

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2021

Short Term and Income Fund

NBI Floating Rate 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.

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, by visiting SEDAR's website at 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, 2021, the NBI Floating Rate Income Fund's Investor Series units returned 3.72% compared to 0.06% for the Fund's benchmark, the FTSE Canada 91 Day T-Bill 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 rose by 18.46% over the period, from \$114.45 million as at December 31, 2020 to \$135.58 million as at June 30, 2021.

The increase stands, among other things, from the merger of the NBI Tactical Mortgage & Income Fund with this Fund and market fluctuations.

Risk assets continued where they left off at the end of the previous year and pushed higher throughout the first quarter. Vaccinations and reopenings especially in the U.S. drove risk assets even higher throughout the second quarter.

For their part, global bond markets sold off significantly after the U.S. approved a massive \$1.9tn fiscal package at the beginning of the year, forcing fixed-income investors to quickly adjust their expectations higher for both growth and inflation. While short-term rates remained quite stable, long term rates rose substantially, causing the yield curve to steepen in Q1. In the second quarter, short term rates moved up while long-term rates fell, on expectations that central banks may raise their key rates sooner than expected as the economy recovers, while long-term rates fell causing the curve to flatten. Despite the turnaround at the end of the semester, rates ended the period higher than where they were at the beginning of the year, regardless of their respective maturities.

In this context, the upward move in interest rates hindered the overall bond performance for the six-month period. While high yield bonds (HY) stood out with gains for the period, long-term securities generated the lowest returns. In Canada, the FTSE Canada Universe Bond Index ended the period down 3.46%, with corporate bonds outperforming provincial, municipal and federal bonds. Within corporate bonds, issuers rated AAA/AA and BBB outperformed those rated A. On a sector basis, Financials, Real Estate and asset-backed securities outperformed, while Infrastructure and Communications lagged.

For its part, the Canadian preferred share market had a stellar semester, outperforming the Canadian fixed income universe, including corporate bonds. The launch of new Limited Recourse Capital Notes (LRCN) by issuers at tighter spreads than preferred shares, the release of new guidelines by OSFI, the high volume of redemptions during the period and even more to come, combined with the rising rate environment, had a positive impact on this asset class.

The unbalanced demand/supply dynamic which led to a real scarcity of preferred shares, resulted in investors having to pay higher prices to replace those that have been redeemed, to maintain approximately the same exposure, in their investment portfolio. This was supportive for preferred shares trading in the secondary market as there were only two new issues launched over the last six months.

In this context, the Fund outperformed substantially its benchmark during the period, by keeping a very low duration (between 0.5 and 1.5 years), which helped mitigate the negative impact of the rising rate environment.

The Funds' corporate and preferred shares exposure also added value. The renewed risk appetite for credit assets early in the year did bring corporate bond spreads vs government bonds to a recent tight, boosting consequently the Fund's performance. Sectors like Real Estate and Energy prove to be top contributors on the back of renewed economic activity and higher oil prices. The Fund's high exposure to Financials also contributed to outperformance given the spread compression of various securities issued by regional banks, big six Canadian banks and insurers, which all benefitted from the strong demand for corporates and limited supply.

Preferred shares, which represent slightly less than 20% of the overall portfolio, were also a great performance contributor, by returning about 19%. Fixed-reset perpetual with mid and low reset level continued to be the main driver of performance, particularly in the Telecommunication and Energy sectors.

Recent Developments

The speed of vaccinations against COVID-19 will continue to drive financial markets for the rest of the year. In Canada a substantial portion of the population has now received at least one dose and the second dose is being rolled out faster than previously expected. The portfolio manager continues to maintain his thesis on the reopening of the economy with the U.S. leading the way, and Canada on track to reach substantial herd immunity during the summer which will enable reopening's and a boom in the economy. Fiscal and monetary policy will also support this powerful recovery. Inflation has pushed material higher this year and although the manager expects it to decline over the medium term, he also believes inflationary risks are skewed to the upside due to the strength of the economy and supply chain disruptions caused by the virus. Central banks are also expected to reduce bond purchases later in the year.

Preferred shares for their part, should continue to deliver some capital gains over the next quarters but at a slower pace. The technical side should remain positive as issuers should continue to redeem their expensive preferred shares and replace them with LRCN and Hybrid securities. The portfolio manager is expecting at least \$11.4 bn of redemption (16.8% of the market) until the end of 2022. The primary market will probably remain quiet in this environment. Retail investors could continue to be net sellers, but it should not derail the positive impact of those potential redemptions which will bring a strong and constant bid in the market. Flows into the ETFs will continue to be an important driver of daily volatility. In this environment, fixed-reset issues with low reset level that trade at discount should continue to outperform. He also thinks the non-financial sectors (utilities, communications and energy) have more upside than the Financial sector in this environment.

On April 30, 2021, the Fund's independent review committee (the "IRC") was reduced to three members when Yves Julien resigned as IRC member. On May 1, 2021, the Fund's IRC was increased to four members when Paul Béland was appointed as IRC member.

On May 17, 2021, National Bank Investments Inc. ("NBI") announced the results of the proposals voted upon at the special meetings of securityholders of certain NBI Funds held on that day. The proposed fund mergers were part of a series of initiatives that seek to ensure a more streamlined NBI Fund line-up to provide investors with a comprehensive, more clearly defined range of investment products.

Therefore, the NBI Tactical Mortgage & Income Fund merged with the NBI Floating Rate Income Fund on or about June 4, 2021. To facilitate the merger, Investor-2 and Advisor-2 Series of the Fund were launched on May 13, 2021 and are generally not available for new purchases.

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, 2021
Total brokerage fees	15,928.18
Brokerage fees paid to National Bank Financial	-

Holdings

As at June 30, 2021, National Bank Investments Inc. held 330.27 Fund securities for a value of \$3,296.42, which represented close to 0.0024% 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.

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 [†]
Investor Series	1.20%	54.17%	45.83%
Investor-2 Series	1.20%	41.67%	58.33%
Advisor Series and Series T*			
Front-end load	1.20%	54.17%	45.83%
Back-end load - 1 to 6 years	1.20%	20.83%	79.17%
Back-end load - 7 years and more	1.20%	54.17%	45.83%
Low load - 1 to 3 years	1.20%	20.83%	79.17%
Low load - 4 years and more	1.20%	54.17%	45.83%
Advisor-2 Series *			
Front-end load	1.20%	41.67%	58.33%
Back-end load - 1 to 6 years	1.20%	20.83%	79.17%
Back-end load - 7 years and more	1.20%	41.67%	58.33%
Low load - 1 to 3 years	1.20%	20.83%	79.17%
Low load - 4 years and more	1.20%	41.67%	58.33%
Series F and Series FT	0.55%	—	100.00%
Series O	N/A**	—	100.00%

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

^(*) Excluding sales commissions paid on the Advisor Series, Advisor-2 Series and Series T with low sales charges option and deferred sales charge option, which are not paid for out of the management fees.

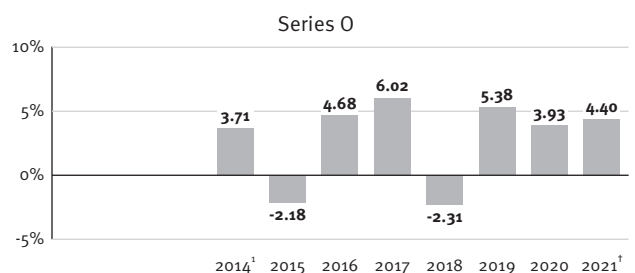
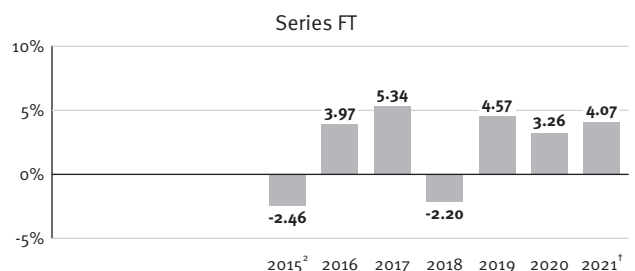
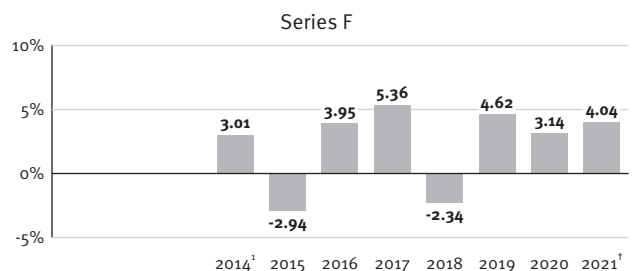
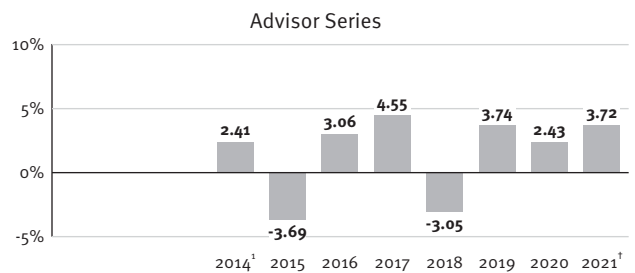
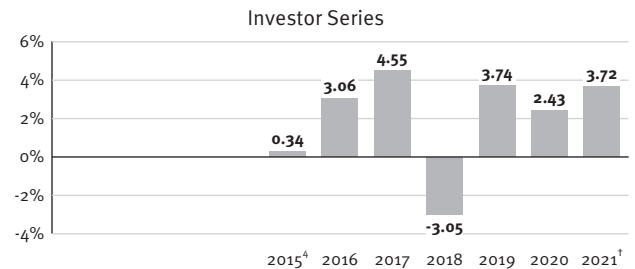
^(**) There are no management fees paid by the Fund with respect to the Series O. Instead, Series O securityholders pay a negotiated administration fee directly to National Bank Investments.

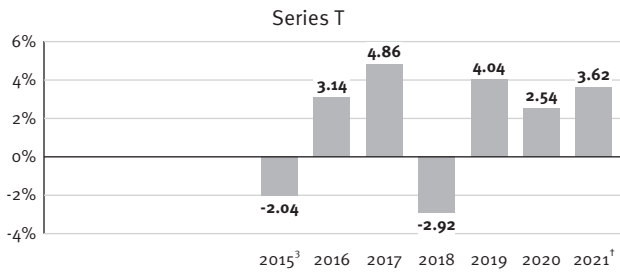
Past Performance

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.





- ⁽¹⁾ Returns for the period from January 8, 2014 (commencement of operations) to December 31, 2014.
- ⁽²⁾ Returns for the period from May 21, 2015 (commencement of operations) to December 31, 2015.
- ⁽³⁾ Returns for the period from January 14, 2015 (commencement of operations) to December 31, 2015.
- ⁽⁴⁾ Returns for the period from October 30, 2015 (commencement of operations) to December 31, 2015.
- ⁽¹⁾ Returns for the period from January 1, 2021 to June 30, 2021.

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

⁽¹⁾ The Investor Series was created on October 30, 2015.

Net Assets per Unit ⁽¹⁾		Commencement of operations: January 8, 2014				
Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.59	9.56	9.47	10.02	9.78	9.65
Increase (Decrease) from Operations (\$)						
Total revenue	—	0.20	0.39	0.36	0.31	0.27
Total expenses	(0.07)	(0.14)	(0.14)	(0.15)	(0.15)	(0.14)
Realized gains (losses)	0.15	(0.19)	0.09	(0.12)	0.11	(0.06)
Unrealized gains (losses)	0.35	0.28	0.02	(0.31)	0.18	0.22
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.43	0.15	0.36	(0.22)	0.45	0.29
Distributions (\$)						
From net investment income (excluding dividends)	—	—	0.15	0.15	0.06	0.04
From dividends	0.02	0.08	0.11	0.10	0.09	0.10
From capital gains	—	—	—	—	—	—
Return of capital	0.07	0.11	—	—	0.05	0.03
Total Annual Distributions (\$) ⁽³⁾	0.09	0.19	0.26	0.25	0.20	0.17
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.84	9.59	9.56	9.47	10.02	9.78

Ratios and Supplemental Data

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (ooo's of \$) ⁽⁵⁾	21,054	108,364	147,292	201,168	374,394	469,717
Number of units outstanding ⁽⁵⁾	2,138,534	11,296,547	15,400,375	21,240,663	37,349,232	48,006,677
Management expense ratio (%) ⁽⁶⁾	1.49	1.48	1.49	1.49	1.49	1.49
Management expense ratio before waivers or absorptions (%)	1.51	1.50	1.50	1.51	1.51	1.50
Trading expense ratio (%) ⁽⁷⁾	0.04	0.01	0.01	0.01	0.01	0.02
Portfolio turnover rate (%) ⁽⁸⁾	119.82	12.95	17.03	6.18	28.08	30.25
Net asset value per unit (\$)	9.84	9.59	9.56	9.47	10.02	9.78

Investor-2 / Advisor-2 Series

Net Assets per Unit⁽¹⁾ Commencement of operations: May 13, 2021

Accounting Period Ended	2021 June 30
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	10.00
Increase (Decrease) from Operations (\$)	
Total revenue	0.03
Total expenses	(0.02)
Realized gains (losses)	0.01
Unrealized gains (losses)	(0.12)
Total Increase (Decrease) from Operations (\$) ⁽²⁾	(0.10)
Distributions (\$)	
From net investment income (excluding dividends)	—
From dividends	—
From capital gains	—
Return of capital	—
Total Annual Distributions (\$) ⁽³⁾	—
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	10.05

Ratios and Supplemental Data

Accounting Period Ended	2021 June 30
Total net asset value (ooo's of \$) ⁽⁵⁾	48,133
Number of units outstanding ⁽⁵⁾	4,788,979
Management expense ratio (%) ⁽⁶⁾	1.49
Management expense ratio before waivers or absorptions (%)	1.50
Trading expense ratio (%) ⁽⁷⁾	0.04
Portfolio turnover rate (%) ⁽⁸⁾	119.82
Net asset value per unit (\$)	10.05

Series F

Net Assets per Unit⁽¹⁾

Commencement of operations: January 8, 2014

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.83	9.71	9.61	10.13	9.83	9.67
Increase (Decrease) from Operations (\$)						
Total revenue	0.08	0.21	0.39	0.36	0.31	0.27
Total expenses	(0.04)	(0.07)	(0.07)	(0.07)	(0.07)	(0.07)
Realized gains (losses)	0.06	(0.17)	0.11	(0.12)	0.10	(0.07)
Unrealized gains (losses)	0.15	0.15	(0.01)	(0.40)	0.20	0.20
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.25	0.12	0.42	(0.23)	0.54	0.33
Distributions (\$)						
From net investment income (excluding dividends)	—	—	0.23	0.21	0.13	0.11
From dividends	0.04	0.18	0.11	0.08	0.09	0.10
From capital gains	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.04	0.18	0.34	0.29	0.22	0.21
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	10.19	9.83	9.71	9.61	10.13	9.83

Ratios and Supplemental Data

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) ⁽⁵⁾	26,905	5,117	10,259	20,160	17,591	15,976
Number of units outstanding ⁽⁵⁾	2,639,741	520,481	1,056,530	2,097,385	1,736,452	1,625,177
Management expense ratio (%) ⁽⁶⁾	0.71	0.76	0.71	0.71	0.71	0.73
Management expense ratio before waivers or absorptions (%)	0.73	0.79	0.74	0.75	0.78	0.79
Trading expense ratio (%) ⁽⁷⁾	0.04	0.01	0.01	0.01	0.01	0.02
Portfolio turnover rate (%) ⁽⁸⁾	119.82	12.95	17.03	6.18	28.08	30.25
Net asset value per unit (\$)	10.19	9.83	9.71	9.61	10.13	9.83

Series FT

Net Assets per Unit⁽¹⁾

Commencement of operations: May 21, 2015

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.50	9.41	9.60	10.06	9.79	9.66
Increase (Decrease) from Operations (\$)						
Total revenue	0.04	0.21	0.40	0.37	0.32	0.28
Total expenses	(0.04)	(0.06)	(0.06)	(0.07)	(0.07)	(0.07)
Realized gains (losses)	0.10	(0.20)	0.07	(0.13)	0.11	(0.07)
Unrealized gains (losses)	0.29	0.36	0.03	(1.17)	0.17	0.24
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.39	0.31	0.44	(1.00)	0.53	0.38
Distributions (\$)						
From net investment income (excluding dividends)	—	—	0.33	0.16	0.14	0.11
From dividends	0.03	0.14	0.30	0.06	0.09	0.10
From capital gains	—	—	—	—	—	—
Return of capital	0.07	0.06	—	0.02	0.02	0.03
Total Annual Distributions (\$) ⁽³⁾	0.10	0.20	0.63	0.24	0.25	0.24
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.79	9.50	9.41	9.60	10.06	9.79

Ratios and Supplemental Data

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) ⁽⁵⁾	1	1	1	1	1	1
Number of units outstanding ⁽⁵⁾	120	119	116	109	106	104
Management expense ratio (%) ⁽⁶⁾	0.64	0.67	0.68	0.75	0.69	0.69
Management expense ratio before waivers or absorptions (%)	1.50	1.53	1.34	0.81	1.78	2.13
Trading expense ratio (%) ⁽⁷⁾	0.04	0.01	0.01	0.01	0.01	0.02
Portfolio turnover rate (%) ⁽⁸⁾	119.82	12.95	17.03	6.18	28.08	30.25
Net asset value per unit (\$)	9.79	9.50	9.41	9.61	10.06	9.79

Series O

Net Assets per Unit⁽¹⁾

Commencement of operations: January 8, 2014

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.76	9.65	9.53	10.06	9.78	9.65
Increase (Decrease) from Operations (\$)						
Total revenue	0.11	0.21	0.40	0.36	0.23	0.28
Total expenses	—	—	—	(0.07)	—	—
Realized gains (losses)	0.04	(0.20)	0.08	(0.12)	(0.03)	(0.07)
Unrealized gains (losses)	0.11	0.37	0.02	(0.40)	0.38	0.24
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.26	0.38	0.50	(0.23)	0.58	0.45
Distributions (\$)						
From net investment income (excluding dividends)	—	—	0.29	0.21	0.20	0.18
From dividends	0.03	0.19	0.10	0.09	0.08	0.10
From capital gains	—	—	—	—	—	—
Return of capital	0.07	0.07	—	—	0.03	0.03
Total Annual Distributions (\$) ⁽³⁾	0.10	0.26	0.39	0.30	0.31	0.31
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	10.09	9.76	9.65	9.53	10.06	9.78

Ratios and Supplemental Data

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) ⁽⁵⁾	38,944	2	2	2	2	41,372
Number of units outstanding ⁽⁵⁾	3,860,344	208	203	195	189	4,227,903
Management expense ratio (%) ⁽⁶⁾	0.02	—	—	0.68	0.02	0.02
Management expense ratio before waivers or absorptions (%)	0.02	0.48	0.37	1.15	0.02	0.02
Trading expense ratio (%) ⁽⁷⁾	0.04	0.01	0.01	0.01	0.01	0.02
Portfolio turnover rate (%) ⁽⁸⁾	119.82	12.95	17.03	6.18	28.08	30.25
Net asset value per unit (\$)	10.09	9.76	9.65	9.53	10.06	9.79

Series T

Net Assets per Unit⁽¹⁾

Commencement of operations: January 14, 2015

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.21	9.44	9.33	9.85	9.59	9.50
Increase (Decrease) from Operations (\$)						
Total revenue	0.10	0.20	0.51	0.35	0.31	0.27
Total expenses	(0.07)	(0.12)	(0.12)	(0.13)	(0.12)	(0.14)
Realized gains (losses)	0.04	(0.19)	0.05	(0.12)	0.10	(0.07)
Unrealized gains (losses)	0.12	0.35	0.25	(0.39)	0.15	0.25
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.19	0.24	0.69	(0.29)	0.44	0.31
Distributions (\$)						
From net investment income (excluding dividends)	—	—	0.16	0.16	0.08	0.05
From dividends	0.02	0.40	0.10	0.08	0.08	0.10
From capital gains	—	—	—	—	—	—
Return of capital	0.07	0.06	—	—	0.04	0.07
Total Annual Distributions (\$) ⁽³⁾	0.09	0.46	0.26	0.24	0.20	0.22
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.45	9.21	9.44	9.33	9.85	9.59

Ratios and Supplemental Data

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) ⁽⁵⁾	543	1	1	1	1	1
Number of units outstanding ⁽⁵⁾	57,492	119	113	110	108	105
Management expense ratio (%) ⁽⁶⁾	1.49	1.33	1.32	1.28	1.26	1.42
Management expense ratio before waivers or absorptions (%)	1.51	2.21	1.83	2.12	2.36	2.85
Trading expense ratio (%) ⁽⁷⁾	0.04	0.01	0.01	0.01	0.01	0.02
Portfolio turnover rate (%) ⁽⁸⁾	119.82	12.95	17.03	6.18	28.08	30.25
Net asset value per unit (\$)	9.45	9.21	9.44	9.33	9.85	9.59

- ⁽¹⁾ 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.
- ⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the average number of units outstanding over the accounting period.
- ⁽³⁾ Distributions were paid in cash or reinvested in additional units of the Fund, or both.
- ⁽⁴⁾ The net assets are calculated in accordance with IFRS.
- ⁽⁵⁾ This information is provided as at the last day of the accounting period shown.
- ⁽⁶⁾ Management expense ratio is based on total expenses including sales taxes for the accounting period indicated (excluding commission, other portfolio transaction costs and withholding taxes) and is expressed as an annualized percentage of daily average net value during the accounting period.
- ⁽⁷⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the accounting period. The trading expense ratio includes, if necessary, the trading expenses from its underlying funds, as described in Article 15.2 of Regulation 81-106.
- ⁽⁸⁾ The Fund's portfolio turnover rate indicates how actively the Fund portfolio's manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the accounting period. The higher a Fund's portfolio turnover rate in an accounting period, the greater the trading costs payable by the Fund in the accounting period, and the greater the chance of an investor receiving taxable capital gains in the accounting period. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

Summary of Investment Portfolio

As of June 30, 2021

Portfolio Top Holdings

	% of Net Asset Value
Cash, Money Market and Other Net Assets	3.0
Bank of Montreal, 2.85%, due March 6, 2024	2.0
Toronto-Dominion Bank, 3.22%, due July 25, 2029	1.9
Manufacturers Life Insurance Co., Floating, due November 22, 2022	1.6
Canadian Imperial Bank of Commerce, Floating, due July 21, 2030	1.5
Bell Canada, 1.65%, due August 16, 2027	1.5
Canadian Imperial Bank of Commerce, 3.29%, due January 15, 2024	1.4
Scotiabank, 2.49%, due September 23, 2024	1.4
Royal Bank of Canada, Floating, due December 23, 2029	1.3
TransCanada Pipelines Ltd., 3.80%, due April 5, 2027	1.2
Wells Fargo & Co., 2.98%, due May 19, 2026	1.2
Toronto-Dominion Bank, 2.85%, due March 8, 2024	1.1
Scotiabank, 2.16%, due February 3, 2025	1.0
Fédération des caisses Desjardins, Floating, due May 26, 2030	1.0
Wells Fargo & Co., 2.09%, due April 25, 2022	1.0
Canadian Imperial Bank of Commerce, 4.40%, Series 45	0.9
Royal Bank of Canada, 1.94%, due May 1, 2025	0.9
Canadian Imperial Bank of Commerce, 2.95%, due June 19, 2029	0.9
Sun Life Financial Inc., Floating, due November 23, 2022	0.9
H&R Real Estate Investment Trust, 3.37%, due January 30, 2024	0.9
J. P. Morgan Chase & Co., Floating, due March 5, 2028	0.9
Bank of Montreal, 2.70%, due September 11, 2024	0.8
Canadian Imperial Bank of Commerce, 2.43%, due June 9, 2023	0.8
Fédération des caisses Desjardins, 3.06%, due September 11, 2023	0.8
North West Redwater Partnership / NWR Financing Co. Ltd., 2.10%, due February 23, 2022	0.8
	30.7

Net asset value \$135,581,199

Asset Mix

	% of Net Asset Value
Canadian Corporate Bonds	66.6
Preferred Shares	17.3
US Bonds	6.1
Municipal Bonds	3.5
Federal Bonds	1.5
Asset Backed Securities	1.4
Mortgage Backed Securities	0.9
Foreign Bonds	0.1
Derivative Products	(0.4)
Cash, Money Market and Other Net Assets	3.0

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.