

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2023

Canadian Equity Fund  
**NBI Quebec Growth Fund**

## Notes on forward-looking statements

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

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

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

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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.sedarplus.ca](http://www.sedarplus.ca), 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 Quebec Growth Fund's investment objective is to ensure long-term capital growth. The Fund primarily invests in equity securities of corporations whose head office is in Quebec or who do a substantial part of their business in Quebec. It invests in many sectors of the Quebec economy, including communications and media, conglomerates, consumer products, financial services, industrial products, merchandising, metals and minerals, paper and forest products, transportation and environment, and utilities. The Fund provides investors with a way to participate in economic growth in Quebec as part of a diversified portfolio.

The portfolio manager analyzes small, medium and large capitalization companies. When selecting securities in the Fund, the portfolio manager favours security selection over sector rotation and seeks companies with growth potential. 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, 2023, the NBI Quebec Growth Fund's Investor Series units returned 13.32% compared to 4.79% for the Fund's benchmark, the S&P/TSX Small Cap 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 rose by 18.36% over the period, from \$477.73 million as at December 31, 2022 to \$565.44 million as at December 31, 2023.

The increase stemmed mainly from unit purchases by investors in the Fund and market fluctuations.

During the course of 2023, Canadian small-cap equities were volatile but finished on a strong note. North American Central Bank rate hikes appear to be over. Inflation is on its way back within target ranges. Despite the contraction of the Canadian economy and the slowdown in U.S. growth, investors have regained their optimism. They are now anticipating interest rate cuts in the first half of 2024, which is driving markets forward.

Over the course of the year, the S&P/TSX Index returned 11.8%; Information Technology and Health Care were the best performing sectors, gaining 69.2% and 18.3% respectively. Telecommunication Services and Materials were the only two sectors in the red, with respective losses of 3.9% and 1.3%.

Canadian small caps underperformed their larger peers, gaining 5.82% in 2023. The Information Technology and Industrials sectors were the two top-performing sectors with respective returns of 40.4% and 21.7%. The Telecommunication Services and Real Estate sectors were the top detractors, losing 16.9% and 14.5% respectively throughout the year.

In this context, the Fund outperformed its benchmark.

Our performance during the period is mostly explained by the quality of our stock picking. Our investment style favouring higher quality companies was beneficial as they outperformed the market during the period.

Our major positive contributors came from Logistec, Stella-Jones, Richelieu Hardware, Parkland Corporation and Alimentation Couche-Tard. Our major negative contributors came from GDI Integrated Facility Services, Boralex, Jamieson Wellness, Canadian Net REIT and Innergex Renewable Energy.

### Recent Developments

During the period, we initiated a new position in Colliers International, Core & Main, CBIZ, Descartes Systems, Mainstreet Equity, MTY Food Group, Neogen, Pool Corporation, RB Global, SNC-Lavalin, and SPX Technologies.

Colliers International is a diversified real estate services and investment management provider. Its main activities are comprised of sales brokerage, lease brokerage, advisory services, and investment management services. The company operates globally and has a strong history of growing organically and by acquisitions. Its recent growth in the investment management business has increased its recurring revenues and improved its resiliency. We believe that the recent share price drop has provided a great entry point as investors are concerned that its brokerage activities will slow down with higher interest rates affecting the real estate market.

Core & Main is a distributor of water, wastewater, storm drainage and fire protection products. We like its leading market share positioning as it is one of two national distributors in the United States. The company was spun out of HD Supply in 2017 and was held privately until it proceeded to its IPO in 2021. Since its IPO, the company has shown consistent growth organically with the construction of new greenfield locations and inorganically with the announcement of multiple acquisitions. We like its exposure to the municipal repair and replacement market that we consider resilient in tougher economic times. We also like its exposure to large infrastructure spending programs that will provide growth over the mid to long term. The company has a great cash flow conversion profile with ample financial capacity to fund future growth while returning capital to shareholders.

CBIZ provides professional business services to corporations to better manage finances, employees, and insurance needs. Its services include accounting, tax, financial advisory, government healthcare consulting, risk advisory and valuation services. It offers its services in more than 33 states in the United States. We like its long-term growth profile as it competes in a large, fragmented, and growing market. Most of its services are recurring in nature and offer cross-selling opportunities across its expanding client base.

Descartes Systems is a provider of logistics and supply chain management solutions around the world. Its network which provides electronic document exchange is comprised of more than 200,000 customers. The company has achieved consistent sales growth and has a strong free cash flow generation profile. We believe that company will continue to generate meaningful growth with cross-selling initiatives and with strategic acquisitions funded by internal cash flows.

Mainstreet Equity owns a portfolio of multifamily residential properties across Western Canada. It has grown to more than 17,000 units focused on the older, mid-market rental category. It identifies and acquires underperforming units at attractive prices and creates value through renovations, operational efficiencies and increasing rents. We believe that the company will be benefiting from numerous tailwinds in the upcoming quarters including strong migration, the lack of available affordable housing and a rebounding Western economy.

We like MTY Food Group's free cash flow model. We are impressed by the resiliency of the recent results. MTY has been able to adjust prices to offset increases and has not seen a material impact on traffic. The company recently announced a large acquisition (Wetzel Pretzels) that will further expand its presence in the United States and diversify its portfolio of brands.

Neogen develops, manufactures, and markets products and services for the food and animal safety industry. In addition, Neogen is the largest animal genomics company in the world. The company continues to grow internally with newly developed products and inorganically with acquisitions. It recently closed the largest acquisition in its history when it acquired 3M's Food safety business. We believe that this acquisition has the potential to be transformative once it's integrated. The food and animal safety have large addressable markets that are growing and benefiting from numerous investments. We believe that Neogen has lots of room to grow and increase profitability meaningfully from current levels.

Pool Corporation is the world's largest wholesale distributor of swimming pool and related outdoor living products. It operates 430 sales centres in 41 U.S. states and 12 countries. We like its competitive positioning and the fact that most of its sales are maintenance and non-discretionary related. Its leading competitive positioning provides them a diverse assortment of products that others can't offer and pricing power. The company has a great history of growing organically and by acquisitions while returning money to shareholders.

RB Global is a leading omnichannel marketplace that provides value-added insights, services and transactions solutions for buyers and sellers of commercial assets and vehicles worldwide. The company recently completed the acquisition of IAA, a leading global digital marketplace for total-loss, damaged and low-value vehicles. We like the merits of this transaction as we believe it will create value for shareholders as synergies are captured and growth initiatives are realized. The IAA acquisition also provides an entry in a counter-cyclical and resilient vehicle market that nicely complements its current business.

SNC-Lavalin is a fully integrated professional services and project management company. It offers a broad range of services including design and engineering, project, and construction management, operational and maintenance and decommissioning of assets. We believe that SNC's profitability will improve significantly as it exits the business of lump sum turnkey construction projects that were difficult to execute in the last few years. We also anticipate that growth will be impressive in the next few years in both its engineering services and nuclear segments that are benefiting from numerous tailwinds.

SPX Technologies is a supplier of engineered products and technologies serving the heating, ventilation and air conditioning, and detection measurement markets. Over the past few years, the company has successfully transformed itself into a more simplified business and now has a more resilient portfolio of products. The majority of its revenue comes from replacement demand. We expect it to continue to grow organically with market share gains and accretive M&A.

During the period, we sold our positions in Guru, Innergex Renewable Energy, Lassonde Industries, OpSens, Premium Brands, Uni-Select and Wesdome Mines.

In terms of changes to existing positions, we increased our weighting in Andlauer Healthcare, Pet Valu, Intact Financial, GDI Integrated Facility Services, and Logistec. On the other hand, we decreased our weighting in TFI International, Cargojet, Quebecor, Nuvei and Stella-Jones.

#### **Current over and underweight positions**

- On a sector level, our biggest weightings at the end of the period were in Industrials, Financials, and Consumer Discretionary.
- On a security level, our top holdings at the end of the period were WSP Global, Richelieu Hardware, Logistec, GDI Integrated Facility Services and Alimentation Couche-Tard.
- Our current positioning is the result of our bottom-up, long-term investment approach. We are looking to invest in tomorrow's global leaders that have a clear and defined growth strategy. Our investment horizon is long-term if the business plan is evolving in the right direction.

- We have limited exposure to commodity sectors (notwithstanding a small exposure to gold) and no exposure to the energy sector. Also, we have minimal exposure to Canadian banks (except for our investment in National Bank of Canada), which differentiates us from most existing Canadian equity funds.

- The growth of the global economy is presently challenged, and many investors are expecting the economy to slow down as higher interest rates take their toll on consumer sentiment.

- The rise of inflation, increasing energy costs, the lack of productivity caused by labour shortages have notably tempered growth expectations. Although supply chain issues have been resolved in some cases, we continue to monitor closely the availability of certain materials or goods that continue to be difficult to obtain.

- As the trajectory of the economy is difficult to predict, we remain focused on investing in companies that have a strong balance sheet and a resilient business model.

- We expect our companies to be active on the acquisition front and further consolidate their marketplace. We also expect some of our investments to become takeover targets as larger companies or private equity funds deploy their excess capital.

- We are optimistic that the companies held in our portfolio will adapt to a somewhat challenging short-term environment and become stronger in their respective markets. Challenges can be surmounted and can even offer opportunities to grow and gain market share versus weaker competitors. Our companies have strong balance sheets and will be able to invest for growth while others won't be able to do so. With their strong balance sheets, they will also be on the lookout for M&A to create value for shareholders.

On May 1, 2023, the Fund'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 of Canada ("the Bank") and its affiliated companies' roles and responsibilities related to the Fund are as follows:

### **Trustee, Custodian, and Registrar**

Natcan Trust Company ("NTC"), a direct or indirect wholly-owned subsidiary of the Bank, is the Fund's trustee. In this capacity, it is the legal owner of the Fund's investments.

NTC acts as registrar for the Fund's securities and the names of securityholders. NTC also acts as the Fund's custodian. The fees for NTC's custodial services are based on the standard rates in effect at NTC.

### **Agent for securities lending transactions**

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

### **Fund Manager**

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

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

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

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

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

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

#### 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, 2023
<b>Total brokerage fees</b>	163,244.77
<b>Brokerage fees paid to National Bank Financial</b>	11,054.62

#### 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. 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	0.75%	—	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.

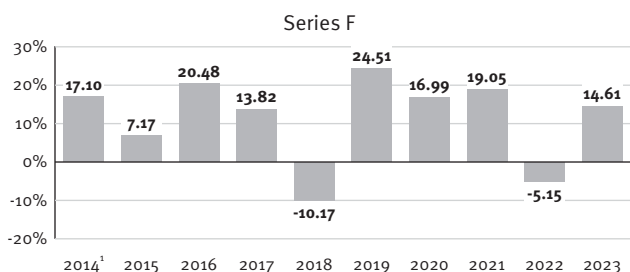
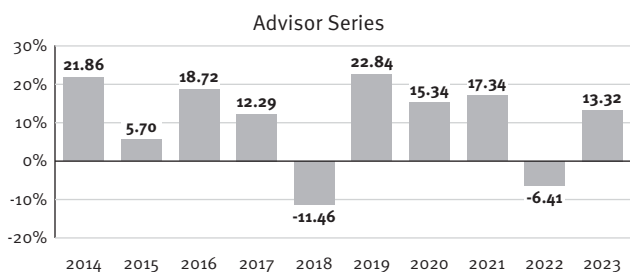
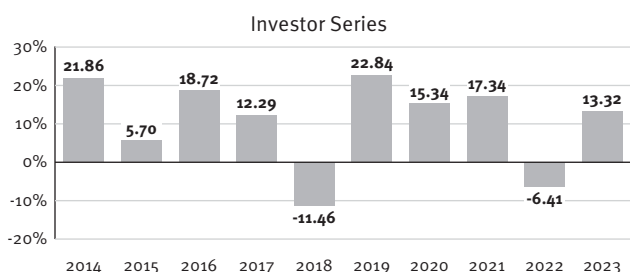
<sup>(\*\*)</sup> Rate applicable for all investments, including Advisor Series existing before May 14, 2015, systematic investment programs, reinvested distributions and switches.

## 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 May 21, 2014 (commencement of operations) to December 31, 2014.

### 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, 2023, compared with the following benchmark:

- S&P/TSX Small Cap Index (CAD)

## NBI Quebec Growth Fund

	1 year	3 years	5 years	10 years	Since inception
<b>Investor Series<sup>1</sup></b>	13.32%	7.56%	12.01%	10.36%	–
Benchmark	4.79%	4.57%	8.37%	3.95%	–
<b>Advisor Series<sup>2</sup></b>	13.32%	7.56%	12.01%	10.36%	–
Benchmark	4.79%	4.57%	8.37%	3.95%	–
<b>Series F<sup>3</sup></b>	14.61%	8.98%	13.52%	–	11.77%
Benchmark	4.79%	4.57%	8.37%	–	3.35%

<sup>1</sup>Commencement of operations: July 23, 1999

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

<sup>3</sup>Commencement of operations: May 21, 2014

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 Small Cap Index** is capitalization weighted and consists of small cap companies trading on the Toronto Stock Exchange that meet criteria relating to minimum size, liquidity and issuer rating.

## Financial Highlights

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

### Investor / Advisor\* Series

<sup>(1)</sup> The Advisor Series was created on February 8, 2002.

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

Commencement of operations: July 23, 1999

Accounting Period Ended	2023 December 31	2022 December 31	2021 December 31	2020 December 31	2019 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	96.50	104.39	88.96	77.10	62.79
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	1.97	1.86	1.40	1.24	1.78
Total expenses	(2.34)	(2.45)	(2.58)	(1.89)	(1.83)
Realized gains (losses)	3.92	5.55	6.26	0.96	(0.18)
Unrealized gains (losses)	9.20	(12.52)	10.05	11.02	14.58
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	12.75	(7.56)	15.13	11.33	14.35
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	—	—	—	—	—
From capital gains	—	1.19	—	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	—	1.19	—	—	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	109.35	96.50	104.39	88.96	77.10

### Ratios and Supplemental Data

Accounting Period Ended	2023 December 31	2022 December 31	2021 December 31	2020 December 31	2019 December 31
Total net asset value (ooo's of \$) <sup>(5)</sup>	206,720	197,628	284,789	228,567	207,024
Number of units outstanding <sup>(5)</sup>	1,890,506	2,048,049	2,728,002	2,569,373	2,684,191
Management expense ratio (%) <sup>(6)</sup>	2.25	2.46	2.53	2.52	2.52
Management expense ratio before waivers or absorptions (%)	2.25	2.46	2.53	2.52	2.52
Trading expense ratio (%) <sup>(7)</sup>	0.03	0.03	0.03	0.05	0.04
Portfolio turnover rate (%) <sup>(8)</sup>	23.79	18.27	21.85	22.51	22.98
Net asset value per unit (\$)	109.35	96.50	104.39	88.96	77.13

### Series F

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

Commencement of operations: May 21, 2014

Accounting Period Ended	2023 December 31	2022 December 31	2021 December 31	2020 December 31	2019 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	25.18	26.81	22.52	19.25	15.46
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.52	0.50	0.37	0.32	0.44
Total expenses	(0.31)	(0.29)	(0.30)	(0.21)	(0.20)
Realized gains (losses)	1.05	1.51	1.58	0.27	(0.04)
Unrealized gains (losses)	2.38	(2.89)	2.26	2.90	3.65
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	3.64	(1.17)	3.91	3.28	3.85
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	—	—	—	—	—
From capital gains	—	0.25	—	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	—	0.25	—	—	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	28.86	25.18	26.81	22.52	19.25

### Ratios and Supplemental Data

Accounting Period Ended	2023 December 31	2022 December 31	2021 December 31	2020 December 31	2019 December 31
Total net asset value (ooo's of \$) <sup>(5)</sup>	358,722	280,097	202,330	105,651	81,616
Number of units outstanding <sup>(5)</sup>	12,430,704	11,124,869	7,547,205	4,690,908	4,239,054
Management expense ratio (%) <sup>(6)</sup>	1.11	1.11	1.11	1.11	1.11
Management expense ratio before waivers or absorptions (%)	1.11	1.11	1.11	1.11	1.11
Trading expense ratio (%) <sup>(7)</sup>	0.03	0.03	0.03	0.05	0.04
Portfolio turnover rate (%) <sup>(8)</sup>	23.79	18.27	21.85	22.51	22.98
Net asset value per unit (\$)	28.86	25.18	26.81	22.52	19.25



- <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. The management expense ratio includes, if necessary, the management expenses from its underlying funds, as described in Article 15.2 of Regulation 81-106.
- <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, 2023

### Portfolio Top Holdings

	% of Net Asset Value
WSP Global Group Inc.	5.0
Logistec Corp., Class B	4.9
Richelieu Hardware Ltd.	4.9
GDI Integrated Facility Services Inc.	4.7
Alimentation Couche-Tard Inc.	4.5
iA Financial Corp Inc.	4.1
Héroux-Devtek Inc.	3.8
National Bank of Canada, 0.01%, due May 10, 2023	3.6
Cash, Money Market and Other Net Assets	3.6
CGI Group Inc., Class A	3.5
Savaria Corp.	3.5
Parkland Corp.	2.9
TECSYS Inc.	2.9
Dollarama Inc.	2.8
Champion Iron Ltd.	2.7
Stella-Jones Inc.	2.7
Goeasy Ltd.	2.5
Pet Valu Holdings Ltd.	2.4
Intact Financial Corp.	2.2
Andlauer Healthcare Group Inc.	2.1
CBIZ Inc.	2.1
Metro Inc.	2.1
CAE Inc.	2.0
Sleep Country Canada Holdings Inc.	2.0
TFI International Inc.	2.0
	79.5

Net asset value ..... \$565,442,604

### Asset Mix

	% of Net Asset Value
Canadian Equity	88.7
US Equity	5.0
International Equity	2.7
Cash, Money Market and Other Net Assets	3.6

### Sector Allocation

	% of Net Asset Value
Industrials	38.4
Consumer Discretionary	12.9
Financials	11.1
Consumer Staples	7.8
Information Technology	7.7
Materials	7.3
Real Estate	3.8
Energy	2.9
Health Care	2.5
Communication Services	1.2
Utilities	0.7
Cash, Money Market and Other Net Assets	3.7

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.sedarplus.ca](http://www.sedarplus.ca).