

Interim Management Report of Fund Performance

For the period ended June 30, 2024

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2024

NBI Exchange-Traded Funds

NBI Active International Equity ETF

Notes on forward-looking statements

This report may contain forward-looking statements concerning the ETF, 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 ETF. You can get a copy of the interim financial statements of the ETF at your request, and at no cost, by calling 1-866-603-3601, by emailing us at investments@nbc.ca, 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 ETF'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 Active International Equity ETF's units returned 5.28% compared to 9.31% for the ETF's benchmark, the MSCI EAFE Index. Unlike the benchmark, the ETF's performance is calculated after fees and expenses. Please see the *Past Performance* section for the ETF's returns, which may vary mainly because of fees and expenses.

The Fund's net asset value dropped by 4.21% over the period, from \$666.91 million as at December 31, 2023 to \$638.80 million as at June 30, 2024.

Global stocks gained in the first half of 2024, lifted by persistent investor appetite for technology stocks. Gains were especially strong in the U.S., with the S&P 500 Index advancing more than 15% as semiconductors surged almost 75% and other artificial intelligence-driven names followed suit. Both the S&P 500 and the Nasdaq 100 indices set new all-time highs in the first half.

International stocks also showed strength, despite the fact that currencies such as the Japanese yen weakened relative to the U.S. dollar. The MSCI EAFE Index gained 5.34% in U.S. dollar terms.

Several developed-market central banks started cutting interest rates during the period. These included the Bank of Canada, the Swiss National Bank, and the European Central Bank which lowered its deposit rate by 25 basis points in June to 3.75%.

Although the Federal Reserve and the Bank of England left rates unchanged, expectations are that both central banks may start moving lower in the second half—inflation willing.

In this context, the Fund underperformed its benchmark.

Top performers

DBS Group Holdings: DBS devised an innovative method to circumvent the strict dividend policy set by the Monetary Authority of Singapore, allocating a one-time bonus share to investors for every ten shares owned—thereby returning a significant surplus of capital to them.

Schneider Electric: The company issued a strong outlook for 2024. Schneider's long-term story is progressing well, notably with continued growth in the software business.

Experian: Experian delivered strong full-year results and an unexpected midterm guidance update which indicated that management anticipates margin expansion and lower capital expenditure requirements.

Adidas: Adidas has capitalized on the recent Terrace T-Toe footwear styles such as the Samba, Gazelle, and Spezial and continues to make progress on its recovery. The company reported solid results in the first half and management reiterated its medium-term target of reaching a double digit operating margin.

Compagnie Financière Richemont: Richemont reported fiscal second-half results that were largely in line with consensus estimates and reassured the market that demand hasn't deteriorated as much as feared. The company also appointed a new CEO, Nicolas Bos who joined Richemont in 1992 and successfully grew Van Cleef & Arpels into the powerful brand it is today.

Bottom performers

Prudential Plc: Sentiment on Prudential has been negative due to the company being highly exposed to the Chinese market (and with the negative China-related geopolitical and macroeconomic news flow).

Daikin Industries: Weak demand for heat pumps in Europe, unusually large U.S. distribution inventories and a sluggish Chinese market all weighed on the stock.

Partners Group Holding: Partners Group missed estimates due to lower performance fees, which resulted from a challenging exit environment, while the strong Swiss franc weighed on organic growth.

Sika AG: Macroeconomic data points suggest that construction spending is continuing to soften in various regions, which has affected investor sentiment.

Sony Corp.: Sony Group lowered its full-year target for PlayStation 5 units based on current cycle trends. A lack of first-party titles for the gaming and network Services segment also weighed on sentiment related to the stock.

Recent Developments

Additions

Compass Group: Compass Group is an industry leader with a strong competitive advantage and an underappreciated margin expansion opportunity driven by operating leverage and technology.

DSV A/S: Leading freight forwarder with best-in-class profitability and a strong acquisitions track record. With the rapid normalization of conditions in a post-pandemic environment, DSV is well positioned as a natural consolidator in this fragmented industry.

Royal KPN NV: A high-quality telecom operator in the competition-friendly Dutch market, Royal KPN enjoys a leadership position due to its fiber rollout, which should lead to underappreciated market share gains over the medium term. Cash flow is set to increase starting in 2027, when the largest part of the company's capital expenditure program concludes.

London Stock Exchange Group: We anticipate that the company will grow its top line faster than analyst expectations due to new product launches and pricing changes in its data segment.

SAP SE: A leading provider of enterprise resource planning software with an attractive customer base, SAP is currently undergoing a transition to the cloud that supports accelerating revenue growth and expanding margins.

Universal Music Group: A market leader in the recorded music industry, Universal has underappreciated revenue growth opportunities as digital streaming platforms raise prices more quickly than in the past.

Deletions

Teleperformance: Following an in-person meeting with the CEO, we lost confidence in the company's visibility on the mid-term impacts of generative AI on its business model, and as such, we elected to exit the position.

Fast Retailing: Exiting based on valuation and to lock in outperformance.

Daito Trust Construction: Daito increased prices by 25% in its latest quarter, but we expect margins to remain under pressure as long as the yen stays weak due to higher raw material prices, such as lumber, and higher labour costs. This is why we exited the position.

Hexagon AB: Exited based on governance concerns and to capture an alternative investment opportunity.

REA Group: Exited based on valuation and to reinvest in higher-conviction investment ideas.

Upcoming U.S. election candidate positioning could add to existing inflationary drivers such as aging demographics, a labour force reassessing its work/life balance, and regionalization trends. Consequently, we are focused on business models that have strong pricing power.

The uncertainty surrounding changes in supply chains, consumer behaviours, digitization, AI impacts and rising wages will have a lasting impact on business models.

We continue to see relative valuation dislocations caused by rapidly shifting market narratives that are offering compelling opportunities to book profits and reinvest in misunderstood and therefore mispriced stocks.

Related Party Transactions

National Bank Investments Inc. (the "manager") is the manager and promoter of the ETF. Accordingly, it is entitled to receive, in exchange for the services that it provides to the ETF, management fees paid to it by the ETF (see "Management Fees" below).

From time to time, the manager may, on behalf of the ETF, carry out transactions or sign agreements to involve certain persons or companies related to it, to the extent that these transactions or agreements are, in its opinion, in the interest of the ETF. The description of the transactions or agreements between the ETF and a related party is provided in this section.

Members of the manager's group may earn fees or spreads in connection with services provided to, or transactions with, the NBI ETF, including in connection with brokerage and derivatives transactions.

Trustee

The manager has retained the services of Natcan Trust Company to serve as trustee for the ETF and has retained the services of National Bank Trust to serve as portfolio manager.

Designated Broker

The manager has signed an agreement with National Bank Financial Inc. ("NBF"), a company affiliated with NBI, under which NBF will serve as a designated broker for the ETF. The designated broker agreement signed with NBF is in keeping with market conditions.

Brokerage Fees

The ETF may pay broker's commissions at market rates to a corporation affiliated with National Bank Investments Inc. The brokerage fees paid by the ETF for the period are as follows:

	Period ended June 30, 2024
Total brokerage fees	767,774.22
Brokerage fees paid to National Bank Financial	3,343.72

Holdings

As at June 30, 2024, ownership of the redeemable units outstanding of the ETF was held by the following NBI Funds as indicated below:

NBI Funds	Ownership of the redeemable units outstanding of the ETF %
NBI Secure Portfolio	0.8000
NBI Conservative Portfolio	6.1400
NBI Moderate Portfolio	11.3000
NBI Balanced Portfolio	25.4900
NBI Growth Portfolio	14.1600
NBI Equity Portfolio	6.9800
NBI Active International Equity Fund	35.0700

Transactions between the NBI Funds and the ETF were carried out in the normal course of business. The portfolio manager for these Funds is National Bank Trust Inc.

Management Fees

The management fee is payable to the ETF manager in consideration of the services that the manager provides to the ETF in its capacity as manager, such as managing the day-to-day business and affairs of the ETF.

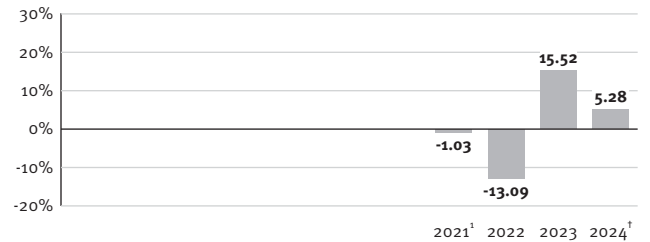
The ETF pays an annual management fee of 0.60% to the ETF manager for its management services. The fees are calculated based on a percentage of the ETF's daily net asset value before applicable taxes and are paid on a monthly basis. The management fees primarily covers investment management and general administration services.

Past Performance

The performance of the ETF, presented below and calculated as at December 31 of each year, is based on the net asset value of the ETF. It assumes that all distributions made in the periods shown were reinvested in additional units of the ETF. These returns do not take into account sales, redemption charges, distributions, or optional charges that would have reduced returns. Past performance of an ETF does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The bar chart indicates the performance of the ETF for each of the years shown and illustrates how the performance has changed from year to year. It shows, in percentage terms, how much an investment made on January 1 (or made commencing from the start of the ETF) 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.



⁽¹⁾ Returns for the period from February 11, 2021 (commencement of operations) to December 31, 2021.

⁽²⁾ Returns for the period from January 1, 2024 to June 30, 2024.

Financial Highlights

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

Net Assets per Unit⁽¹⁾

Commencement of operations: February 11, 2021

Accounting Period Ended	2024 June 30	2023 December 31	2022 December 31	2021 December 31
Net Assets, Beginning of Accounting Period Shown ⁽²⁾	24.45	21.43	24.97	25.25
Increase (Decrease) from Operations (\$)				
Total revenue	0.23	0.55	0.43	0.27
Total expenses	(0.12)	(0.16)	(0.14)	(0.15)
Realized gains (losses)	1.26	0.98	(2.22)	(0.77)
Unrealized gains (losses)	(0.05)	2.06	0.81	(3.72)
Total Increase (Decrease) from Operations ⁽³⁾	1.32	3.43	(1.12)	(4.37)
Distributions (\$)				
From net investment income (excluding dividends)	—	0.31	0.27	0.03
From dividends	—	—	—	—
From capital gains	—	0.06	—	—
Return of capital	—	—	—	—
Total Annual Distributions ⁽⁴⁾	—	0.37	0.27	0.03
Net Assets, End of Accounting Period Shown ⁽²⁾	25.74	24.45	21.43	24.97

Ratios and Supplemental Data

Accounting Period Ended	2024 June 30	2023 December 31	2022 December 31	2021 December 31
Total net asset value (000's of \$) ⁽⁵⁾	638,804	666,908	248,595	102,859
Number of units outstanding ⁽⁵⁾	24,820,000	27,280,000	11,600,000	4,120,000
Management expense ratio (%) ⁽⁶⁾	0.68	0.69	0.69	0.67
Management expense ratio before waivers or absorptions (%)	0.68	0.69	0.69	0.68
Trading expense ratio (%) ⁽⁷⁾	0.28	0.32	0.20	1.15
Portfolio turnover rate (%) ⁽⁸⁾	47.22	73.43	61.01	31.94
Net asset value per unit (\$)	25.74	24.45	21.43	24.97
Closing market price ⁽⁹⁾	25.79	24.48	21.36	24.95

⁽¹⁾ This information is derived from the ETF'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 ETF pricing purposes. The differences are explained in the notes to the financial statements.

⁽²⁾ The net assets are calculated in accordance with IFRS.

⁽³⁾ 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.

⁽⁴⁾ Distributions were paid in cash or reinvested in additional units of the ETF, or both.

⁽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. Data for periods prior to 2023 have been restated.

⁽⁸⁾ The ETF's portfolio turnover rate indicates how actively the ETF portfolio's manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the accounting period. The higher an ETF's portfolio turnover rate in an accounting period, the greater the trading costs payable by the ETF 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 an ETF.

⁽⁹⁾ Closing market price on the last trading day of the year as reported on the TSX.

Summary of Investment Portfolio

As of June 30, 2024

Portfolio Top Holdings

	% of Net Asset Value
DBS Group Holdings Ltd.	6.8
Keyence Corp.	5.6
CSL Ltd.	5.1
Partners Group Holding AG	4.9
Daikin Industries Ltd.	4.7
Sony Corp.	4.6
Statoil ASA	4.5
Ashtead Group PLC	4.3
Experian Group Ltd.	4.3
Cie Financière Richemont SA, Class A	4.0
Sika AG	3.8
Uni-Charm Corp.	3.8
Deutsche Boerse AG	3.6
Novartis AG	3.3
Beiersdorf AG, Class A	3.1
Coloplast A/S, Class B	3.1
Prudential Corp. PLC	3.1
ASML Holding NV	3.0
Novo Nordisk A/S	2.6
Universal Music Group NV	2.5
Compass Group PLC	2.4
Symrise AG	2.4
Schneider Electric SA	2.1
London Stock Exchange Group PLC	2.0
Cash, Money Market and Other Net Assets	1.6
	91.2

Net asset value..... \$638,804,000

Regional Allocation

	% of Net Asset Value
Japan	20.0
Switzerland	15.8
United Kingdom	11.8
Germany	11.5
Denmark	7.3
Singapore	6.8
France	6.6
Australia	5.1
Netherlands	4.7
Norway	4.5
Ireland	4.3
Cash, Money Market and Other Net Assets	1.6

Sector Allocation

	% of Net Asset Value
Financials	20.3
Industrials	17.1
Consumer Discretionary	14.7
Health Care	14.0
Information Technology	9.8
Consumer Staples	8.8
Materials	7.5
Energy	4.5
Communication Services	1.7
Cash, Money Market and Other Net Assets	1.6

The above table shows the top 25 positions held by the ETF. In the case of an ETF with fewer than 25 positions, all positions are indicated.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the ETF. A quarterly update is available. Please consult our website at www.nbinvestments.ca.



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