

## **INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE**

For the period ended June 30, 2020

Short Term and Income Fund

### **NBI Unconstrained Fixed Income 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 interim management report of fund performance contains financial highlights, but does not contain the complete interim financial statements of the investment fund. You can get a copy of the interim financial statements at your request, and at no cost, by calling 1-888-270-3941 or 514-871-2082, by writing to us at National Bank Investments Advisory Service, 500, Place d'Armes, 12th floor, Montreal, Quebec, H2Y 2W3, by visiting our website at [www.nbinvestments.ca](http://www.nbinvestments.ca), by visiting SEDAR's website at [www.sedar.com](http://www.sedar.com), or by contacting your advisor. You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

## Management Discussion of Fund Performance

### Results of Operations

For the six-month period ended June 30, 2020, the NBI Unconstrained Fixed Income Fund's Investor Series units returned -1.19% compared to 3.75% for the Fund's benchmark, the Bloomberg Barclays Global Aggregate Bond Index (CAD Hedged). 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 2.51% over the period, from \$1.656 billion as at December 31, 2019 to \$1.697 billion as at June 30, 2020.

An optimistic start to the year soon gave way to the spread of COVID 19 and a global lockdown. A double-digit percentage drop in GDP and an intense market sell-off prompted an enormous reaction from central banks, which cut interest rates to lower bounds and pledged to buy vast quantities of government and corporate bonds. At the same time, the fiscal response to the economic shock was extensive, with governments worldwide scrambling to enact measures to support businesses and individuals.

In the four months from February, G4 balance sheets grew to almost USD 5 trillion – a level which was only reached over 5 years following the 2008 financial crisis. This has had a huge impact on riskier asset prices since the sell-off, which saw severe drawdowns in most asset classes excluding safe-haven government bonds: equities have nevertheless bounced back by 39% from their lows.

Fixed income returns of riskier asset classes have also recovered strongly, with investment grade credit spreads retracing 80% from their widest level in March. High yield spreads have also recovered – though they remain 237bps above the levels seen at the end of 2019. At the end of June, despite some lingering concerns about US-China trade relations and the prospect of elevated COVID cases in the U.S. and elsewhere, investors have remained optimistic, encouraged by the fact that economies now appear to be reopening after a prolonged shutdown.

In this context, the Fund lagged its benchmark for the first half of the year. Investment Grade credit has provided the largest positive return in 2020, as the portfolio manager added to the asset class following the market sell-off in March. Central bank support for corporate credit has led to a sharp recovery, from which the fund has benefitted. The Fund's exposure to government bonds has also contributed positively – firstly with the falling rate environment that helped offset the negative impact of credit spread widening in March, and latterly from the exposure to the European periphery, which has performed well following the recent announcement of further support from ECB purchases. Despite a sharp drawdown in March, the contribution of high yield bonds to the Fund has been marginally negative year-to-date, as the Fund has benefitted from the recovery in asset prices in Q2. There has also been a flat overall contribution from securitised products, which held up relatively well through the crisis. The detractor from performance remains emerging market debt, which experienced the most severe drawdown in March – though much of the losses here have been recovered in Q2.

Over the last six months, the portfolio manager has lifted the Fund's duration from 3.5 years at the end of 2019 to 5.1 years at the end of June. In the first quarter, he extended the duration to 5.7 years to hedge the portfolio against increased market volatility primarily through exposure to developed market government rates and later trimmed it as markets were more risk on in the second quarter. These changes helped provide a hedge during the COVID induced crisis and later added returns especially from the peripheral countries in Europe in May and June. In high yield bonds, the credit spreads widening in Q1 caused by the Covid 19 pandemic, impacted negatively the Fund, but reducing their exposure from 18% to 12% helped attenuate somewhat this impact. While this asset class rebounded strongly in the second quarter, the portfolio manager took advantage of attractive investment opportunities during the period to raise the overall exposure to 14%, which contributed to enhance the Fund's return. Convertible bonds also added value in June with the equities approaching all-time highs again. Emerging market debt is another sector that was down during March, but the portfolio manager reduced the losses by trimming the overall exposure. As markets moved to risk-on towards the end of the second quarter, he cautiously added to the sector taking the overall exposure from 13% at the end of 2019 to 19% as of June 30, 2020 by adding across all the three sub-sectors of the asset class. This sector also added strong returns in the second quarter. Investment grade where he has increased exposure from 17% to 25% in the last six months, mainly in the last couple of months, has been the strongest performer in the second quarter making up more than its losses from March. Investment grade credit has also been the best performing sector in the last six months. Lastly, he has trimmed the overall exposure to securitized assets from 28% to 22% during the semester. While the sector was the worst performer in March, it has also bounced back strongly after that to show overall flat returns for the first half of the year.

### Recent Developments

As economies continue to reopen, above-trend growth has become the portfolio manager's base case: he believes GDP bottomed in Q2. He expects current policy responses to spark U.S. double-digit GDP growth in 2H20 and 3%–5% growth in 2021. He foresees a robust bounce back in Europe and the emerging markets and for central banks to keep rates at their lower bound for years. Any further weakness should be met with additional policy response in an election year, however we forecast double-digit U.S. unemployment into 2021. In this context, he's diversifying up-in-quality bias and extending further out the credit spectrum, and rotating into certain sectors, including bank capital (additional tier 1 and preferred securities). He continues to like high quality securitized credit, and his interest is returning to emerging market local and external debt.

On April 30, 2020, the Fund's independent review committee (the "IRC") was reduced to three members when Jacques Valotaire and Jean-François Bernier resigned as IRC members.

The investment objective of the Fund remains unchanged. However, its investment strategy was modified to allow it to invest 100% in underlying funds (effective on or about May 14, 2020). This change is in line with the governance process of NBI's open architecture structure.

### 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 June 30, 2020
Total brokerage fees	30,111.24
Brokerage fees paid to National Bank Financial	-

### Holdings

As at June 30, 2020, National Bank Investments Inc. held 623.16 Fund securities for a value of \$5,944.95, which represented close to 0.0004% of the net asset value of the Fund at that date. Transactions between National Bank Investments Inc. and the Fund were carried out in the normal course of business and at the Fund’s net asset value as at the transaction date.

As at June 30, 2020, National Bank Trust Inc. held 1.06 Fund securities for a value of \$10.31, which represented close to 0.0000% of the net asset value of the Fund at that date. Transactions between National Bank Trust Inc. and the Fund were carried out in the normal course of business and at the Fund’s net asset value as at the transaction date.

### Independent Review Committee Approvals and Recommendations

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

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

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

### Registered Plan Trust Services

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

### Administrative and Operating Services

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

## Management Fees

The Fund pays annual management fees to the Fund manager for its management services. 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 <sup>†</sup>
Investor Series and Series R	1.25%	40.00%	60.00%
Advisor Series and Series T5*			
Front-end load	1.25%	40.00%	60.00%
Back-end load - 1 to 6 years	1.25%	20.00%	80.00%
Back-end load - 7 years and more	1.25%	40.00%	60.00%
Low load - 1 to 3 years	1.25%	20.00%	80.00%
Low load - 4 years and more	1.25%	40.00%	60.00%
Series F and Series F5	0.75%	—	100.00%
Series O	N/A**	—	100.00%

<sup>(†)</sup> Includes all costs related to management, investment advisory services, general administration and profit.

<sup>(\*)</sup> Excluding sales commissions paid on the Advisor Series and Series T5 with low sales charges option and deferred sales charge option, which are not paid for out of the management fees.

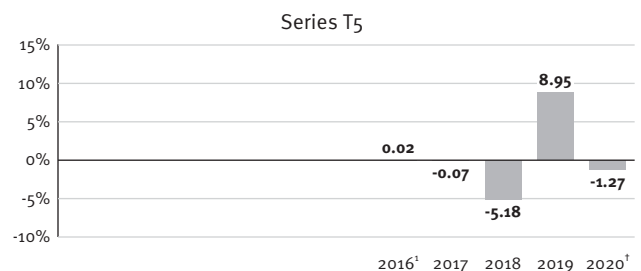
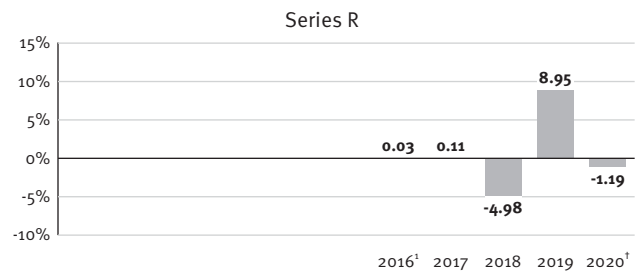
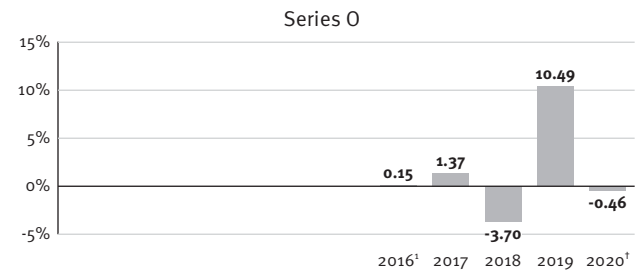
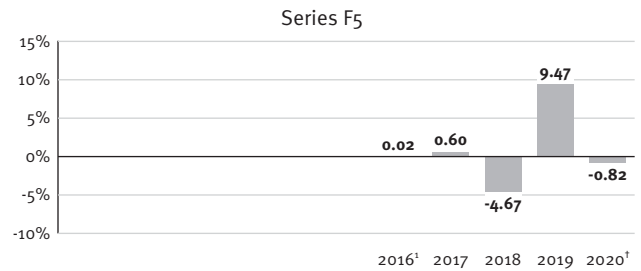
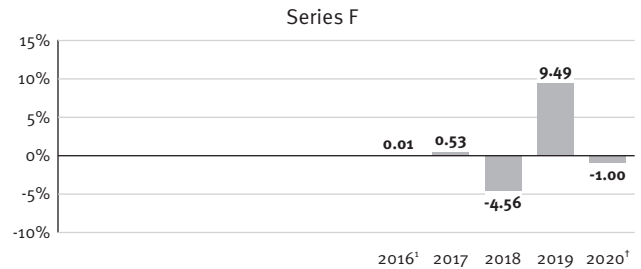
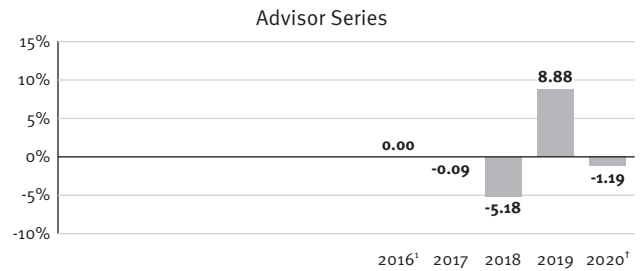
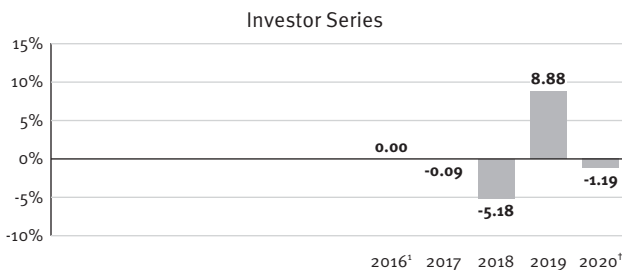
<sup>(\*\*)</sup> There are no management fees paid by the Fund with respect to the Series O. Instead, Series O securityholders pay a negotiated administration fee directly to National Bank Investments.

## Past Performance

The performance of each series of the Fund is presented below and calculated as at December 31 of each year. It assumes that all distributions made in the periods shown were reinvested in additional securities and does not take into account sales, redemption charges, distributions, or optional charges that would have reduced returns. Past performance of a series of a Fund does not necessarily indicate how it will perform in the future.

## Annual Returns

The bar charts indicate the performance for each the Fund's series in existence greater than one year during the years shown, and illustrate how the performance has changed from year to year. They show, in percentage terms, how much an investment made on January 1 (or made commencing from the start of the series) would have grown or decreased by December 31 of that year, or by June 30, as applicable.



<sup>(†)</sup> Returns for the period from November 28, 2016 (commencement of operations) to December 31, 2016.

<sup>(†)</sup> Returns for the period from January 1, 2020 to June 30, 2020.

## Financial Highlights

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

### Investor / Advisor Series

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

Commencement of operations: November 28, 2016

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	9.89	9.34	9.85	10.00	10.00
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.18	0.38	(0.61)	0.05	0.01
Total expenses	(0.07)	(0.15)	(0.16)	(0.16)	(0.01)
Realized gains (losses)	(0.41)	0.19	0.16	0.29	(0.03)
Unrealized gains (losses)	0.09	0.39	0.09	(0.17)	0.03
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(0.21)	0.81	(0.52)	0.01	—
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	0.12	0.14	—	0.14	—
From dividends	—	—	—	—	—
From capital gains	—	0.14	—	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.12	0.28	—	0.14	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	9.65	9.89	9.34	9.85	10.00

### Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (ooo's of \$) <sup>(5)</sup>	15,279	18,368	16,885	22,913	4,906
Number of units outstanding <sup>(5)</sup>	1,583,617	1,857,138	1,807,372	2,326,006	490,567
Management expense ratio (%) <sup>(6)</sup>	1.50	1.54	1.53	1.54	1.55
Management expense ratio before waivers or absorptions (%)	1.51	1.55	1.54	1.55	1.57
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.14	0.10	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	65.10	88.12	238.88	156.98	20.40
Net asset value per unit (\$)	9.65	9.89	9.34	9.85	10.00

### Series F

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

Commencement of operations: November 28, 2016

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	10.02	9.41	9.86	10.00	10.00
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.18	0.39	(0.63)	0.06	0.01
Total expenses	(0.05)	(0.09)	(0.10)	(0.10)	(0.01)
Realized gains (losses)	(0.41)	0.20	0.13	0.26	(0.05)
Unrealized gains (losses)	0.09	0.34	0.13	(0.14)	0.06
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(0.19)	0.84	(0.47)	0.08	0.01
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	0.14	0.17	—	0.19	—
From dividends	—	—	—	—	—
From capital gains	—	0.11	—	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.14	0.28	—	0.19	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	9.77	10.02	9.41	9.86	10.00

### Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (ooo's of \$) <sup>(5)</sup>	62,315	74,459	51,951	96,263	6,873
Number of units outstanding <sup>(5)</sup>	6,377,245	7,432,129	5,522,846	9,762,967	687,049
Management expense ratio (%) <sup>(6)</sup>	1.00	0.93	0.94	0.95	0.98
Management expense ratio before waivers or absorptions (%)	1.01	0.94	0.95	0.96	0.99
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.14	0.10	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	65.10	88.12	238.88	156.98	20.40
Net asset value per unit (\$)	9.77	10.02	9.41	9.86	10.00

## Series F5

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

Commencement of operations: November 28, 2016

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	8.84	8.61	9.52	9.96	10.00
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.16	0.34	(0.49)	(0.01)	0.01
Total expenses	(0.03)	(0.09)	(0.10)	(0.10)	(0.01)
Realized gains (losses)	(0.36)	0.20	0.18	0.39	(0.09)
Unrealized gains (losses)	0.13	0.37	(0.03)	(0.25)	0.10
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(0.10)	0.82	(0.44)	0.03	0.01
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	0.14	0.15	—	0.01	—
From dividends	—	—	—	—	—
From capital gains	—	0.14	—	—	—
Return of capital	0.08	0.28	0.48	0.49	0.04
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.22	0.57	0.48	0.50	0.04
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	8.54	8.84	8.61	9.52	9.96

### Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	719	727	850	337	1,914
Number of units outstanding <sup>(5)</sup>	84,162	82,232	98,653	35,451	192,115
Management expense ratio (%) <sup>(6)</sup>	0.67	1.03	0.94	0.97	0.98
Management expense ratio before waivers or absorptions (%)	0.67	1.03	0.95	0.97	1.00
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.14	0.10	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	65.10	88.12	238.88	156.98	20.40
Net asset value per unit (\$)	8.54	8.84	8.61	9.52	9.96

## Series O

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

Commencement of operations: November 28, 2016

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	9.97	9.38	9.74	10.01	10.00
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.18	0.38	(0.54)	0.05	0.01
Total expenses	—	—	(0.02)	(0.01)	—
Realized gains (losses)	(0.40)	0.29	0.13	0.38	(0.09)
Unrealized gains (losses)	0.17	0.16	0.05	(0.28)	0.09
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(0.05)	0.83	(0.38)	0.14	0.01
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	0.19	0.24	—	0.30	—
From dividends	—	—	—	—	—
From capital gains	—	0.14	—	0.11	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.19	0.38	—	0.41	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	9.73	9.97	9.38	9.74	10.01

### Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	1,618,384	1,561,512	440,771	227,933	270,595
Number of units outstanding <sup>(5)</sup>	166,340,553	156,585,125	46,988,417	23,392,905	27,037,757
Management expense ratio (%) <sup>(6)</sup>	0.02	0.02	0.02	0.02	0.02
Management expense ratio before waivers or absorptions (%)	0.02	0.02	0.02	0.02	0.02
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.14	0.10	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	65.10	88.12	238.88	156.98	20.40
Net asset value per unit (\$)	9.73	9.97	9.38	9.74	10.01

## Series R

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

Commencement of operations: November 28, 2016

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	8.90	8.62	9.46	9.97	10.00
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.16	0.34	(0.53)	0.05	0.01
Total expenses	(0.06)	(0.12)	(0.13)	(0.14)	(0.01)
Realized gains (losses)	(0.36)	0.19	0.17	0.34	(0.09)
Unrealized gains (losses)	0.16	0.35	0.03	(0.23)	0.09
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(0.10)	0.76	(0.46)	0.02	—
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	0.11	0.13	—	0.16	—
From dividends	—	—	—	—	—
From capital gains	—	0.14	—	—	—
Return of capital	0.07	0.22	0.38	0.36	0.03
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.18	0.49	0.38	0.52	0.03
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	8.61	8.90	8.62	9.46	9.97

### Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	1	1	1	1	1
Number of units outstanding <sup>(5)</sup>	119	116	110	106	100
Management expense ratio (%) <sup>(6)</sup>	1.41	1.41	1.35	1.31	1.30
Management expense ratio before waivers or absorptions (%)	2.21	2.01	2.13	2.29	14.99
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.14	0.10	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	65.10	88.12	238.88	156.98	20.40
Net asset value per unit (\$)	8.61	8.90	8.62	9.46	9.97

## Series T5

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

Commencement of operations: November 28, 2016

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	8.61	8.41	9.35	9.96	10.00
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.15	0.33	(0.39)	0.05	0.01
Total expenses	(0.06)	(0.13)	(0.15)	(0.16)	(0.01)
Realized gains (losses)	(0.34)	0.19	0.21	0.27	(0.01)
Unrealized gains (losses)	0.13	0.29	(0.09)	(0.15)	0.02
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(0.12)	0.68	(0.42)	0.01	0.01
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	0.10	0.12	—	0.15	—
From dividends	—	—	—	—	—
From capital gains	—	0.12	—	—	—
Return of capital	0.12	0.30	0.47	0.45	0.04
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.22	0.54	0.47	0.60	0.04
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	8.28	8.61	8.41	9.35	9.96

### Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	525	606	421	285	60
Number of units outstanding <sup>(5)</sup>	63,371	70,382	50,053	30,491	5,992
Management expense ratio (%) <sup>(6)</sup>	1.53	1.53	1.52	1.53	1.53
Management expense ratio before waivers or absorptions (%)	1.54	1.54	1.52	1.54	2.77
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.14	0.10	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	65.10	88.12	238.88	156.98	20.40
Net asset value per unit (\$)	8.28	8.61	8.41	9.35	9.96

## Private Series\*

<sup>(\*)</sup> Please note that this Series is offered by way of private placement.

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

Commencement of operations: November 28, 2016

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	10.12	9.54	9.99	10.01	10.00
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.18	0.38	(0.72)	—	0.01
Total expenses	(0.04)	(0.08)	(0.10)	(0.09)	(0.01)
Realized gains (losses)	(0.41)	0.22	0.27	0.43	(0.09)
Unrealized gains (losses)	0.18	0.40	0.20	(0.22)	0.10
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(0.09)	0.92	(0.35)	0.12	0.01
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	0.15	0.18	—	0.07	—
From dividends	—	—	—	—	—
From capital gains	—	0.16	—	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.15	0.34	—	0.07	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	9.87	10.12	9.54	9.99	10.01

## Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	1	1	1	148	1
Number of units outstanding <sup>(5)</sup>	106	104	101	14,846	100
Management expense ratio (%) <sup>(6)</sup>	0.78	0.79	0.85	0.85	0.83
Management expense ratio before waivers or absorptions (%)	1.57	1.38	0.85	0.86	14.52
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.01	0.14	0.10	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	65.10	88.12	238.88	156.98	20.40
Net asset value per unit (\$)	9.87	10.12	9.54	9.99	10.00

<sup>(1)</sup> This information is derived from the Fund'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 fund pricing purposes. The differences are explained in the notes to the financial statements.

<sup>(2)</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the average number of units outstanding over the accounting period.

<sup>(3)</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both.

<sup>(4)</sup> The net assets are calculated in accordance with IFRS.

<sup>(5)</sup> This information is provided as at the last day of the accounting period shown.

<sup>(6)</sup> Management expense ratio is based on total expenses including sales taxes for the accounting period indicated (excluding commission, other portfolio transaction costs and withholding taxes) and is expressed as an annualized percentage of daily average net value during the accounting period.

<sup>(7)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the accounting period. The trading expense ratio includes, if necessary, the trading expenses from its underlying funds, as described in Article 15.2 of Regulation 81-106.

<sup>(8)</sup> The Fund's portfolio turnover rate indicates how actively the Fund portfolio's manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the accounting period. The higher a Fund's portfolio turnover rate in an accounting period, the greater the trading costs payable by the Fund in the accounting period, and the greater the chance of an investor receiving taxable capital gains in the accounting period. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.



## Summary of Investment Portfolio

As of June 30, 2020

### Portfolio Top Holdings

	% of Net Asset Value
Cash, Money Market and Other Net Assets	4.3
Government of Australia, 1.00%, due December 21, 2030	2.9
Government of Australia, 3.25%, due April 21, 2029	2.5
Fannie Mae Pool, 3.50%, due September 1, 2049	1.1
Fannie Mae Pool, 3.50%, due September 1, 2049	1.0
Indonesia Treasury Bond, 7.00%, due September 15, 2030	1.0
Government of Italy, 2.38%, due October 17, 2024	0.9
Russian Federal Bond - OFZ, 7.65%, due April 10, 2030	0.9
Italy Buoni Poliennali Del Tesoro, 0.40%, due May 15, 2030	0.8
Italy Buoni Poliennali Del Tesoro, 0.95%, due August 1, 2030	0.8
Portugal Obrigacoes do Tesouro OT, 0.48%, due October 18, 2030	0.8
Mexican Bonos, 8.50%, due May 31, 2029	0.7
Petroleos Mexicanos, 6.75%, due September 21, 2047	0.7
Government of Italy, 2.88%, due October 17, 2029	0.6
Spain Government Bond, 4.90%, due July 30, 2040	0.6
Colombian TES, 5.75%, due November 3, 2027	0.5
Czech Republic Government Bond, 2.00%, due October 13, 2033	0.5
Government of Greece, 3.38%, due February 15, 2025	0.5
Indonesia Treasury Bond, 8.13%, due May 15, 2024	0.5
Republic of South Africa Government Bond, 8.88%, due February 28, 2035	0.5
Republic of Portugal, 5.13%, due October 15, 2024	0.5
Government of the United States, 0.25%, due June 30, 2025	0.4
KBC Group NV, Floating, due March 5, 2024	0.4
Hellenic Republic Government Bond, 3.88%, due March 12, 2029	0.4
Royal Bank of Scotland PLC, Floating, due May 15, 2022	0.4
	24.2

Net asset value ..... \$1,697,223,828

### Asset Mix

	% of Net Asset Value
Foreign Bonds	46.5
US Bonds	27.6
Asset Backed Securities	17.7
Mortgage Backed Securities	3.1
Canadian Corporate Bonds	0.8
Cash, Money Market and Other Net Assets	4.3

### Term Allocation

	% of Net Asset Value
Under one year	0.8
From 1 year to 5 years	25.1
From 5 years to 10 years	34.2
More than 10 years	39.9

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