

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

For the period ended June 30, 2020

Diversified Fund

### **NBI Tactical Asset Allocation 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 Tactical Asset Allocation Fund's Advisor Series units returned -0.68% compared to 1.94% for the Fund's blended benchmark. The broad-based indices, the Morningstar Canada Liquid Bond Index (CAD), the Morningstar U.S. Large Cap Index (CAD) and the Morningstar Canada Large-Mid Index (CAD), returned 6.91%, 3.84% and -7.14% respectively. Unlike the indices, 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 2.18% over the period, from \$3.069 billion as at December 31, 2019 to \$3.136 billion 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 show 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.

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.

Losses also occurred abroad, although the diversification effect of the Canadian dollar has cut these losses almost in half. For instance, emerging markets are showing a decline of 9.7% in U.S. dollars, but around 5% in Canadian dollars. It should also be noted that this region benefited from the strong performance of Chinese equities (+8.8% in Canadian dollars), which accounts for nearly 40% of the main emerging markets index.

For their part, the majority of fixed-income markets managed to post gains over the period, thanks to substantial monetary intervention orchestrated by the major central banks, particularly the U.S. Federal Reserve. After a brief period of turbulence as seen only in times of crisis, monetary authorities quickly lowered their target rates near zero, revived their quantitative easing policies and implemented several programs to ensure that credit markets functioned properly.

Under these circumstances, the FTSE Canada Universe index ended the semester with a return of 7.53%, as all sectors posted gains. Provincial bonds for their part, outperformed corporate, municipal and federal bonds as they returned 9.06% vs 5.41%, 8.15% and 7.52% for the respective other asset classes. Longer-term issues also stood out short and mid-term issues.

Among corporate bonds, A-rated issues posted higher returns than AAA/AA and BBB-rated issues. Sector-wise, Infrastructure and Communication led the other sectors, gaining respectively 7.9% and 7.5% whereas Real Estate and Securitized assets trailed behind, with 3.2% and 3.8%.

Given this context, the Fund underperformed its blended index for the period. The main detractor to performance was the overweight exposure to equities, which was maintained until February 26<sup>th</sup>. Then, as the management team adopted a neutral equity positioning prior to the market collapse in March, the Fund was slightly underweight in equities which hurt somewhat when markets rebounded in the following months. The weightings were rebalanced back to target on June 1<sup>st</sup>.

However, the Fund's geographic allocation did pay off, especially the overweight exposure to U.S. equities and the underweight positioning in the EAFE region. Indeed, the sector and factor allocation of the U.S. market proved to be lucrative in a context where social distancing was necessary, while more cyclical regions such as Europe suffered.

### Recent Developments

The management team expects that the recession triggered by strict containment measures required by the global pandemic, although one of the most severe in modern history, will also be one of the shortest in history. Indeed, there is strong evidence indicating that the recovery process is already well under way, which means that we are at the beginning of a new economic cycle. As a result, the team expects the global economy to grow at a rate above its long-term trend over the next twelve months by virtue of the catch-up effect. However, the recovery is likely to be more volatile over time and across regions than in normal times, based on the trajectory of COVID-19. Overall, this outlook assumes a return to pre-crisis global output by early 2022.

The key factor behind their prospects for a relatively sanguine economic outlook, is the massive and coordinated response by government authorities. Their clear commitment to do whatever it takes to ensure a sustained resumption of growth and avoid inflicting permanent damage to the economy should persist in the second half of 2020. In concrete terms, this implies the extension of a majority of the emergency fiscal measures as well as the maintenance of low and stable interest rates over all maturities. In this scenario, the team expects inflationary pressures to remain low over the next 12 months, allowing substantial monetary stimulus to be carried forward by the majority of central banks.

The key risk to their baseline scenario relates to the direction that COVID-19 will take in the coming months. For now, several medical breakthroughs, particularly in terms of a vaccine, but also on the clinical treatment front, give cause for optimism. Any delay (or failure) at this level will affect the pace of recovery and has the potential to affect consumer confidence more seriously. However, despite an almost inevitable rise in new cases of coronavirus worldwide, it is unlikely that this will lead to a second period of total lockdown – and thus renewed recession – given the adoption of better sanitary practices and lower mortality risks for the working-age population.

In terms of the investment implications of their economic outlook, they expect government bond yields to remain stable near their current levels. Accordingly, investment-grade corporate debt should perform in line with its yield-to-maturity, benefiting from a gradual narrowing of credit spreads (yield spreads between government and corporate bonds) towards their long-term averages. High-yield fixed-income securities should also outperform government bonds, although greater dispersion among issuers is to be expected. For equity markets, they should pursue their volatile recovery, albeit at a slower pace. In this environment, the management team continues to expect the U.S. market to outperform, benefiting from a sector and factor allocation that is better suited to an economy where some form of social distancing is required. Nevertheless, a positive resolution to the global pandemic could trigger a rapid rotation out of U.S. dollar-denominated and technology-intensive assets, which would be highly beneficial to regions such as Europe and emerging markets.

In June, the management team used the Fund's excess liquidity (10%) in favour of an overweight positioning in equities. This change is explained by a marked improvement in the economic backdrop, essentially marking the end of the recession and the start of a new business cycle. As of June 30, 2020, the Fund remains slightly overweight in U.S. equities and underweight in EAFE equities.

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:

### Trustee

National Bank Trust Inc. ("NBT"), a wholly-owned 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 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
<b>Total brokerage fees</b>	278,435.77
<b>Brokerage fees paid to National Bank Financial</b>	278,435.77

### Holdings

As at June 30, 2020, National Bank Investments Inc. held 202.97 Fund securities for a value of \$2,088.64, which represented close to 0.0000% 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 \$5.84, 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.

### 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*			
Front-end load	1.60%	62.50%	37.50%
Back-end load - 1 to 6 years	1.60%	31.25%	68.75%
Back-end load - 7 years and more	1.60%	62.50%	37.50%
Low load - 1 to 3 years	1.60%	31.25%	68.75%
Low load - 4 years and more	1.60%	62.50%	37.50%
Series F	0.60%	—	100.00%
Series O	N/A**	—	100.00%
Series N and Series NR***	0.25%	—	100.00%

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

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

<sup>(\*\*)</sup> 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.

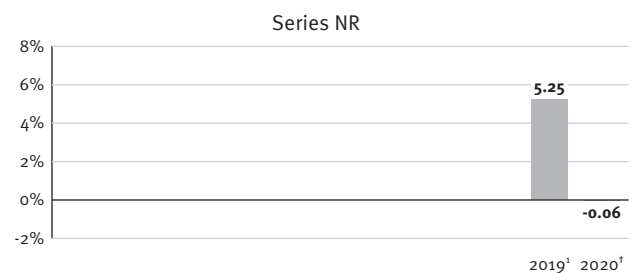
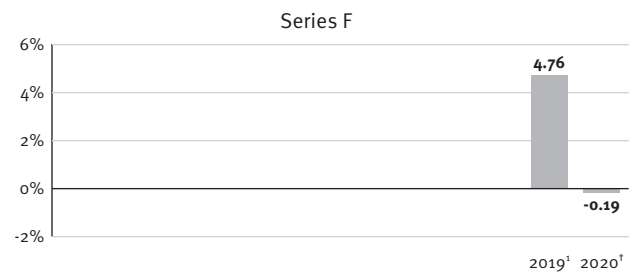
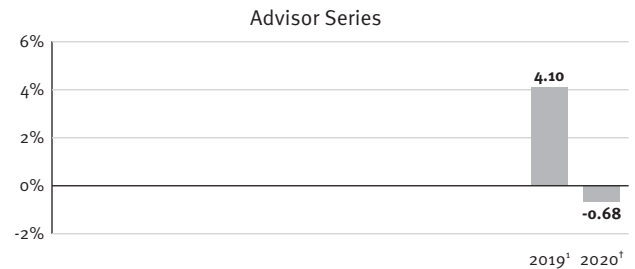
<sup>(\*\*\*)</sup> For Series N and NR, offered only to investors using the NBI Private Wealth Management service ("PWM"), management fees only cover management of fund investments, i.e. the fees related to management of fund portfolios constituting the PWM profiles. General administration services, 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, or by June 30, as applicable.



<sup>(†)</sup> Returns for the period from May 21, 2019 (commencement of operations) to December 31, 2019.

<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: May 21, 2019

Accounting Period Ended	2020 June 30	2019 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	10.30	10.00
<b>Increase (Decrease) from Operations (\$)</b>		
Total revenue	0.05	0.67
Total expenses	(0.10)	(0.12)
Realized gains (losses)	0.36	0.17
Unrealized gains (losses)	(0.47)	(0.28)
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(0.16)	0.44
<b>Distributions (\$)</b>		
From net investment income (excluding dividends)	—	0.03
From dividends	—	0.06
From capital gains	—	0.02
Return of capital	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	—	0.11
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	10.23	10.30

### Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	34	18
Number of units outstanding <sup>(5)</sup>	3,299	1,787
Management expense ratio (%) <sup>(6)</sup>	2.00	1.91
Management expense ratio before waivers or absorptions (%)	2.04	2.19
Trading expense ratio (%) <sup>(7)</sup>	0.05	0.01
Portfolio turnover rate (%) <sup>(8)</sup>	131.87	42.53
Net asset value per unit (\$)	10.23	10.30

### Series F

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

Commencement of operations: May 21, 2019

Accounting Period Ended	2020 June 30	2019 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	10.31	10.00
<b>Increase (Decrease) from Operations (\$)</b>		
Total revenue	0.05	0.78
Total expenses	(0.04)	(0.05)
Realized gains (losses)	0.37	0.22
Unrealized gains (losses)	(0.55)	(0.12)
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(0.17)	0.83
<b>Distributions (\$)</b>		
From net investment income (excluding dividends)	—	0.07
From dividends	—	0.07
From capital gains	—	0.03
Return of capital	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	—	0.17
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	10.29	10.31

### Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	762	187
Number of units outstanding <sup>(5)</sup>	74,046	18,110
Management expense ratio (%) <sup>(6)</sup>	0.85	0.81
Management expense ratio before waivers or absorptions (%)	0.93	0.86
Trading expense ratio (%) <sup>(7)</sup>	0.05	0.01
Portfolio turnover rate (%) <sup>(8)</sup>	131.87	42.53
Net asset value per unit (\$)	10.29	10.31

## Series O

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

Commencement of operations: May 21, 2019

Accounting Period Ended	2020 June 30	2019 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	10.33	10.00
<b>Increase (Decrease) from Operations (\$)</b>		
Total revenue	0.04	0.17
Total expenses	—	—
Realized gains (losses)	0.34	0.07
Unrealized gains (losses)	(0.37)	0.19
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	0.01	0.43
<b>Distributions (\$)</b>		
From net investment income (excluding dividends)	—	0.07
From dividends	—	0.07
From capital gains	—	0.06
Return of capital	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	—	0.20
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	10.35	10.33

### Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	798,161	744,259
Number of units outstanding <sup>(5)</sup>	77,130,877	72,064,369
Management expense ratio (%) <sup>(6)</sup>	0.09	0.05
Management expense ratio before waivers or absorptions (%)	0.09	0.05
Trading expense ratio (%) <sup>(7)</sup>	0.05	0.01
Portfolio turnover rate (%) <sup>(8)</sup>	131.87	42.53
Net asset value per unit (\$)	10.35	10.33

## Series N

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

Commencement of operations: May 21, 2019

Accounting Period Ended	2020 June 30	2019 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	10.34	10.00
<b>Increase (Decrease) from Operations (\$)</b>		
Total revenue	0.05	0.17
Total expenses	(0.02)	(0.02)
Realized gains (losses)	0.34	0.07
Unrealized gains (losses)	(0.39)	0.17
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(0.02)	0.39
<b>Distributions (\$)</b>		
From net investment income (excluding dividends)	—	0.05
From dividends	—	0.07
From capital gains	—	0.06
Return of capital	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	—	0.18
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	10.34	10.34

### Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	891,973	874,448
Number of units outstanding <sup>(5)</sup>	86,261,661	84,554,795
Management expense ratio (%) <sup>(6)</sup>	0.44	0.41
Management expense ratio before waivers or absorptions (%)	0.44	0.41
Trading expense ratio (%) <sup>(7)</sup>	0.05	0.01
Portfolio turnover rate (%) <sup>(8)</sup>	131.87	42.53
Net asset value per unit (\$)	10.34	10.34

## Series NR

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

Commencement of operations: May 21, 2019

Accounting Period Ended	2020 June 30	2019 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	10.09	10.00
<b>Increase (Decrease) from Operations (\$)</b>		
Total revenue	0.04	0.17
Total expenses	(0.02)	(0.02)
Realized gains (losses)	0.33	0.07
Unrealized gains (losses)	(0.38)	0.17
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(0.03)	0.39
<b>Distributions (\$)</b>		
From net investment income (excluding dividends)	0.01	0.05
From dividends	0.02	0.07
From capital gains	—	0.06
Return of capital	0.23	0.25
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.26	0.43
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	9.83	10.09

### Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	12,679	13,276
Number of units outstanding <sup>(5)</sup>	1,290,508	1,315,648
Management expense ratio (%) <sup>(6)</sup>	0.44	0.41
Management expense ratio before waivers or absorptions (%)	0.44	0.41
Trading expense ratio (%) <sup>(7)</sup>	0.05	0.01
Portfolio turnover rate (%) <sup>(8)</sup>	131.87	42.53
Net asset value per unit (\$)	9.82	10.09

## Series PW\*

<sup>(\*)</sup> Please note that the data presented below is in CAD although this Series is also available under the USD purchase option. This Series is offered by way of private placement.

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

Commencement of operations: October 13, 2015

Accounting Period Ended	2020 June 30	2019 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	5.51	4.91
<b>Increase (Decrease) from Operations (\$)</b>		
Total revenue	0.02	0.15
Total expenses	(0.01)	(0.02)
Realized gains (losses)	0.18	0.02
Unrealized gains (losses)	(0.20)	0.59
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(0.01)	0.74
<b>Distributions (\$)</b>		
From net investment income (excluding dividends)	—	0.04
From dividends	—	0.08
From capital gains	—	0.02
Return of capital	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	—	0.14
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	5.51	5.51

### Ratios and Supplemental Data

Accounting Period Ended	2020 June 30	2019 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	1,432,568	1,437,219
Number of units outstanding <sup>(5)</sup>	259,925,230	260,747,095
Management expense ratio (%) <sup>(6)</sup>	0.50	0.48
Management expense ratio before waivers or absorptions (%)	0.50	0.48
Trading expense ratio (%) <sup>(7)</sup>	0.05	0.01
Portfolio turnover rate (%) <sup>(8)</sup>	131.87	42.53
Net asset value per unit (\$)	5.51	5.51

<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
Horizons Cdn Select Universe Bond ETF.....	38.9
Horizons S&P 500 Index ETF.....	26.6
Horizons S&P/TSX Index ETF.....	20.5
Horizons International Developed Markets Equity Index ETF.....	5.9
iShares, Core MSCI Emerging Markets ETF.....	5.9
NBI Canadian Bond Index Fund, Series O.....	2.0
Cash, Money Market and Other Net Assets.....	0.2
	100.0

Net asset value.....\$3,136,176,415

### Asset Mix

	% of Net Asset Value
Exchange Traded Funds.....	51.4
US Equity.....	25.9
Canadian Equity.....	20.5
Corporate Bonds.....	1.0
Federal Bonds.....	0.5
Provincial Bonds.....	0.5
Cash, Money Market and Other Net Assets.....	0.2

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).