

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2024

Fixed Income Private Portfolio

NBI Non-Traditional Fixed Income Private 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, 800 Saint-Jacques Street, Transit 44331, Montreal, Quebec, H3C 1A3, by visiting our website at www.nbinvestments.ca, by visiting SEDAR+'s website at 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 Non-Traditional Fixed Income Private Portfolio's investment objective is to provide current income while focusing on capital preservation. The Fund invests directly, or through investments in securities of other mutual funds, in a portfolio composed mainly of fixed income securities of issuers around the world selected using different nontraditional investment strategies.

The Fund's investment process is based on selecting mutual funds that offer exposure to the different asset classes mentioned above and to a combination of non-traditional investment strategies aimed at obtaining a low correlation with the main market indices. The portfolio manager selects mutual funds by applying risk management strategies, including tactical global diversification strategies and rotation among various asset classes.

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, 2024, the NBI Non-Traditional Fixed Income Private Portfolio's Series F units returned 6.13% compared to 3.99% for the Fund's blended benchmark. The broad-based index, the Bloomberg Global Aggregate Index (CAD Hedged), returned 7.25%. 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.

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 13.75% over the period, from \$1.834 billion as at December 31, 2023 to \$2.086 billion as at December 31, 2024.

The growth stemmed mainly from net purchases by unitholders of the Fund and from market fluctuations.

At the beginning of 2024, a climate of cautious optimism had set in. Indeed, while 2023 had just ended with a spectacular rebound, central banks were still faced with the daunting challenge of starting to lower interest rates when inflation was not yet back on target, but several previously flawless recession indicators had already been triggered. Ultimately, optimism prevailed, with inflation continuing to slow, central banks cutting rates and the U.S. economy continuing to exceed all expectations, stock markets enjoyed a spectacular year in 2024. Bonds, for their part, had a lackluster year, posting a performance similar to that of cash.

On the fixed-income side, the risk-on environment favoured Canadian corporate bonds and high-yield U.S. securities. Conversely, government securities posted more modest annual returns in Canada, but especially in the U.S. Among commodities, the price of oil ended the year virtually unchanged. In addition, the economic and political environment was very favourable for gold, with an annual gain of 27.1% exceeding that of equities. Lastly, the U.S. dollar appreciated strongly during the year, the Greenback being buoyed by the relative outperformance of the U.S. economy and threats of tariffs from the incoming Trump administration.

The NBI Non-Traditional Fixed Income Private Portfolio outperformed its benchmark, which consists of 67% Bloomberg Global Aggregate Index (CAD-hedged) and 33% ICE BofA US High Yield Index Constrained (CAD-hedged). Among the biggest contributors to outperformance was the Purpose Structured Equity Yield Portfolio. This fund succeeded in adding value thanks to the good performance of equity markets during the year. The NBI Floating Rate Income Fund was also among the best-performing underlyings. The fund's performance is the result of gap management, good curve positioning and stock selection. Only one fund proved to be a performance detractor, NBI Global Sustainable Bond Fund, which underperformed the benchmark due to a less aggressive rate cut than expected.

Recent Developments

During the period, the portfolio reduced its exposure to NBI Unconstrained Fixed Income Fund in favor of all other funds held by the portfolio. The Canadian Private Preferred Equity Portfolio was also replaced by the NBI Global Sustainable Bond Fund. The portfolio has a shorter duration than the benchmark. The portfolio is also overexposed to credit relative to the benchmark.

For 2025, many investment professionals feel the most likely scenario implies that a soft landing will be confirmed in the first half of the year. While this should finally turn the page on four years of major economic disruption linked to the pandemic, investors are nonetheless faced with high valuations, a weakened economy and heightened political uncertainty with Donald Trump's return to the White House considerably muddying the waters.

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

Fund Manager

The Fund is managed by National Bank Investments Inc. ("NBI"), which is an indirect wholly-owned subsidiary of the Bank. Therefore, NBI 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 NBI as consideration for its services.

Portfolio Manager

The Manager has appointed National Bank Trust Inc. ("NBT"), a direct and 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

National Bank Financial Inc. ("NBF") acts as principal distributor for the Advisor Series, Series F, Series F5 or Series T5 of the Fund. NBF may receive, depending on the distributed series, a monthly commission representing a percentage of the average daily value of the securities held by its clients.

National Bank Savings and Investments Inc. ("NBSI") acts as principal distributor for the Series N and Series NR of the Fund. Trailing commissions are covered by NBI Private Wealth Management's service fees, which are paid directly by investors.

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 NBI 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 NBI and without taking into account any consideration relevant to an entity related to NBI. 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

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

Management Fees

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

The fees are calculated based on a percentage of the Fund's daily net asset value before applicable taxes and are paid on a monthly basis. Under the *Distribution* heading, expenses include the broker's compensation consisting of the maximum annual trailer fees and sales commissions paid to brokers. Under the *Other* heading, the fees relate mainly to investment management, investment advisory services, general administration and profit.

The management fees paid by the Fund only cover management of fund investments, i.e. the fees related to management of fund portfolios constituting the profiles of the NBI Private Wealth Management service ("PWM"). General administration services, trailer fees and sale commissions paid to brokers are covered by the PWM's service fees, which are paid directly by investors. 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 [†]
Series F	0.60%	—	100.00%
Series N and Series NR*	0.60%	—	100.00%

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

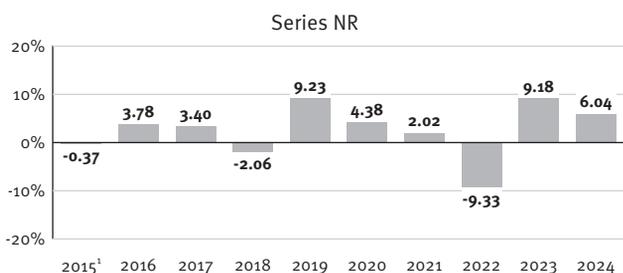
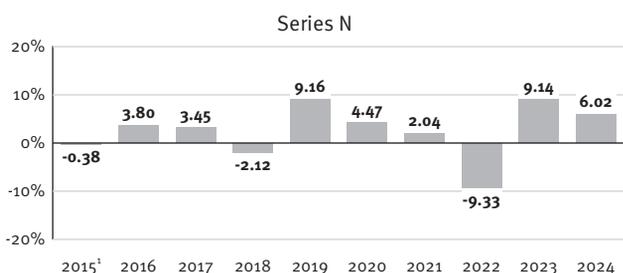
^(*) For Series N and NR, offered only to investors using the NBI Private Wealth Management service ("PWM"), management fees only cover management of fund investments, i.e. the fees related to management of fund portfolios constituting the PWM profiles. General administration services, trailer fees and sale commissions paid to brokers are covered by the PWM's service fees, which are paid directly by investors.

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.



⁽¹⁾ Returns for the period from October 28, 2015 (commencement of operations) to December 31, 2015.

⁽²⁾ Returns for the period from May 20, 2022 (commencement of operations) to December 31, 2022.

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, 2024, compared with the following benchmark:

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

- Bloomberg Global Aggregate Index (CAD Hedged) (67%)
- ICE BofA US High Yield Constrained Index (CAD Hedged) (33%)

The broad-based index is the Bloomberg Global Aggregate Index (CAD Hedged).

NBI Non-Traditional Fixed Income Private Portfolio

	1 year	3 years	5 years	10 years	Since inception
Series F¹	6.13%	-	-	-	5.04%
Benchmark	3.99%	-	-	-	4.52%
Broad-based index	7.25%	-	-	-	9.41%
Series N²	6.02%	1.61%	2.26%	-	2.71%
Benchmark	3.99%	(0.12)%	1.12%	-	2.69%
Broad-based index	7.25%	2.11%	3.22%	-	4.83%
Series NR²	6.04%	1.63%	2.25%	-	2.71%
Benchmark	3.99%	(0.12)%	1.12%	-	2.69%
Broad-based index	7.25%	2.11%	3.22%	-	4.83%

¹Commencement of operations: May 20, 2022

²Commencement of operations: October 28, 2015

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

Index Description

The **Bloomberg Global Aggregate Index**, hedged in CAD, is a market capitalization weighted index which is designed to measure the broad global markets for corporate, government, governmental agency, supranational, mortgage-backed and asset backed fixed income securities.

The **ICE BofA US High Yield Constrained Index**, hedged in CAD, is composed of U.S. dollar-denominated, high yield corporate bonds that have at least \$250 million of outstanding face value, have an original maturity date of at least 18 months; and have at least one year to maturity. The Index contains all securities in the ICE BofA US High Yield Index but caps issuer exposure at 2%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%.

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.

Series F

Net Assets per Unit⁽¹⁾

Commencement of operations: May 20, 2022

Accounting Period Ended	2024	2023	2022
	December 31	December 31	December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	10.02	9.38	10.00
Increase (Decrease) from Operations (\$)			
Total revenue	0.35	0.34	0.71
Total expenses	(0.09)	(0.08)	(0.05)
Realized gains (losses)	0.03	(0.01)	(0.27)
Unrealized gains (losses)	0.26	0.58	(0.26)
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.55	0.83	0.13
Distributions (\$)			
From net investment income (excluding dividends)	0.21	0.16	0.41
From dividends	0.05	0.04	0.04
From capital gains	—	—	—
Return of capital	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.26	0.20	0.45
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	10.38	10.02	9.38

Ratios and Supplemental Data

Accounting Period Ended	2024	2023	2022
	December 31	December 31	December 31
Total net asset value (000's of \$) ⁽⁵⁾	13,157	11,975	13,831
Number of units outstanding ⁽⁵⁾	1,268,754	1,194,544	1,474,445
Management expense ratio (%) ⁽⁶⁾	0.92	0.91	0.93
Management expense ratio before waivers or absorptions (%)	0.92	0.92	0.93
Trading expense ratio (%) ⁽⁷⁾	0.09	0.10	0.10
Portfolio turnover rate (%) ⁽⁸⁾	9.25	28.70	5.48
Net asset value per unit (\$)	10.37	10.02	9.38

Series N / Private Series*

⁽¹⁾ Please note that the Private Series was created on November 28, 2016, and is offered by way of private placement.

Net Assets per Unit⁽¹⁾ Commencement of operations: October 28, 2015

Accounting Period Ended	2024	2023	2022	2021	2020
	December 31				
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.54	8.98	10.37	10.32	10.12
Increase (Decrease) from Operations (\$)					
Total revenue	0.34	0.33	0.47	0.27	0.27
Total expenses	(0.08)	(0.08)	(0.08)	(0.09)	(0.09)
Realized gains (losses)	0.02	(0.01)	(0.09)	0.02	0.11
Unrealized gains (losses)	0.30	0.55	(1.34)	—	0.22
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.58	0.79	(1.04)	0.20	0.51
Distributions (\$)					
From net investment income (excluding dividends)	0.20	0.21	0.38	0.14	0.12
From dividends	0.05	0.04	0.04	0.01	0.06
From capital gains	—	—	—	0.01	0.06
Return of capital	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.25	0.25	0.42	0.16	0.24
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.87	9.54	8.98	10.37	10.32

Ratios and Supplemental Data

Accounting Period Ended	2024	2023	2022	2021	2020
	December 31				
Total net asset value (ooo's of \$) ⁽⁵⁾	2,044,613	1,797,821	1,249,433	1,640,055	1,406,501
Number of units outstanding ⁽⁵⁾	207,264,458	188,486,513	139,112,469	158,185,878	136,333,339
Management expense ratio (%) ⁽⁶⁾	0.92	0.91	0.93	0.93	0.92
Management expense ratio before waivers or absorptions (%)	0.92	0.92	0.93	0.93	0.92
Trading expense ratio (%) ⁽⁷⁾	0.09	0.10	0.10	0.10	0.06
Portfolio turnover rate (%) ⁽⁸⁾	9.25	28.70	5.48	14.59	8.79
Net asset value per unit (\$)	9.86	9.54	8.98	10.37	10.32

Series NR

Net Assets per Unit⁽¹⁾ Commencement of operations: October 28, 2015

Accounting Period Ended	2024	2023	2022	2021	2020
	December 31				
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	7.99	7.62	9.05	9.28	9.33
Increase (Decrease) from Operations (\$)					
Total revenue	0.28	0.28	0.42	0.24	0.24
Total expenses	(0.07)	(0.07)	(0.07)	(0.08)	(0.08)
Realized gains (losses)	0.02	—	(0.08)	0.02	0.09
Unrealized gains (losses)	0.25	0.44	(1.13)	0.01	0.14
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.48	0.65	(0.86)	0.19	0.39
Distributions (\$)					
From net investment income (excluding dividends)	0.17	0.18	0.33	0.12	0.11
From dividends	0.04	0.03	0.03	0.01	0.06
From capital gains	—	—	—	0.01	0.05
Return of capital	0.13	0.10	0.23	0.27	0.22
Total Annual Distributions (\$) ⁽³⁾	0.34	0.31	0.59	0.41	0.44
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	8.14	7.99	7.62	9.05	9.28

Ratios and Supplemental Data

Accounting Period Ended	2024	2023	2022	2021	2020
	December 31				
Total net asset value (ooo's of \$) ⁽⁵⁾	28,222	24,065	17,751	21,840	19,339
Number of units outstanding ⁽⁵⁾	3,470,257	3,012,244	2,328,172	2,412,485	2,084,086
Management expense ratio (%) ⁽⁶⁾	0.92	0.91	0.93	0.93	0.92
Management expense ratio before waivers or absorptions (%)	0.92	0.92	0.93	0.93	0.92
Trading expense ratio (%) ⁽⁷⁾	0.09	0.10	0.10	0.10	0.06
Portfolio turnover rate (%) ⁽⁸⁾	9.25	28.70	5.48	14.59	8.79
Net asset value per unit (\$)	8.13	7.99	7.62	9.05	9.28

- ⁽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. The management expense ratio includes, if necessary, the management expenses from its underlying funds, as described in Article 15.2 of Regulation 81-106.
- ⁽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, 2024

Portfolio Top Holdings

	% of Net Asset Value
NBI Unconstrained Fixed Income Fund, Series O	32.3
Purpose Structured Equity Yield Portfolio II	26.4
RP Strategic Income Plus Fund, Class O	9.8
Manulife Strategic Income Fund, Series I	8.3
NBI Global Tactical Bond Fund, Series O US	7.3
NBI Sustainable Global Bond Fund	7.2
NBI High Yield Bond Fund , Series O	6.6
NBI Floating Rate Income Fund, Series O	2.0
Cash, Money Market and Other Net Assets	0.1
	100.0

Net asset value \$2,085,992,729

Term Allocation

	% of Net Asset Value
Under one year	1.5
From 1 year to 5 years	78.7
From 5 years to 10 years	9.7
More than 10 years	10.1

Credit Quality

	% of Net Asset Value
AAA	16.9
AA	7.3
A	11.4
BBB	24.8
BB	17.8
B	8.7
CCC and below	2.3
Not rated	10.8

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

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

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