

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2020

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, 2020, the NBI Floating Rate Income Fund's Investor Series units returned -4.32% compared to 0.81% 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 dropped by 17.01% over the period, from \$159.16 million as at December 31, 2019 to \$132.09 million as at June 30, 2020.

This decline stemmed mainly from net redemptions by unitholders of the Fund.

Among the asset classes held in the Fund, corporate bonds finished well ahead of preferred equities which underperformed over the semester.

2020 started with positive momentum with many markets reaching record highs up until mid-February. However, fears of global pandemic quickly turned to reality, sending markets across the world in a downward spiral. The spread of the virus and the impact of the response measures (including social distancing) on economic activity is very severe and a global recession is in the cards for 2020. Specific to Canada, the sharp drop in oil prices has also compounded the impact on our economy.

Under these circumstances, 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.

In this context, Canadian government bond yields ended the period lower while having swung wildly, as investors sought to assess the economic fallout stemming from the coronavirus, the bond supply implications of the massive fiscal response, and assertive central bank measures aimed at restoring liquidity and avoiding a credit crunch.

In this tumultuous and unprecedented market environment, however, corporate credit spreads vs government bonds blew out in March as the economic shutdown threatened corporate health and liquidity seized up. Over the second quarter, those spreads began to narrow as quantitative easing programs took effect and market conditions improved.

Consequently, the FTSE Canada Universe Bond 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% over the semester vs 5.41%, 8.15% and 7.52% for the other respective 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%.

The Canadian preferred shares market for its part, has been significantly affected by the falling rate environment and the credit spreads widening occurred during the period. The lack of liquidity at the height of the market panic also exacerbated the downside. While preferred equities rebounded substantially from their lows in March, the S&P/TSX Preferred Share Index posted a loss of 11.2% for the whole semester.

While none of the different structures have been spared, floating rate issues lost nearly a quarter of their value, significantly underperforming both fixed-reset and fixed rate perpetual names. Floating rate Energy issuers suffered the most, losing over a third of their value, while floating rate Telecoms and fixed-reset Real Estate issuers didn't fare much better. The only structure & sector combination to generate positive returns in the first half of the year was fixed rate perpetual Utilities and Consumer staples names, which gained about 1.6% and 1%, respectively.

Given these circumstances, the Fund underperformed its benchmark for the period. Exposure to preferred equities didn't help, as fixed-reset issue within all sectors ended the period in negative territory. Interest rate hedging activities (primarily through the use of interest rate swaps) also detracted value. As bond yields were on the decline throughout the period, interest rate hedging activities – which seek to stabilize the Fund from the effects of rising interest rates – the Fund would have performed better, given the decline in rates.

Fortunately, exposure to corporate bonds, has partially mitigated this impact with the falling rate environment of benchmark government bonds. While the widening of credit spreads offset the positive impact of duration in Q1, the tightening of spreads from the end of March and onwards contributed positively in Q2.

Recent Developments

Looking ahead, COVID-19 will remain front and centre for financial markets. Governments have and will continue to respond with drastic measures that are necessary to bridge the gap until the economy can fully re-open. The portfolio manager is confident that these decisions will eventually work, but the duration and severity of the impact on economic growth remains uncertain especially in certain sectors. Q2 growth will be extremely weak, but he's expecting activity to resume in the third quarter of 2020, albeit at a subdued pace.

He thinks Canadian interest rates should remain low for a long period of time, but volatility will present tradeable opportunities. Credit assets may continue to perform well especially with government yields anchored. While he doesn't foresee a straight-line recovery and given credit has performed well, he will continue to take profits in certain sectors but at the same time if spreads widened, he may look to increase exposure in some sectors.

With respect to the preferred share market, it has performed much better in Q2 but continued to lag other asset classes and remained attractive versus the equity market and fixed income. The market should remain volatile over the next months and quarters and follow the volatility of the bond and equity markets driven by headlines on the Covid-19 and the success of the reopening of the economy. However, lower rates for longer and negative technical (retail investors should continue to be net seller) could cap the upside over the short term. The portfolio manager thinks most of the outperformance of the preferred shares market for the remainder of 2020 will come from the compression of the credit spreads and he thinks there is significant upside with the asset class on a 12-month horizon. The primary market should continue to be quiet as valuations remains expensive for issuers. Flows into the ETFs will continue to be an important driver of daily volatility. In this environment, most of the preferred shares are attractive but he believes that fixed-reset issues with a mid reset level (between 300 bps and 400 bps) are providing the best risk reward.

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, Custodian, and Registrar

Natcan Trust Company (“NTC”), a direct or indirect wholly-owned subsidiary of the Bank, is the Fund’s trustee. In this capacity, it is the legal owner of the Fund’s investments.

NTC acts as registrar for the Fund’s securities and the names of securityholders. NTC also acts as the Fund’s custodian. The fees for NTC’s custodial services are based on the standard rates in effect at NTC.

Agent for securities lending transactions

NTC acts as the agent for securities lending transactions acts on behalf of the Fund in administering securities lending transactions entered into by the Fund. NTC is an affiliate of the Manager.

Fund Manager

The Fund is managed by National Bank Investments Inc. (“NBII”), which is a wholly-owned subsidiary of the Bank. Therefore, NBII provides or ensures the provision of all general management and administrative services required by the Fund’s current operations, including investment consulting, the arrangement of brokerage contracts for the purchase and sale of the investment portfolio, bookkeeping and other administrative services required by the Fund.

The Manager pays the operating expenses of the Fund other than its “Fund costs” (defined below) (the “variable operating expenses”), in exchange for the Fund’s payment to the Manager of annual fixed-rate administration fees with respect to each series of the Fund.

The administration fees are equal to a specified percentage of the net asset value of each series of the Fund, calculated and paid in the same manner as the Fund’s management fees. The variable operating expenses payable by the Manager include, but are not limited to: transfer agency and recordkeeping costs; custodial costs; accounting and valuation fees; audit fees and legal fees; costs of preparing and distributing financial reports, simplified prospectuses, annual information forms, Fund Facts, continuous disclosure material and other securityholder communications; and costs of trustee services relating to registered tax plans, as applicable.

In addition to administration fees, the Fund shall also pay certain Fund costs, namely: taxes (including, but not limited to, GST/HST and income taxes); costs of compliance with any changes to existing governmental or regulatory requirements introduced after August 1, 2013; costs of compliance with any new governmental or regulatory requirements, including any new fees introduced after August 1, 2013; interest and borrowing costs; costs related to external services that were not commonly charged in the Canadian mutual fund industry as at August 1, 2013; Independent Review Committee costs, including compensation paid to IRC members, travel expenses, insurance premiums and costs associated with their continuing education; and variable operating expenses incurred outside of the normal course of business of the Fund.

The Manager may, from time to time and at its sole discretion, decide to absorb a portion of a series’ management fees, administration fees or Fund costs.

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

Portfolio Manager

The Manager has appointed National Bank Trust Inc. (“NBT”), an indirect wholly-owned subsidiary of the Bank, as the portfolio manager for the Fund. A flat fee is payable annually to NBT for its management services.

Distribution and Dealer Compensation

NBII acts as principal distributor for the Fund. In this capacity, NBII buys, sells and swaps securities through Bank branches and the National Bank Investments Advisory Service in Canadian provinces and territories, and through external registered representatives. Fund securities are also offered by National Bank Financial Inc. (including its division National Bank Direct Brokerage), CABN Investments (a division of NBII) and other affiliated entities. Brokers may receive, depending on the distributed series, a monthly commission representing a percentage of the average daily value of the securities held by their clients.

Brokerage Fees

The Fund may pay broker’s commissions at market rates to a corporation affiliated with NBII. The brokerage fees paid by the Fund for the period are as follows:

	Period ended June 30, 2020
Total brokerage fees	4,055.28
Brokerage fees paid to National Bank Financial	-

Holdings

As at June 30, 2020, National Bank Investments Inc. held 436.92 Fund securities for a value of \$3,957.34, which represented close to 0.0030% 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 and Series R	1.20%	54.17%	45.83%
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%
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 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.

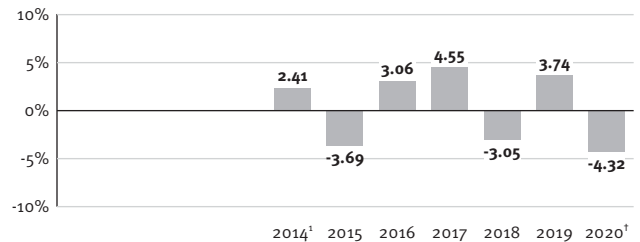
Past Performance

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.

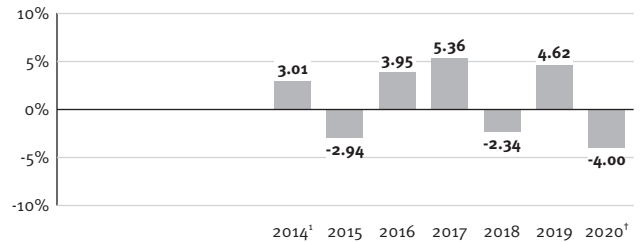
Annual Returns

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.

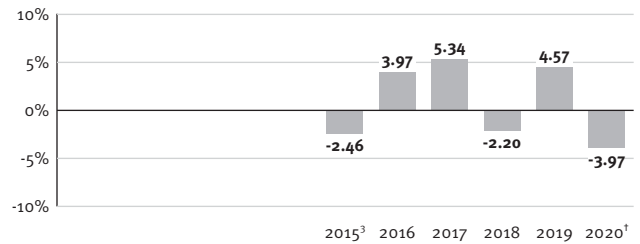
Advisor Series



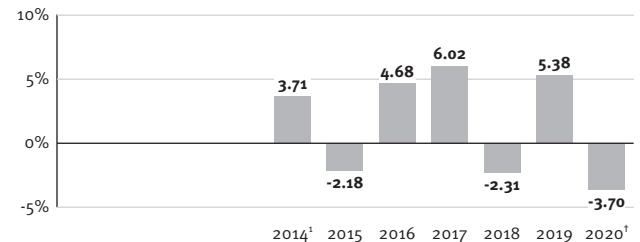
Series F



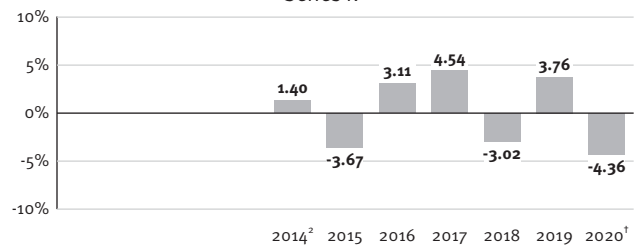
Series FT



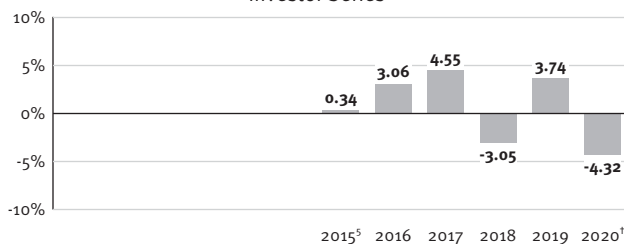
Series O



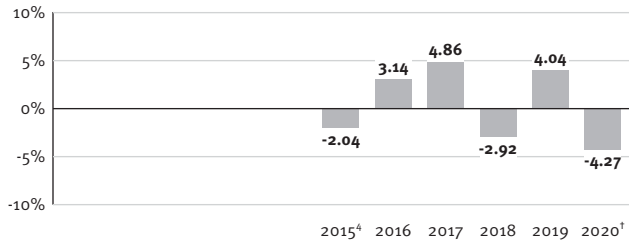
Series R



Investor Series



Series T



⁽¹⁾ Returns for the period from January 8, 2014 (commencement of operations) to December 31, 2014.

⁽²⁾ Returns for the period from January 24, 2014 (commencement of operations) to December 31, 2014.

⁽³⁾ Returns for the period from May 21, 2015 (commencement of operations) to December 31, 2015.

⁽⁴⁾ Returns for the period from January 14, 2015 (commencement of operations) to December 31, 2015.

⁽⁵⁾ Returns for the period from October 30, 2015 (commencement of operations) to December 31, 2015.

^(†) Returns for the period from January 1, 2020 to June 30, 2020.

Financial Highlights

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

Investor* / Advisor Series

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

Net Assets per Unit ⁽¹⁾		Commencement of operations: January 8, 2014				
Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.56	9.47	10.02	9.78	9.65	10.15
Increase (Decrease) from Operations (\$)						
Total revenue	0.08	0.39	0.36	0.31	0.27	0.29
Total expenses	(0.07)	(0.14)	(0.15)	(0.15)	(0.14)	(0.18)
Realized gains (losses)	(0.07)	0.09	(0.12)	0.11	(0.06)	(0.13)
Unrealized gains (losses)	(0.36)	0.02	(0.31)	0.18	0.22	(0.36)
Total Increase (Decrease) from Operations (\$) ⁽²⁾	(0.42)	0.36	(0.22)	0.45	0.29	(0.38)
Distributions (\$)						
From net investment income (excluding dividends)	0.02	0.15	0.15	0.06	0.04	0.02
From dividends	0.02	0.11	0.10	0.09	0.10	0.10
From capital gains	—	—	—	—	—	—
Return of capital	0.06	—	—	0.05	0.03	—
Total Annual Distributions (\$) ⁽³⁾	0.10	0.26	0.25	0.20	0.17	0.12
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.05	9.56	9.47	10.02	9.78	9.65

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 \$) ⁽⁵⁾	119,806	147,292	201,168	374,394	469,717	488,624
Number of units outstanding ⁽⁵⁾	13,234,870	15,400,375	21,240,663	37,349,232	48,006,677	50,604,938
Management expense ratio (%) ⁽⁶⁾	1.49	1.49	1.49	1.49	1.49	1.48
Management expense ratio before waivers or absorptions (%)	1.51	1.50	1.51	1.51	1.50	1.48
Trading expense ratio (%) ⁽⁷⁾	0.01	0.01	0.01	0.01	0.02	0.02
Portfolio turnover rate (%) ⁽⁸⁾	7.57	17.03	6.18	28.08	30.25	24.19
Net asset value per unit (\$)	9.05	9.56	9.47	10.02	9.78	9.66

Series F

Net Assets per Unit ⁽¹⁾		Commencement of operations: January 8, 2014				
Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.71	9.61	10.13	9.83	9.67	10.17
Increase (Decrease) from Operations (\$)						
Total revenue	0.08	0.39	0.36	0.31	0.27	0.29
Total expenses	(0.03)	(0.07)	(0.07)	(0.07)	(0.07)	(0.11)
Realized gains (losses)	(0.07)	0.11	(0.12)	0.10	(0.07)	(0.14)
Unrealized gains (losses)	(0.43)	(0.01)	(0.40)	0.20	0.20	(0.43)
Total Increase (Decrease) from Operations (\$) ⁽²⁾	(0.45)	0.42	(0.23)	0.54	0.33	(0.39)
Distributions (\$)						
From net investment income (excluding dividends)	0.04	0.23	0.21	0.13	0.11	0.08
From dividends	0.02	0.11	0.08	0.09	0.10	0.12
From capital gains	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.06	0.34	0.29	0.22	0.21	0.20
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.26	9.71	9.61	10.13	9.83	9.67

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 \$) ⁽⁵⁾	11,077	10,259	20,160	17,591	15,976	19,910
Number of units outstanding ⁽⁵⁾	1,195,980	1,056,530	2,097,385	1,736,452	1,625,177	2,058,741
Management expense ratio (%) ⁽⁶⁾	0.73	0.71	0.71	0.71	0.73	0.73
Management expense ratio before waivers or absorptions (%)	0.76	0.74	0.75	0.78	0.79	0.74
Trading expense ratio (%) ⁽⁷⁾	0.01	0.01	0.01	0.01	0.02	0.02
Portfolio turnover rate (%) ⁽⁸⁾	7.57	17.03	6.18	28.08	30.25	24.19
Net asset value per unit (\$)	9.26	9.71	9.61	10.13	9.83	9.67

Series FT

Net Assets per Unit⁽¹⁾

Commencement of operations: May 21, 2015

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.41	9.60	10.06	9.79	9.66	10.00
Increase (Decrease) from Operations (\$)						
Total revenue	0.08	0.40	0.37	0.32	0.28	0.17
Total expenses	(0.03)	(0.06)	(0.07)	(0.07)	(0.07)	(0.06)
Realized gains (losses)	(0.07)	0.07	(0.13)	0.11	(0.07)	(0.04)
Unrealized gains (losses)	(0.34)	0.03	(1.17)	0.17	0.24	(0.32)
Total Increase (Decrease) from Operations (\$) ⁽²⁾	(0.36)	0.44	(1.00)	0.53	0.38	(0.25)
Distributions (\$)						
From net investment income (excluding dividends)	0.03	0.33	0.16	0.14	0.11	0.04
From dividends	0.02	0.30	0.06	0.09	0.10	0.05
From capital gains	—	—	—	—	—	—
Return of capital	0.05	—	0.02	0.02	0.03	—
Total Annual Distributions (\$) ⁽³⁾	0.10	0.63	0.24	0.25	0.24	0.09
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	8.94	9.41	9.60	10.06	9.79	9.66

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 \$) ⁽⁵⁾	1	1	1	1	1	1
Number of units outstanding ⁽⁵⁾	117	116	109	106	104	101
Management expense ratio (%) ⁽⁶⁾	0.67	0.68	0.75	0.69	0.69	0.74
Management expense ratio before waivers or absorptions (%)	1.57	1.34	0.81	1.78	2.13	2.91
Trading expense ratio (%) ⁽⁷⁾	0.01	0.01	0.01	0.01	0.02	0.02
Portfolio turnover rate (%) ⁽⁸⁾	7.57	17.03	6.18	28.08	30.25	24.19
Net asset value per unit (\$)	8.94	9.41	9.61	10.06	9.79	9.66

Series O

Net Assets per Unit⁽¹⁾

Commencement of operations: January 8, 2014

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.65	9.53	10.06	9.78	9.65	10.14
Increase (Decrease) from Operations (\$)						
Total revenue	0.08	0.40	0.36	0.23	0.28	0.29
Total expenses	—	—	(0.07)	—	—	(0.04)
Realized gains (losses)	(0.07)	0.08	(0.12)	(0.03)	(0.07)	(0.13)
Unrealized gains (losses)	(0.36)	0.02	(0.40)	0.38	0.24	(0.35)
Total Increase (Decrease) from Operations (\$) ⁽²⁾	(0.35)	0.50	(0.23)	0.58	0.45	(0.23)
Distributions (\$)						
From net investment income (excluding dividends)	0.04	0.29	0.21	0.20	0.18	0.14
From dividends	0.01	0.10	0.09	0.08	0.10	0.12
From capital gains	—	—	—	—	—	—
Return of capital	0.05	—	—	0.03	0.03	—
Total Annual Distributions (\$) ⁽³⁾	0.10	0.39	0.30	0.31	0.31	0.26
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.19	9.65	9.53	10.06	9.78	9.65

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 \$) ⁽⁵⁾	2	2	2	2	41,372	40,008
Number of units outstanding ⁽⁵⁾	205	203	195	189	4,227,903	4,143,524
Management expense ratio (%) ⁽⁶⁾	—	—	0.68	0.02	0.02	0.02
Management expense ratio before waivers or absorptions (%)	0.50	0.37	1.15	0.02	0.02	0.02
Trading expense ratio (%) ⁽⁷⁾	0.01	0.01	0.01	0.01	0.02	0.02
Portfolio turnover rate (%) ⁽⁸⁾	7.57	17.03	6.18	28.08	30.25	24.19
Net asset value per unit (\$)	9.19	9.65	9.53	10.06	9.79	9.66

Series R

Net Assets per Unit⁽¹⁾

Commencement of operations: January 24, 2014

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Net Assets, Beginning of Accounting Period Shown ^(a)	9.24	9.15	9.69	9.45	9.37	9.93
Increase (Decrease) from Operations (\$)						
Total revenue	0.07	0.38	0.35	0.30	0.26	0.29
Total expenses	(0.07)	(0.14)	(0.14)	(0.14)	(0.14)	(0.18)
Realized gains (losses)	(0.07)	0.08	(0.12)	0.10	(0.06)	(0.13)
Unrealized gains (losses)	(0.37)	0.03	(0.31)	0.18	0.19	(0.36)
Total Increase (Decrease) from Operations (\$) ^(a)	(0.44)	0.35	(0.22)	0.44	0.25	(0.38)
Distributions (\$)						
From net investment income (excluding dividends)	0.02	0.14	0.15	0.06	0.03	0.01
From dividends	0.02	0.11	0.09	0.09	0.10	0.10
From capital gains	—	—	—	—	—	—
Return of capital	0.06	—	—	0.05	0.07	0.09
Total Annual Distributions (\$) ⁽³⁾	0.10	0.25	0.24	0.20	0.20	0.20
Net Assets, End of Accounting Period Shown (\$) ^(a)	8.74	9.24	9.15	9.69	9.45	9.37

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 \$) ⁽⁵⁾	1,204	1,603	2,194	4,193	5,594	6,471
Number of units outstanding ⁽⁵⁾	137,676	173,466	239,783	432,964	591,678	690,642
Management expense ratio (%) ⁽⁶⁾	1.49	1.49	1.49	1.49	1.49	1.49
Management expense ratio before waivers or absorptions (%)	1.49	1.49	1.49	1.49	1.49	1.49
Trading expense ratio (%) ⁽⁷⁾	0.01	0.01	0.01	0.01	0.02	0.02
Portfolio turnover rate (%) ⁽⁸⁾	7.57	17.03	6.18	28.08	30.25	24.19
Net asset value per unit (\$)	8.74	9.24	9.15	9.68	9.45	9.37

Series T

Net Assets per Unit⁽¹⁾

Commencement of operations: January 14, 2015

Accounting Period Ended	2020 June 30	2019 December 31	2018 December 31	2017 December 31	2016 December 31	2015 December 31
Net Assets, Beginning of Accounting Period Shown ^(a)	9.44	9.33	9.85	9.59	9.50	10.00
Increase (Decrease) from Operations (\$)						
Total revenue	0.08	0.51	0.35	0.31	0.27	0.28
Total expenses	(0.06)	(0.12)	(0.13)	(0.12)	(0.14)	(0.03)
Realized gains (losses)	(0.07)	0.05	(0.12)	0.10	(0.07)	(0.14)
Unrealized gains (losses)	(0.36)	0.25	(0.39)	0.15	0.25	(0.32)
Total Increase (Decrease) from Operations (\$) ^(a)	(0.41)	0.69	(0.29)	0.44	0.31	(0.21)
Distributions (\$)						
From net investment income (excluding dividends)	0.03	0.16	0.16	0.08	0.05	0.12
From dividends	0.02	0.10	0.08	0.08	0.10	0.11
From capital gains	—	—	—	—	—	—
Return of capital	0.05	—	—	0.04	0.07	0.05
Total Annual Distributions (\$) ⁽³⁾	0.10	0.26	0.24	0.20	0.22	0.28
Net Assets, End of Accounting Period Shown (\$) ^(a)	8.94	9.44	9.33	9.85	9.59	9.50

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 \$) ⁽⁵⁾	1	1	1	1	1	1
Number of units outstanding ⁽⁵⁾	115	113	110	108	105	103
Management expense ratio (%) ⁽⁶⁾	1.35	1.32	1.28	1.26	1.42	0.01
Management expense ratio before waivers or absorptions (%)	2.27	1.83	2.12	2.36	2.85	1.38
Trading expense ratio (%) ⁽⁷⁾	0.01	0.01	0.01	0.01	0.02	0.02
Portfolio turnover rate (%) ⁽⁸⁾	7.57	17.03	6.18	28.08	30.25	24.19
Net asset value per unit (\$)	8.94	9.44	9.33	9.85	9.59	9.51

- ⁽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. For Series F, FT, O, R and T, 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.
- ⁽³⁾ Distributions were paid in cash or reinvested in additional units of the Fund, or both.
- ⁽⁴⁾ The net assets are calculated in accordance with IFRS.
- ⁽⁵⁾ This information is provided as at the last day of the accounting period shown.
- ⁽⁶⁾ Management expense ratio is based on total expenses including sales taxes for the accounting period indicated (excluding commission, other portfolio transaction costs and withholding taxes) and is expressed as an annualized percentage of daily average net value during the accounting period. The management expense ratio before waivers or absorptions as at December 31, 2015 has been adjusted for Series FT, to reflect an adequate annualization, where the ratio changed from 1.56 to 2.91, and for Series T, to reflect a non-material correction related to a programming error in the ratio calculation.
- ⁽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. 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.
- ⁽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, 2020

Portfolio Top Holdings

	% of Net Asset Value
Morgan Stanley, 3.00%, due February 7, 2024	3.1
Cash, Money Market and Other Net Assets	3.0
Husky Energy Inc., 3.95%, due April 15, 2022	2.7
Citigroup Inc., 4.09%, due June 9, 2025	2.5
Wells Fargo & Co., 3.87%, due May 21, 2025	2.4
Alimentation Couche-Tard Inc., 3.60%, due June 2, 2025	2.2
Empire Life Insurance, 3.38%, due December 16, 2026	2.1
Granite Reit Holdings LP, 3.87%, due November 30, 2023	2.1
Smart Real Estate Investment Trust, 2.99%, due August 28, 2024	2.1
H&R Real Estate Investment Trust, 3.37%, due January 30, 2024	2.0
Enbridge Inc., 3.19%, due December 5, 2022	1.9
Inter Pipeline Ltd., 2.61%, due September 13, 2023	1.9
Loblaw Companies Ltd., 4.86%, due September 12, 2023	1.8
Ford Credit Canada Ltd., 3.28%, due July 2, 2021	1.8
Sun Life Financial Inc., Floating, due September 19, 2023	1.8
Calloway Real Estate Investment Trust, 3.73%, due July 22, 2022	1.7
Teranet Holdings LP, 3.65%, due November 18, 2022	1.7
AltaGas Ltd., 3.84%, due January 15, 2025	1.6
Laurentian Bank of Canada, Floating, due June 22, 2022	1.6
Enbridge Inc., 3.94%, due January 13, 2023	1.6
TD Capital Trust IV, Floating, due June 30, 2021	1.6
AT&T Inc., 2.85%, due May 25, 2024	1.5
Bank of Montreal, Floating, due December 15, 2027	1.5
TransAlta Corp., 5.00%, due November 25, 2020	1.5
Emera Inc., 2.90%, due June 16, 2023	1.4
	49.1

Net asset value \$132,091,492

Asset Mix

	% of Net Asset Value
Canadian Corporate Bonds	68.1
Preferred Shares	17.8
US Bonds	12.2
Mortgage Backed Securities	1.0
Municipal Bonds	0.2
Derivative Products	(2.3)
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.