

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

For the period ended June 30, 2020

Canadian Equity Fund

### **NBI Jarislowsky Fraser Select Canadian Equity 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 Jarislowsky Fraser Select Canadian Equity Fund's Advisor Series units returned -8.96% compared to -7.47% for the Fund's benchmark, the S&P/TSX Capped Composite 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.

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 dropped by 4.49% over the period, from \$139.04 million as at December 31, 2019 to \$132.80 million as at June 30, 2020.

The first semester of the new decade showcased one of the most volatile periods in the history of the financial markets. Indeed, after the dramatic equity plunge triggered by a rapidly evolving pandemic and government-imposed lockdowns during the first quarter of the year, Q2 saw a truly spectacular rebound. By the end of the second quarter, financial markets recouped the majority of the losses suffered in March. The key factor behind the fast recovery in asset prices is evidently the massive and coordinated response from government bodies: wartime-like fiscal deficits; the fastest monetary easing in history; and strict confinement measures that have proven to be effective in slowing the spread of the virus in most regions of the world. Central banks did not offer any resistance either, and, if anything, were extremely careful to assure investors that they are willing and able to offset any setbacks in the economic recovery and financial markets—although they have repeatedly downplayed the potential for the latter.

While this prevents global growth from recording its worst contraction in decades, it has, however, laid the groundwork for a recovery in economic activity, as evidenced by the most recent economic data.

After an eventful first half of the year, Canadian equities showed a loss of 7.5%; a more than reasonable performance considering that the S&P/TSX was down 37% (from peak to trough) on March 23. Nevertheless, there is a spectacular divergence in sector performance, with Technology stocks up 62% and Energy stocks down 30%. This historical divergence comes from the unique nature of the current economic shock, which is proving to be especially severe for companies that are more directly linked to global growth, whereas some stocks in the technology space are actually benefiting from this context in which social distancing is required. Meanwhile, Canadian Small Caps underperformed their large-cap peers over the period with the TSX Small Cap index losing 14.3%. The Consumer Staples and Materials sectors were the only two who ended the period in the green respectively returning 14.3% and 11.95%. The Telecommunications and Energy Sectors were the most impacted as they respectively lost 28.2% and 54.7%.

A similar picture emerges in the United States, the best-performing stock market region over the period. Indeed, the S&P 500 is only down 3.1% after the first six months of the year, a performance that even turns into a gain when translated into Canadian dollars. This relatively good showing reflects the better performance of the technology, health care, and communication services sectors; respectively the first, second, and third-biggest sectors of the U.S. flagship stock market index.

In this tumultuous environment, the Fund lagged its benchmark for the first half of the year, largely due to a substantial rally in gold and other precious metals stocks. The absence in gold stocks in the Fund and the underweight position in Shopify were the main detractors to performance over the period. The Fund's positioning in the Materials sector, especially Nutrien and CCL Industries, which underperformed, also detracted value. Conversely, the Fund's overweight in Information Technology versus the benchmark was a positive contributor to performance.

During the semester, the portfolio manager liquidated the positions in TORC Oil & Gas Ltd while initiating new positions in Empire Company Ltd, Shopify, Colliers International Group and Magna International Inc.

### Recent Developments

Financial markets are clearly anticipating a "V-shaped" economic recovery. Indeed, there are certain parts of the economy which can recover quicker, and signs of that have been seen in above-consensus job gains in the past two months. Yet there are other areas, such as travel and leisure, which will surely take much longer to return to normal, if that is even possible.

Taking all of this into consideration, much will come down to the size and impact of the expected second wave of infections expected in the autumn months, and what further measures will be taken by governments and central banks as a response. Given this uncertainty, having a deep understanding of the companies the portfolio manager invests in is as important as ever. Not only he continuously analyzes the quality of their balance sheets and the sustainability of their earnings, his focus on assessing the strength of management teams is equally as important. While the ability to weather the storm caused by the pandemic is the focus in the near-term, he maintains his long-term approach by investing in strong companies that can both sustain the current period of economic uncertainty and excel competitively in a post COVID-19 world.

At the end of June, the Fund was underweighted in Communication Services, Energy, Materials and Utilities while being overweight in Information Technology, Consumer Staples and Industrials.

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.

### Related Party Transactions

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

#### 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 Fund reimbursed NBI for operating expenses, at cost, incurred in administering the Fund, including trustee, recordkeeping, custodial, legal, audit, investor servicing, and securityholder reporting fees.

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

#### Distribution and Dealer Compensation

Fund securities are offered by National Bank Direct Brokerage (a division of National Bank Financial Inc., an indirect wholly owned subsidiary of the Bank), CABN Investments (a division of NBII), National Bank Financial Inc. and other affiliated entities. Each month, brokers receive a 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
<b>Total brokerage fees</b>	19,439.50
<b>Brokerage fees paid to National Bank Financial</b>	2,766.46

## Holdings

As at June 30, 2020, National Bank Investments Inc. held 371.98 Fund securities for a value of \$3,697.33, which represented close to 0.4168% 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.

## 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>
Advisor Series and Series T5*			
Front-end load	1.75%	57.14%	42.86%
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 E	0.75%	-	100.00%
Series F and Series F5	0.75%	-	100.00%

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

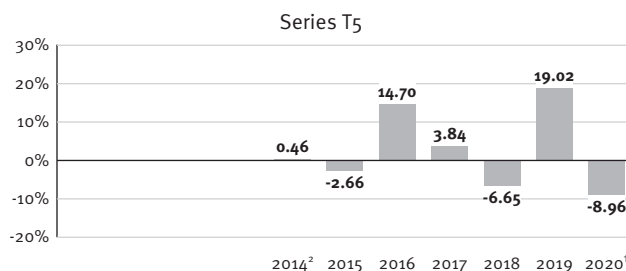
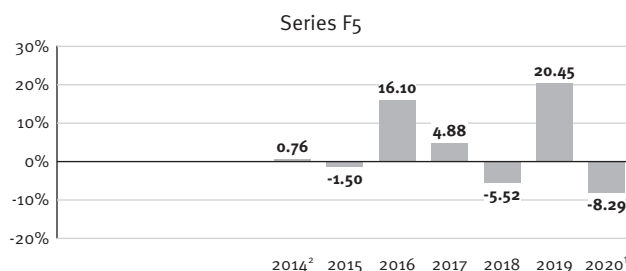
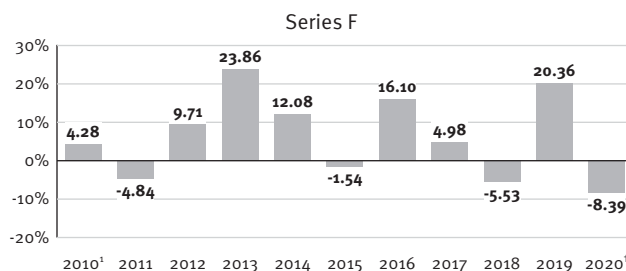
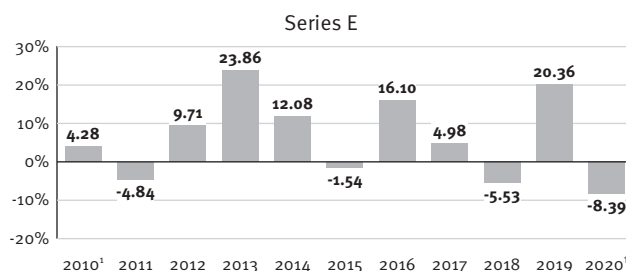
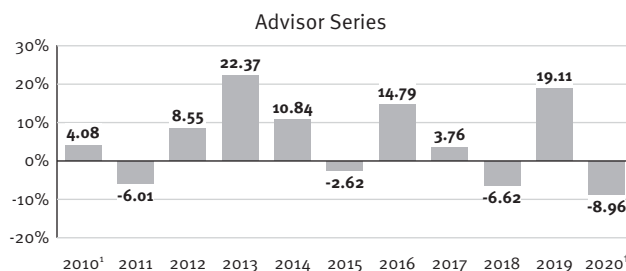
<sup>(†)</sup> Excluding sales commissions paid on the Advisor Series and Series T5 with the low sales charge option, which are not included in the management fees.

## Past Performance

The performance of each series of the Fund presented below are calculated as of December 31 of each year. They assume 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 the 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>(1)</sup> Returns for the period of October 7, 2010 (commencement of operations) to December 31, 2010.

<sup>(2)</sup> Returns for the period of September 30, 2014 (commencement of operations) to December 31, 2014.

<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.

### Advisor Series

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

Commencement of operations: October 7, 2010

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	17.51	14.77	15.91	15.39	13.48	14.04
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.20	0.44	0.42	0.39	0.39	0.41
Total expenses	(0.17)	(0.35)	(0.32)	(0.33)	(0.30)	(0.30)
Realized gains (losses)	(0.11)	(0.10)	1.07	(0.58)	0.22	0.56
Unrealized gains (losses)	(1.46)	2.82	(2.20)	1.09	1.67	(1.06)
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(1.54)	2.81	(1.03)	0.57	1.98	(0.39)
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	—	0.07	0.08	0.06	0.08	0.12
From capital gains	—	—	—	—	—	0.08
Return of capital	—	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	—	0.07	0.08	0.06	0.08	0.20
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	15.95	17.51	14.77	15.91	15.39	13.48

### Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Total net asset value (ooo's of \$) <sup>(5)</sup>	34,373	37,504	30,979	36,327	35,894	33,231
Number of units outstanding <sup>(5)</sup>	2,154,396	2,141,234	2,097,469	2,283,489	2,332,866	2,465,886
Management expense ratio (%) <sup>(6)</sup>	2.12	2.06	2.04	2.09	2.12	2.11
Management expense ratio before waivers or absorptions (%)	2.13	2.07	2.05	2.10	2.13	2.11
Trading expense ratio (%) <sup>(7)</sup>	0.03	0.02	0.02	0.03	0.02	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	10.34	12.01	20.87	10.48	8.16	15.32
Net asset value per unit (\$)	15.95	17.52	14.77	15.91	15.39	13.48

### Series F/E

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

Commencement of operations: October 7, 2010

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	17.99	15.11	16.31	15.74	13.72	14.27
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.21	0.45	0.43	0.40	0.40	0.42
Total expenses	(0.08)	(0.16)	(0.15)	(0.15)	(0.15)	(0.14)
Realized gains (losses)	(0.12)	(0.11)	1.11	(0.62)	0.22	0.58
Unrealized gains (losses)	(1.46)	2.74	(2.25)	1.17	1.83	(1.09)
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(1.45)	2.92	(0.86)	0.80	2.30	(0.23)
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	—	0.20	0.29	0.21	0.19	0.25
From capital gains	—	—	—	—	—	0.08
Return of capital	—	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	—	0.20	0.29	0.21	0.19	0.33
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	16.48	17.99	15.11	16.31	15.74	13.72

### Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Total net asset value (ooo's of \$) <sup>(5)</sup>	61,799	65,581	43,098	56,197	49,609	32,658
Number of units outstanding <sup>(5)</sup>	3,748,842	3,644,562	2,852,897	3,445,436	3,151,205	2,380,039
Management expense ratio (%) <sup>(6)</sup>	0.97	0.93	0.90	0.95	0.99	0.97
Management expense ratio before waivers or absorptions (%)	0.99	0.95	0.92	0.96	1.00	0.97
Trading expense ratio (%) <sup>(7)</sup>	0.03	0.02	0.02	0.03	0.02	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	10.34	12.01	20.87	10.48	8.16	15.32
Net asset value per unit (\$)	16.48	17.99	15.11	16.31	15.74	13.72

## Series F5

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

Commencement of operations: September 30, 2014

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(a)</sup>	10.55	9.16	10.21	10.24	9.26	9.95
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.12	0.27	0.27	0.24	0.28	0.29
Total expenses	(0.04)	(0.10)	(0.09)	(0.10)	(0.10)	(0.08)
Realized gains (losses)	(0.01)	(0.02)	0.66	(0.39)	0.20	0.39
Unrealized gains (losses)	(0.13)	2.18	(1.19)	1.34	2.47	(0.73)
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(a)</sup>	(0.06)	2.33	(0.35)	1.09	2.85	(0.13)
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	0.06	0.19	0.17	0.12	0.16	0.20
From capital gains	—	—	—	—	—	0.05
Return of capital	0.20	0.27	0.34	0.39	0.31	0.30
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.26	0.46	0.51	0.51	0.47	0.55
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(a)</sup>	9.41	10.55	9.16	10.21	10.24	9.26

### Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	91	46	77	59	15	1
Number of units outstanding <sup>(5)</sup>	9,657	4,338	8,431	5,801	1,462	107
Management expense ratio (%) <sup>(6)</sup>	0.86	0.96	0.91	0.95	1.03	0.83
Management expense ratio before waivers or absorptions (%)	0.88	0.98	0.93	0.95	1.06	0.93
Trading expense ratio (%) <sup>(7)</sup>	0.03	0.02	0.02	0.03	0.02	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	10.34	12.01	20.87	10.48	8.16	15.32
Net asset value per unit (\$)	9.41	10.55	9.16	10.21	10.24	9.26

## Series T5

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

Commencement of operations: September 30, 2014

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(a)</sup>	9.91	8.71	9.83	9.96	9.12	9.92
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.11	0.25	0.25	0.25	0.26	0.29
Total expenses	(0.10)	(0.20)	(0.20)	(0.21)	(0.20)	(0.20)
Realized gains (losses)	(0.06)	(0.06)	0.64	(0.37)	0.16	0.38
Unrealized gains (losses)	(0.65)	1.66	(1.28)	0.70	1.65	(0.73)
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(a)</sup>	(0.70)	1.65	(0.59)	0.37	1.87	(0.26)
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	0.02	0.05	0.05	0.04	0.05	0.09
From capital gains	—	—	—	—	—	0.05
Return of capital	0.23	0.38	0.44	0.46	0.40	0.41
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.25	0.43	0.49	0.50	0.45	0.55
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(a)</sup>	8.77	9.91	8.71	9.83	9.96	9.12

### Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	84	77	67	79	82	1
Number of units outstanding <sup>(5)</sup>	9,590	7,730	7,700	8,059	8,198	107
Management expense ratio (%) <sup>(6)</sup>	2.12	2.09	2.06	2.11	2.15	2.08
Management expense ratio before waivers or absorptions (%)	2.13	2.10	2.07	2.11	2.15	2.18
Trading expense ratio (%) <sup>(7)</sup>	0.03	0.02	0.02	0.03	0.02	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	10.34	12.01	20.87	10.48	8.16	15.32
Net asset value per unit (\$)	8.77	9.91	8.71	9.83	9.96	9.12

## Private Series\*

<sup>(1)</sup> Please note that this Series is offered by way of private placement.

Net Assets per Unit<sup>(1)</sup> Commencement of operations: March 11, 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>	13.25	11.10	11.93	11.44	10.00
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.15	0.33	0.32	0.29	0.24
Total expenses	(0.05)	(0.11)	(0.10)	(0.10)	(0.08)
Realized gains (losses)	(0.08)	(0.10)	0.74	(0.47)	0.09
Unrealized gains (losses)	(1.13)	1.95	(1.43)	0.99	1.43
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(1.11)	2.07	(0.47)	0.71	1.68
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	—	0.13	0.18	0.09	0.03
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	—	0.13	0.18	0.09	0.03
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	12.14	13.25	11.10	11.93	11.44

## 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>	36,449	35,837	17,611	15,032	3,774
Number of units outstanding <sup>(5)</sup>	3,001,270	2,705,055	1,587,244	1,260,644	329,995
Management expense ratio (%) <sup>(6)</sup>	0.84	0.85	0.80	0.84	0.93
Management expense ratio before waivers or absorptions (%)	0.84	0.85	0.80	0.84	0.93
Trading expense ratio (%) <sup>(7)</sup>	0.03	0.02	0.02	0.03	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	10.34	12.01	20.87	10.48	8.16
Net asset value per unit (\$)	12.14	13.25	11.10	11.92	11.44

<sup>(4)</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. For the Advisor Series, the detailed calculation of the total Increase (Decrease) from Operations as at December 31, 2015 has been adjusted to reflect the proper allocation between the following items: Total revenue, Total expenses, Realized gain (losses) and/or Unrealized gain (losses). It is a non-material correction related to a programming error in the ratio calculation.

<sup>(3)</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both. For Series F and E, the distribution from dividends and from capital gains as at December 31, 2014 have been adjusted to reflect a non-material correction related to a transposition errors.

<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. Since calculating an average daily allocation of the trading expenses would take considerable effort, an average monthly allocation has been used instead for the accounting periods prior to 2016.

<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
Canadian National Railway Co.....	5.5
Toronto-Dominion Bank.....	5.1
Brookfield Asset Management Inc., Class A.....	4.6
Alimentation Couche-Tard Inc., Class B.....	4.3
Enbridge Inc.....	4.3
Open Text Corp.....	3.6
Bank of Nova Scotia.....	3.5
Shopify Inc., Class A.....	3.4
Manulife Financial Corp.....	3.4
Thomson Reuters Corp.....	3.2
Restaurant Brands International Inc.....	3.0
CGI Group Inc., Class A.....	2.8
Descartes Systems Group Inc.....	2.7
Intact Financial Corp.....	2.7
Nutrien Ltd.....	2.5
CCL Industries Inc., Class B.....	2.4
Royal Bank of Canada.....	2.3
Stantec Inc.....	2.3
SNC-Lavalin Group Inc.....	2.1
Metro Inc.....	2.1
WSP Global Group Inc.....	2.0
Cash, Money Market and Other Net Assets.....	2.0
Microsoft Corp.....	1.9
Pembina Pipeline Corporation.....	1.8
Saputo Inc.....	1.8
	75.3

Net asset value..... \$132,796,201

### Asset Mix

	% of Net Asset Value
Canadian Equity.....	79.2
US Equity.....	12.3
International Equity.....	6.5
Cash, Money Market and Other Net Assets.....	2.0

### Sector Allocation

	% of Net Asset Value
Financials.....	25.9
Industrials.....	18.8
Information Technology.....	16.2
Consumer Staples.....	11.6
Consumer Discretionary.....	6.8
Energy.....	6.2
Materials.....	5.2
Health Care.....	3.4
Communication Services.....	3.2
Real Estate.....	0.7
Cash, Money Market and Other Net Assets.....	2.0

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).