at VC-backed startups (the majority of SVB clients), the mismatch between assets and liabilities (normal course of business for banks) and the more difficult funding environment, and had conducted proper due diligence into its liquidity, we did not anticipate a run on the bank created by VC firms advising their portfolio companies to move their deposits elsewhere. This was triggered following the company's announcement of the disposal of its Available For Sale (AFS) securities portfolio and subsequent capital raise.

• Calix, from our Empowerment theme, provides cloud, software platforms, systems and services to communications service providers, notably smaller providers who are largely responsible for providing internet access to rural America. The stock detracted during the period amid concerns around the macro environment causing its customers to slow broadband deployments and ongoing supply chain headwinds. Calix customers are some of the most aggressive in the market and view a downturn as an opportunity to take share from the larger players. We continue to see a significant revenue growth opportunity ahead from Cloud and managed services, and the looming Federal Stimulus funding for broadband will add to the growth engine over the next couple of years.

• Deere & Co., from our Health theme, provides precision agriculture equipment and technology to enable higher crop yields and reduce the amount of fertilizer used. The company detracted amid concerns across the capital goods space that supply chains are still being disrupted with access to specific parts still hard to come by. Also, lower horsepower and more consumer-oriented equipment could face near-term pressure as consumer demand wanes.

Recent Developments

As per our investment process, all positioning changes are a result of bottom-up considerations. At the margin, we're adding to durability and safety, and continue to be mindful of our exposure to longer duration, higher valuation names and cyclicality.

We remain overweight Technology, Healthcare, and Industrials. In contrast, we are underweight Materials and Consumer Discretionary, and have no exposure to Communication Services, Energy, or Real Estate.

There were no major top-down changes in sector allocation or region allocation that had a significant impact on the Fund's performance throughout the year.

The macro backdrop has become more favourable to thematic investing. When economic growth becomes scarce, investors tend to rotate towards companies that can sustain sales and profit growth; our sustainable themes have a lot to offer. Within our Climate theme, the shift towards safer and more electric vehicles (EV) continues apace, driven by increasing model choice and auto OEM preference. Spending on EVs is being increased and adoption is accelerated because of government incentives globally. We're also seeing a standardization of charging guidelines here in the US, which should encourage further adoption. Every EV rolling off the line contains significantly more electronic content, benefitting suppliers in this ecosystem.

Within our Empowerment theme, the phenomenon that is ChatGPT has highlighted the capabilities of AI to create better customer experiences and increase productivity by facilitating software development and co-creation with engineers and other content creators. Generative AI models are often massive in size (up to 500 million parameters) and require a significant amount of computation to train and run, which in turn creates a robust tailwind for computing firms. Per NVIDIA, these new transformer AI models require 273x more power every two years, placing an even greater focus on energy efficiency strategies—an area in which we have several investments.

Within the Health theme, one persistent challenge is the labour shortage facing the healthcare industry (i.e., nurses and doctors), which pressures the capacity of hospitals to treat patients. We own several medical device companies in our portfolios that provide solutions to improve nurse and doctor productivity and enable patients to be treated in less acute care settings such as the home, all while improving patient care and outcomes. Furthermore, new diagnostic tests and instruments help automate manual work in laboratories and speed up medical decisions. Challenges like these are long-term in nature, and demand for solutions to these challenges should be less dependent on the macroeconomic environment for growth.

We believe a portfolio with companies on the right side of change, trading at reasonable valuations, provides a strong combination for the current market environment. Resilient fundamentals and attractive valuations for growth stocks beyond the mega caps have created a powerful setup for us to develop the Portfolio with a collective group of companies that embody these views.

On May 1, 2023, the ETF's independent review committee (the "IRC") was increased to four members when Stéphanie Raymond-Bougie was appointed as an IRC member.

Related Party Transactions

National Bank Investments Inc. (the "manager") is the manager and promoter of the ETF. Accordingly, it is entitled to receive, in exchange for the services that it provides to the ETF, management fees paid to it by the ETF (see "Management Fees" below).

From time to time, the manager may, on behalf of the ETF, carry out transactions or sign agreements to involve certain persons or companies related to it, to the extent that these transactions or agreements are, in its opinion, in the interest of the ETF. The description of the transactions or agreements between the ETF and a related party is provided in this section.

Members of the manager's group may earn fees or spreads in connection with services provided to, or transactions with, the NBI ETF, including in connection with brokerage and derivatives transactions.

Trustee

The manager has retained the services of Natcan Trust Company to serve as trustee for the ETF and has retained the services of National Bank Trust to serve as portfolio manager.

Designated Broker

The manager has signed an agreement with National Bank Financial Inc. ("NBF"), a company affiliated with NBI, under which NBF will serve as a designated broker for the ETF. The designated broker agreement signed with NBF is in keeping with market conditions.

Brokerage Fees

The ETF may pay broker's commissions at market rates to a corporation affiliated with National Bank Investments Inc. The brokerage fees paid by the ETF for the period are as follows:

	Period ended June 30, 2023
Total brokerage fees	80,155.68
Brokerage fees paid to National Bank Financial	-

Holdings

As at June 30, 2023, ownership of the redeemable units outstanding of the ETF was held by the following NBI Funds as indicated below:

NBI Funds	Ownership of the redeemable units outstanding of the ETF %
NBI Secure Portfolio	0.86
NBI Conservative Portfolio	5.34
NBI Moderate Portfolio	9.50
NBI Balanced Portfolio	21.03
NBI Growth Portfolio	11.58
NBI Equity Portfolio	5.04
NBI Sustainable Global Equity Fund	43.71

Transactions between the NBI Funds and the ETF were carried out in the normal course of business. The portfolio manager for these Funds is National Bank Trust Inc.

Management Fees

The management fee is payable to the ETF manager in consideration of the services that the manager provides to the ETF in its capacity as manager, such as managing the day-to-day business and affairs of the ETF.

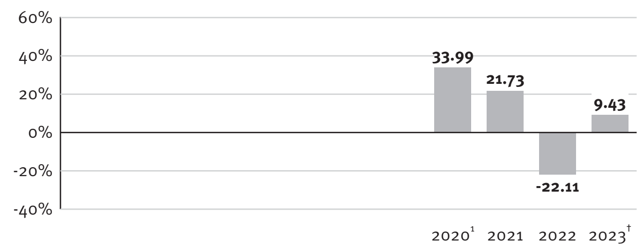
The ETF pays an annual management fee of 0.65% to the ETF manager for its management services. The fees are calculated based on a percentage of the ETF's daily net asset value before applicable taxes and are paid on a monthly basis. The management fees primarily covers investment management and general administration services.

Past Performance

The performance of the ETF, presented below and calculated as at December 31 of each year, is based on the net asset value of the ETF. It assumes that all distributions made in the periods shown were reinvested in additional units of the ETF. These returns do not take into account sales, redemption charges, distributions, or optional charges that would have reduced returns. Past performance of an ETF does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The bar chart indicates the performance of the ETF for each of the years shown and illustrates how the performance has changed from year to year. It shows, in percentage terms, how much an investment made on January 1 (or made commencing from the start of the ETF) 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.



(1) Returns for the period from March 4, 2020 (commencement of operations) to December 31, 2020.

(†) Returns for the period from January 1, 2023 to June 30, 2023.

Financial Highlights

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

Net Assets per Unit[1] Commencement of operations: March 4, 2020

Accounting Period Ended	2023 June 30	2022 December 31	2021 December 31	2020 December 31
Net Assets, Beginning of Accounting Period Shown [2]	32.32	41.61	34.24	25.00
Increase (Decrease) from Operations ($)				
Total revenue	0.23	0.36	0.29	0.18
Total expenses	(0.13)	(0.25)	(0.28)	(0.22)
Realized gains (losses)	(0.74)	(1.57)	0.39	1.03
Unrealized gains (losses)	3.51	(5.21)	8.08	8.66
Total Increase (Decrease) from Operations [3]	2.87	(6.67)	8.48	9.65
Distributions ($)				
From net investment income (excluding dividends)	—	0.09	0.07	—
From dividends	—	—	—	—
From capital gains	—	—	0.35	0.65
Return of capital	—	—	—	—
Total Annual Distributions [4]	—	0.09	0.42	0.65
Net Assets, End of Accounting Period Shown [2]	35.37	32.32	41.61	34.24

Ratios and Supplemental Data

Accounting Period Ended	2023 June 30	2022 December 31	2021 December 31	2020 December 31
Total net asset value (000's of $) [5]	586,260	481,583	377,624	11,129
Number of units outstanding [5]	16,575,000	14,900,000	9,075,000	325,000
Management expense ratio (%) [6]	0.75	0.75	0.74	0.74
Management expense ratio before waivers or absorptions (%)	0.75	0.75	0.74	0.74
Trading expense ratio (%) [7]	—	—	—	—
Portfolio turnover rate (%) [8]	22.42	35.31	17.23	39.82
Net asset value per unit ($)	35.37	32.32	41.61	34.24
Closing market price [9]	35.44	32.30	41.73	34.33

(1) This information is derived from the ETF's Annual Audited Financial Statements and Interim Unaudited Financial Statements. The net assets per unit presented in the financial statements might differ from the net asset value calculated for ETF pricing purposes. The differences are explained in the notes to the financial statements.

(2) The net assets are calculated in accordance with IFRS.

(3) 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.

(4) Distributions were paid in cash or reinvested in additional units of the ETF, or both.

(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 ETF's portfolio turnover rate indicates how actively the ETF portfolio's manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the accounting period. The higher an ETF's portfolio turnover rate in an accounting period, the greater the trading costs payable by the ETF 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 an ETF.

(9) Closing market price on the last trading day of the year as reported on the TSX.

Summary of Investment Portfolio

As of June 30, 2023

Portfolio Top Holdings

	% of Net Asset Value
Cash, Money Market and Other Net Assets	3.9
Flex Ltd.	3.4
Microsoft Corp.	2.9
Waste Management Inc.	2.8
Deere & Co.	2.7
London Stock Exchange Group PLC	2.7
Visa Inc., Class A	2.7
Adobe Systems Inc.	2.4
Accenture PLC	2.3
Deutsche Boerse AG	2.3
Infineon Technologies AG	2.3
MSCI Inc.	2.2
Becton Dickinson and Co.	2.1
Danaher Corp.	2.1
Steris PLC	2.1
Tetra Tech Inc.	2.1
Icon PLC	2.0
Taiwan Semiconductor Manufacturing Co. Ltd.	2.0
West Pharmaceutical Services Inc.	2.0
AFLAC Inc.	1.9
ASML Holding NV	1.9
Experian Group Ltd.	1.9
Partners Group Holding AG	1.9
SMC Corp.	1.9
Unilever PLC	1.9
	58.4

Net asset value	$586,259,542

Regional Allocation

	% of Net Asset Value
United States	53.4
Ireland	7.6
United Kingdom	7.5
Germany	4.6
Netherlands	3.5
Switzerland	3.4
India	3.3
Japan	3.3
Taiwan	2.9
Denmark	2.7
Hong Kong	1.5
China	1.2
Norway	1.2
Cash, Money Market and Other Net Assets	3.9

Sector Allocation

	% of Net Asset Value
Information Technology	34.7
Health Care	16.5
Industrials	15.9
Financials	12.4
Consumer Staples	9.0
Consumer Discretionary	3.8
Utilities	2.5
Materials	1.3
Cash, Money Market and Other Net Assets	3.9

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

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