

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2024

Canadian Equity Fund

NBI *SmartBeta* Low Volatility Canadian Equity Fund (formerly NBI *SmartBeta* Canadian Equity Fund)

Notes on forward-looking statements

This report may contain forward-looking statements concerning the Fund, its future performance, its strategies or prospects or about future events or circumstances. Such forward-looking statements include, among others, statements with respect to our beliefs, plans, expectations, estimates and intentions. The use of the expressions "foresee", "intend", "anticipate", "estimate", "assume", "believe" and "expect" and other similar terms and expressions indicate forward-looking statements.

By their very nature, forward-looking statements imply the use of assumptions and necessarily involve inherent risks and uncertainties. Consequently, there is a significant risk that the explicit or implicit forecasts contained in these forward-looking statements might not materialize or that they may not prove to be accurate in the future. A number of factors could cause future results, conditions or events to differ materially from the objectives, expectations, estimates or intentions expressed in such forward-looking statements. Such differences might be caused by several factors, including changes in Canadian and worldwide economic and financial conditions (in particular interest and exchange rates and the prices of other financial instruments), market trends, new regulatory provisions, competition, changes in technology and the potential impact of conflicts and other international events.

The foregoing list of factors is not exhaustive. Before making any investment decision, investors and others relying on our forward-looking statements should carefully consider the foregoing factors and other factors. We caution readers not to rely unduly on these forward-looking statements. We assume no obligation to update forward-looking statements in the light of new information, future events or other circumstances unless applicable legislation so provides.

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, 800 Saint-Jacques Street, Transit 44331, Montreal, Quebec, H3C 1A3, by visiting our website at www.nbinvestments.ca, by visiting SEDAR+'s website at www.sedarplus.ca, 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, 2024, the NBI *SmartBeta* Low Volatility Canadian Equity Fund's Investor Series units returned 6.41% compared to 6.05% for the Fund's benchmark, the S&P/TSX Composite Index (CAD). Unlike the benchmark, the Fund's performance is calculated after fees and expenses. Please see the *Past Performance* section for the returns of all of the Fund's series, which may vary mainly because of fees and expenses.

The Fund's net asset value rose by 12.67% over the period, from \$241.88 million as at December 31, 2023 to \$272.53 million as at June 30, 2024.

The increase stemmed mainly from investments in the Fund by other NBI Funds.

The first half of 2024 was characterized by a bull market for stocks, with marked outperformance by the S&P 500 driven by technology giants which sparked optimism through advances in artificial intelligence.

Specifically, U.S. equities (S&P 500) posted a total return of +15.3% over the period, a performance largely attributable to the technology stocks (Technology +28.2%; Communication Services +26.7%). Internationally, emerging markets rebounded (+7.7%), while the EAFE developed countries equity index grew by 5.7%, a performance similar to that of Canada, with the S&P/TSX up by 6.1%.

In this context, the Fund outperformed its benchmark.

Despite the value detracted by the lack of exposure to the Energy sector and the overweight in Utilities, security selection in Financials, Consumer Staples and Industrials was successful. Among the securities that added the most value were Loblaw and TMX Group.

Recent Developments

The strategy was rebalanced to target in June.

The Fund is currently heavily overweight the Utilities and Consumer Staples sectors and underweight Financials, with no exposure to Energy or Healthcare.

Since the start of the year, economic news has generally been better than expected, with, among other things, a recovery in global manufacturing activity and sustained consumer spending in the United States. And while the fog is still dense on the inflation front, the latest news has been more encouraging, prompting the Bank of Canada to cut its benchmark interest rate for the first time since 2020, and the Federal Reserve to maintain its intention to do the same later in the year.

Consequently, with inflation closing in on the landing strip, the next 6 to 12 months are likely to be a moment of truth in terms of the U.S. economy's ability to continue to demonstrate such resilience. As such, we'll need to keep a close eye on the evolution of consumer spending and, ultimately, the resilience of the job market, which could be challenged later this year. Nevertheless, in the shorter term, the fact that the Fed Chairman is keeping the door open to rate cuts could continue to generate optimism in the stock markets for a few months yet. Moreover, it suggests that the Fed will not hesitate to act quickly—as it did last year during the regional bank debacle—in the event of a significant deterioration in economic activity, thereby reducing the risk of a financial accident.

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.

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, 2024
Total brokerage fees	17,963.20
Brokerage fees paid to National Bank Financial	17,963.20

Holdings

As at June 30, 2024, National Bank Investments Inc. held 403.12 Fund securities for a value of \$5,730.02, which represented close to 0.0022% of the net asset value of the Fund at that date. Transactions between National Bank Investments Inc. and the Fund were carried out in the normal course of business and at the Fund's net asset value as at the transaction date.

Registered Plan Trust Services

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

Administrative and Operating Services

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

Management Fees

The Fund pays annual management fees to the Fund manager for its management services. As the Fund invests in underlying funds, the fees and expenses payable in connection with the management of the underlying funds are in addition to those payable by the Fund. However, the Fund manager makes sure that the Fund does not pay any management (or operating) fees that, to a reasonable person, would duplicate a fee payable by the underlying fund for the same service.

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. Under the *Distribution* heading, expenses include the broker's compensation consisting of the maximum annual trailer fees and sales commissions paid to brokers. Under the *Other* heading, the fees relate mainly to investment management, investment advisory services, general administration and profit. 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	1.75%	57.14%	42.86%
Advisor Series*			
Front-end load**	1.75%	57.14%	42.86%
Series F	0.65%	—	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 with the low sales charge option and deferred sales charge option, which are not paid for out of the management fees.

^(**) Rate applicable for all investments, including Advisor Series existing before May 14, 2015, systematic investment programs, reinvested distributions and switches.

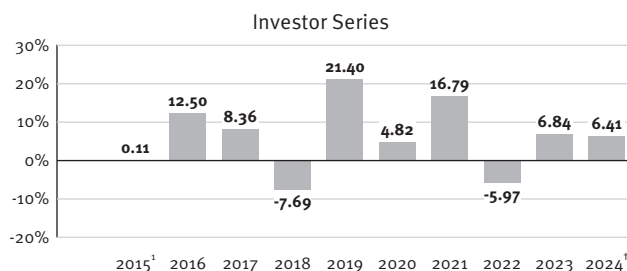
^(***) The Series O is only available to selected investors that have been approved and have entered into an O Series units account agreement with National Bank Investments Inc. The criteria for approval may include the size of the investment, the expected level of account activity and the investor's total investments with NBII. No management fees are charged to the Fund with respect to the O Series units. Management fees are negotiated with and paid directly by investors and are in addition to the fixed-rate administration fee. NBII does not pay any commissions or service fees to dealers who sell O Series units. There are no sales charges payable by investors who purchase O Series units.

Past Performance

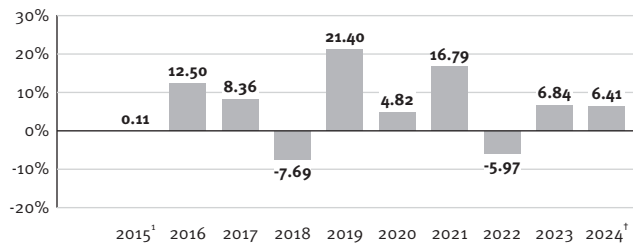
The performance of each series of the Fund is presented below and calculated as at December 31 of each year. It assumes that all distributions made in the periods shown were reinvested in additional securities and does not take into account sales, redemption charges, distributions, or optional charges 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

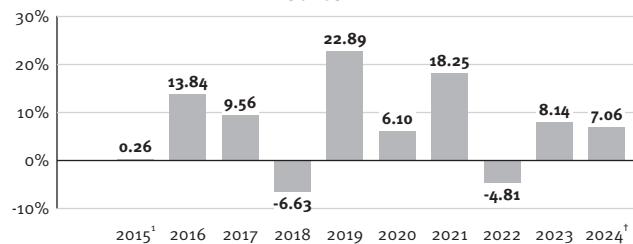
The bar charts indicate the performance for each the Fund's series in existence greater than one year during the years shown, and illustrate how the performance has changed from year to year. They show, in percentage terms, how much an investment made on January 1 (or made commencing from the start of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



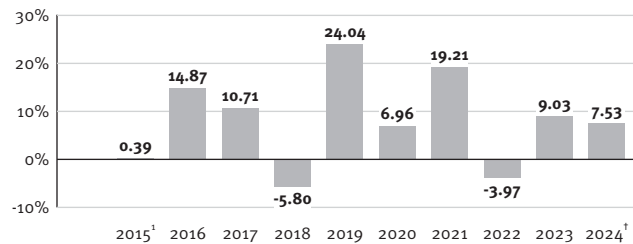
Advisor Series



Series F



Series O



⁽¹⁾ Returns for the period from October 30, 2015 (commencement of operations) to December 31, 2015.

^(†) Returns for the period from January 1, 2024 to June 30, 2024.

Financial Highlights

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

Investor / Advisor Series

Net Assets per Unit ⁽¹⁾		Commencement of operations: October 30, 2015				
Accounting Period Ended	2024 June 30	2023 December 31	2022 December 31	2021 December 31	2020 December 31	2019 December 31
Net Assets, Beginning of Accounting Period Shown⁽⁴⁾	13.42	12.77	13.94	13.13	12.53	10.56
Increase (Decrease) from Operations (\$)						
Total revenue	0.18	0.42	0.43	0.34	0.27	0.36
Total expenses	(0.14)	(0.28)	(0.28)	(0.31)	(0.27)	(0.25)
Realized gains (losses)	0.33	0.44	0.62	1.70	(0.02)	0.28
Unrealized gains (losses)	0.48	0.38	(1.56)	0.47	0.53	1.96
Total Increase (Decrease) from Operations (\$)⁽²⁾	0.85	0.96	(0.79)	2.20	0.51	2.35
Distributions (\$)						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	—	0.16	0.15	0.01	—	0.12
From capital gains	—	0.06	0.19	1.38	—	0.17
Return of capital	—	—	—	—	—	—
Total Annual Distributions (\$)⁽³⁾	—	0.22	0.34	1.39	—	0.29
Net Assets, End of Accounting Period Shown (\$)⁽⁴⁾	14.28	13.42	12.77	13.94	13.13	12.53

Ratios and Supplemental Data

Accounting Period Ended	2024 June 30	2023 December 31	2022 December 31	2021 December 31	2020 December 31	2019 December 31
Total net asset value (000's of \$) ⁽⁵⁾	3,302	3,643	4,282	4,970	4,377	2,303
Number of units outstanding ⁽⁶⁾	231,200	271,459	335,212	356,600	333,297	183,749
Management expense ratio (%) ⁽⁴⁾	2.10	2.09	2.09	2.11	2.12	2.11
Management expense ratio before waivers or absorptions (%)	2.10	2.09	2.10	2.12	2.12	2.11
Trading expense ratio (%) ⁽⁷⁾	0.01	0.02	0.02	0.03	0.04	0.03
Portfolio turnover rate (%) ⁽⁸⁾	26.31	84.31	67.69	83.30	94.28	54.02
Net asset value per unit (\$)	14.28	13.42	12.77	13.94	13.13	12.53

Series F

Net Assets per Unit ⁽¹⁾		Commencement of operations: October 30, 2015				
Accounting Period Ended	2024 June 30	2023 December 31	2022 December 31	2021 December 31	2020 December 31	2019 December 31
Net Assets, Beginning of Accounting Period Shown⁽⁴⁾	13.88	13.20	14.35	13.34	12.66	10.66
Increase (Decrease) from Operations (\$)						
Total revenue	0.19	0.43	0.43	0.35	0.27	0.37
Total expenses	(0.06)	(0.12)	(0.12)	(0.13)	(0.11)	(0.11)
Realized gains (losses)	0.35	0.45	0.73	1.67	0.07	0.28
Unrealized gains (losses)	0.50	0.29	(1.40)	0.52	0.39	1.94
Total Increase (Decrease) from Operations (\$)⁽²⁾	0.98	1.05	(0.36)	2.41	0.62	2.48
Distributions (\$)						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	—	0.34	0.30	0.17	0.09	0.27
From capital gains	—	0.06	0.17	1.25	—	0.17
Return of capital	—	—	—	—	—	—
Total Annual Distributions (\$)⁽³⁾	—	0.40	0.47	1.42	0.09	0.44
Net Assets, End of Accounting Period Shown (\$)⁽⁴⁾	14.86	13.88	13.20	14.35	13.34	12.66

Ratios and Supplemental Data

Accounting Period Ended	2024 June 30	2023 December 31	2022 December 31	2021 December 31	2020 December 31	2019 December 31
Total net asset value (000's of \$) ⁽⁵⁾	7,074	7,138	7,401	15,133	11,466	5,497
Number of units outstanding ⁽⁶⁾	475,908	514,157	560,641	1,054,822	859,367	434,232
Management expense ratio (%) ⁽⁴⁾	0.86	0.86	0.86	0.87	0.87	0.91
Management expense ratio before waivers or absorptions (%)	0.87	0.88	0.87	0.88	0.88	0.91
Trading expense ratio (%) ⁽⁷⁾	0.01	0.02	0.02	0.03	0.04	0.03
Portfolio turnover rate (%) ⁽⁸⁾	26.31	84.31	67.69	83.30	94.28	54.02
Net asset value per unit (\$)	14.86	13.88	13.20	14.35	13.34	12.66

Series O

Net Assets per Unit⁽¹⁾

Commencement of operations: October 30, 2015

Accounting Period Ended	2024 June 30	2023 December 31	2022 December 31	2021 December 31	2020 December 31	2019 December 31
Net Assets, Beginning of Accounting Period Shown⁽⁴⁾	13.81	13.22	14.46	13.52	12.92	10.77
Increase (Decrease) from Operations (\$)						
Total revenue	0.19	0.44	0.44	0.36	0.28	0.38
Total expenses	—	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Realized gains (losses)	0.35	0.45	0.63	1.76	(0.21)	0.28
Unrealized gains (losses)	0.50	0.32	(1.68)	0.47	0.81	1.81
Total Increase (Decrease) from Operations (\$)⁽²⁾	1.04	1.20	(0.62)	2.58	0.87	2.46
Distributions (\$)						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	—	0.53	0.47	0.31	0.30	0.29
From capital gains	—	0.07	0.21	1.35	—	0.15
Return of capital	—	—	—	—	—	—
Total Annual Distributions (\$)⁽³⁾	—	0.60	0.68	1.66	0.30	0.44
Net Assets, End of Accounting Period Shown (\$)⁽⁴⁾	14.85	13.81	13.22	14.46	13.52	12.92

Ratios and Supplemental Data

Accounting Period Ended	2024 June 30	2023 December 31	2022 December 31	2021 December 31	2020 December 31	2019 December 31
Total net asset value (ooo's of \$) ⁽⁵⁾	262,150	231,099	277,561	390,992	288,314	296,354
Number of units outstanding ⁽⁵⁾	17,650,656	16,728,287	20,994,697	27,037,984	21,318,561	22,942,403
Management expense ratio (%) ⁽⁶⁾	0.03	0.03	0.03	0.03	0.03	0.03
Management expense ratio before waivers or absorptions (%)	0.03	0.03	0.03	0.03	0.03	0.03
Trading expense ratio (%) ⁽⁷⁾	0.01	0.02	0.02	0.03	0.04	0.03
Portfolio turnover rate (%) ⁽⁸⁾	26.31	84.31	67.69	83.30	94.28	54.02
Net asset value per unit (\$)	14.85	13.81	13.22	14.46	13.52	12.92

Private Series*

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

Net Assets per Unit⁽¹⁾

Commencement of operations: December 1, 2015

Accounting Period Ended	2024 June 30	2023 December 31	2022 December 31	2021 December 31	2020 December 31	2019 December 31
Net Assets, Beginning of Accounting Period Shown⁽⁴⁾	12.23	11.62	13.71	13.05	12.39	10.29
Increase (Decrease) from Operations (\$)						
Total revenue	0.17	(0.59)	0.41	0.31	0.26	0.37
Total expenses	(0.05)	(0.10)	(0.11)	(0.11)	(0.11)	(0.10)
Realized gains (losses)	0.32	(0.08)	0.60	1.23	(0.01)	0.26
Unrealized gains (losses)	0.43	5.81	(1.39)	1.23	0.81	1.57
Total Increase (Decrease) from Operations (\$)⁽²⁾	0.87	5.04	(0.49)	2.66	0.95	2.10
Distributions (\$)						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	—	0.34	0.95	0.30	0.11	0.15
From capital gains	—	—	0.50	1.43	—	0.12
Return of capital	—	—	—	—	—	—
Total Annual Distributions (\$)⁽³⁾	—	0.34	1.45	1.73	0.11	0.27
Net Assets, End of Accounting Period Shown (\$)⁽⁴⁾	13.11	12.23	11.62	13.71	13.05	12.39

Ratios and Supplemental Data

Accounting Period Ended	2024 June 30	2023 December 31	2022 December 31	2021 December 31	2020 December 31	2019 December 31
Total net asset value (ooo's of \$) ⁽⁵⁾	2	2	2,421	9,584	20,006	9,943
Number of units outstanding ⁽⁵⁾	147	147	208,358	699,106	1,533,577	802,168
Management expense ratio (%) ⁽⁶⁾	0.73	0.81	0.80	0.76	0.83	0.84
Management expense ratio before waivers or absorptions (%)	0.73	0.81	0.80	0.76	0.83	0.84
Trading expense ratio (%) ⁽⁷⁾	0.01	0.02	0.02	0.03	0.04	0.03
Portfolio turnover rate (%) ⁽⁸⁾	26.31	84.31	67.69	83.30	94.28	54.02
Net asset value per unit (\$)	13.11	12.23	11.62	13.71	13.05	12.39

- ⁽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. The management expense ratio includes, if necessary, the management expenses from its underlying funds, as described in Article 15.2 of Regulation 81-106.
- ⁽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, 2024

Portfolio Top Holdings

	% of Net Asset Value
Loblaw Companies Ltd.	3.7
Metro Inc.	3.7
Empire Company Ltd., Class A	3.6
Thomson Reuters Corp.	2.8
Waste Connections Inc.	2.8
George Weston Ltd.	2.6
Hydro One Inc.	2.6
Dollarama Inc.	2.5
Fortis Inc.	2.5
Saputo Inc.	2.5
TMX Group Ltd.	2.4
BCE Inc.	2.2
Fairfax Financial Holdings Ltd.	2.2
Intact Financial Corp.	2.2
RB Global Inc.	2.2
Quebecor Inc., Class B	2.1
Atco Ltd., Class I	2.0
Boyd Group Services Inc.	2.0
Canadian Utilities Ltd., Class A	2.0
Descartes Systems Group Inc.	2.0
Restaurant Brands International Inc.	2.0
Stantec Inc.	2.0
Stella-Jones Inc.	2.0
Emera Inc.	1.9
Cash, Money Market and Other Net Assets	0.4
	58.9

Net asset value \$272,527,681

Asset Mix

	% of Net Asset Value
Canadian Equity	98.6
Exchange Traded Funds	1.0
Cash, Money Market and Other Net Assets	0.4

Sector Allocation

	% of Net Asset Value
Industrials	19.4
Utilities	18.5
Consumer Staples	17.8
Materials	12.0
Financials	11.6
Communication Services	7.8
Information Technology	5.5
Consumer Discretionary	4.5
Real Estate	1.5
Exchange Traded Funds	1.0
Cash, Money Market and Other Net Assets	0.4

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 website at www.nbinvestments.ca.

If this investment Fund invests in other investment funds, please consult the prospectus and other information about the underlying investment funds on the website indicated above or on SEDAR+'s website at www.sedarplus.ca.