

# Interim Management Report of Fund Performance

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For the period ended June 30, 2025

# INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2025

NBI Exchange-Traded Funds

## **NBI Sustainable Global 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.

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This interim management report of fund performance contains financial highlights, but does not contain the complete interim financial statements of the 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](mailto:investments@nbc.ca), by visiting our website at [www.nbinvestments.ca](http://www.nbinvestments.ca), by visiting SEDAR+'s website at [www.sedarplus.ca](http://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, 2025, the NBI Sustainable Global Equity ETF's units returned 0.63% compared to 3.86% for the ETF's benchmark, the MSCI World 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 0.25% over the period, from \$476.18 million as at December 31, 2024 to \$474.99 million as at June 30, 2025.

Global equities, as measured by the MSCI All Country World Index (ACWI), rose 4.4% in Canadian-dollar terms during the first half of 2025. Global equities began the year with significant volatility driven by a combination of concerns over persistent inflation, the direction of interest rates, and potential fallout from the Trump administration's trade and fiscal policy initiatives. Market volatility reached extreme levels in April as President Trump's back-and-forth announcements to set then pause "reciprocal" tariffs on specific trading partners increased investor uncertainty.

While U.S. markets declined in the aftermath, positive returns in Europe helped buffer some of the losses for global equity investors. The pause marked a turning point for the rest of the second quarter as global equities rallied with U.S. markets at the forefront. Investors were encouraged by the Trump administration's more tempered approach to trade policy and rising optimism over the resumption of Federal Reserve rate cuts later this year. The eruption of Middle East tensions in June rattled energy markets, but stock investors were unfazed as the conflict appeared to remain contained. Within large-cap markets, both growth- and value-oriented stocks gained, with growth outperforming value on a relative basis. Large-cap stocks outperformed small-cap stocks on positive performance as small caps declined in absolute terms.

In this context, the Fund underperformed its benchmark.

Both stock and sector selection weighed on overall relative performance during the period. Stock selection within Financials and Healthcare detracted the most, while selection within Energy and Consumer Discretionary contributed.

### Top detractors

#### Jefferies Financial Group

Despite expectations that the new U.S. administration would be broadly positive for financial businesses, particularly when it comes to transaction activity and deregulation, this has not played out in recent months. Post-election deregulation hopes have been dashed by volatile policies, especially tariffs, which have stifled mergers & acquisitions and IPO activity. Industry commentary suggests that a lot of companies are ready to transact once there is enough stability. In the Portfolio Manager's view, the underlying thesis is intact here, albeit delayed, until we get a resolution on tariff uncertainty. Companies are going to wait for more certainty around the rules of engagement to transact as volatility is currently the enemy of banking activity.

#### Becton Dickinson

The company continued to be pressured by several ongoing headwinds, including policy and funding uncertainty. Government funding cuts and pricing challenges in China put pressure on the life sciences company during 2Q25. Meanwhile, Becton Dickinson's planned divestiture of its life sciences division may serve as a positive catalyst for the stock.

#### Fiserv

The global fintech company that enables secure money movement and payment processing worldwide, detracted. Clover, the firm's point-of-sale platform, posted flat volumes—falling short of market expectations after an overly optimistic recovery outlook. The Portfolio Manager anticipates that Fiserv will capture U.S. merchant share, supporting future performance.

### Top contributors

#### Cameco

The Canadian uranium fuel producer (and the Fund's sole traditional energy holding), benefitted from positive U.S. energy policy tailwinds and increased demand for nuclear energy, specifically. As one of the only uranium suppliers globally with spare capacity, Cameco is well positioned to address incremental nuclear fuel demand over the next decade driven by the need for more zero-carbon power to meet rising electricity demand. The firm had strong earnings results in the second quarter, confirming the favourable backdrop.

#### Flex

This outsourced manufacturing firm contributed, continuing to produce strong earnings growth. Shares rallied due to its exposure to both AI and power tailwinds, as well as the benefits of nearshoring trends. Since the "Liberation Day" tariff announcements, the firm has received significant inbound call volume from customers looking to make supply chain adjustments and leverage the company's significant U.S. and Mexico manufacturing footprint. On the AI and power side, Flex produces products covering 80% of data centres' needs in these applications and its continued capacity expansion efforts enable it to capture further demand going forward.

#### MercadoLibre

The company, Latin America's largest e-commerce and fintech platform, released a strong earnings report highlighting growth ahead of estimates in its e-commerce business. Similarly, the fintech business surprised to the upside with higher-than-expected growth and margins.

### Recent Developments

Equity markets got off to a turbulent first half of the year, with the reciprocal tariffs announced by the White House on April 2 being on such a scale as to jeopardize the global economy. However, it wasn't long before the Trump administration changed course and adopted a more conciliatory tone, leading to a strong stock market rebound that eclipsed the initial downturn.

In addition to the President's reversal on tariffs, renewed market optimism stems from the continued resilience of the U.S. economy. The labour market is still on track, corporate earnings remain relatively strong, and inflation shows no signs of re-accelerating so far. Furthermore, although there is still some underlying anxiety among consumers and businesses, confidence surveys have quietly begun to improve as the parameters of the White House's policy agenda become clearer.

In short, while uncertainty remains high, the gradual dissipation of the political fog is nevertheless revealing an improvement in the balance of risks compared to the last quarter. As such, the Portfolio Manager believes that the risks of a global recession have diminished, providing greater confidence in the base-case scenario of a modest economic slowdown. Moreover, beyond the trade agreements that the U.S. is hoping to announce in the coming months, the Manager will also closely monitor the Fed's policy outlook, as a more dovish stance cannot be ruled out, if inflation continues to cooperate.

### ESG

A key focus of the Fund's ESG approach is investing in companies whose products and services contribute to the achievement of the UN Sustainable Development Goals (UN SDGs). To be eligible for investment, the companies must obtain a minimum of 25% of their revenues from these SDG-aligned products and services. As of June 30, 2025, all holdings in the Fund meet the 25% threshold.

The Portfolio Manager uses third-party vendor Impact Cubed to help measure the ESG outcomes. 1Q25 data is provided in the attached supplement. Data for 2Q25 is not yet available.

On or about May 14, 2025, National Bank Investments Inc. ("NBI") replaced National Bank Trust Inc. ("NBT") as portfolio manager of the ETF. The investment objectives of the ETF remain unchanged. This change has no impact on the sub-advisor currently making investment decisions for the ETF.

## 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 Investments Inc. to serve as portfolio manager for the ETF.

### 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, 2025
<b>Total brokerage fees</b>	\$148,578.31
<b>Brokerage fees paid to National Bank Financial</b>	-

## Holdings

As at June 30, 2025, 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	0.83
NBI Conservative Portfolio	6.11
NBI Moderate Portfolio	10.27
NBI Balanced Portfolio	21.95
NBI Growth Portfolio	11.63
NBI Equity Portfolio	6.99
NBI Sustainable Secure Portfolio	0.02
NBI Sustainable Conservative Portfolio	0.11
NBI Sustainable Moderate Portfolio	0.17
NBI Sustainable Balanced Portfolio	0.29
NBI Sustainable Growth Portfolio	0.13
NBI Sustainable Equity Portfolio	0.26
NBI Sustainable Global Equity Fund	41.24

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 Investments 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.

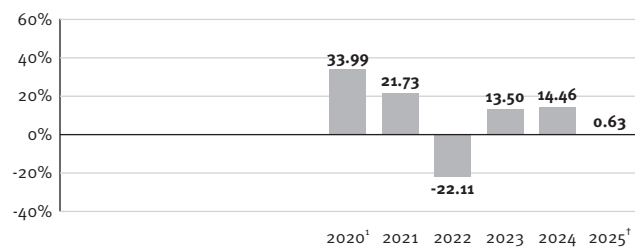
The ETF pays an annual management fee of 0.65% to the ETF manager for its management services. The fees are calculated based on a percentage of the ETF's daily net asset value before applicable taxes and are paid on a monthly basis. The management fees primarily covers investment management and general 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.



<sup>(1)</sup> Returns for the period from March 4, 2020 (commencement of operations) to December 31, 2020.

<sup>(1)</sup> Returns for the period from January 1, 2025 to June 30, 2025.

## 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 <sup>(1)</sup>		Commencement of operations: March 4, 2020				
Accounting Period Ended	2025 June 30	2024 December 31	2023 December 31	2022 December 31	2021 December 31	2020 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(2)</sup>	41.50	36.51	32.32	41.61	34.24	25.00
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.24	0.53	0.39	0.36	0.29	0.18
Total expenses	(0.18)	(0.31)	(0.26)	(0.25)	(0.28)	(0.22)
Realized gains (losses)	2.54	3.28	(0.56)	(1.57)	0.39	1.03
Unrealized gains (losses)	(2.30)	1.94	4.27	(5.21)	8.08	8.66
<b>Total Increase (Decrease) from Operations</b> <sup>(3)</sup>	0.30	5.44	3.84	(6.67)	8.48	9.65
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	—	0.30	0.17	0.09	0.07	—
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	0.35	0.65
Return of capital	—	—	—	—	—	—
<b>Total Annual Distributions</b> <sup>(4)</sup>	—	0.30	0.17	0.09	0.42	0.65
<b>Net Assets, End of Accounting Period Shown</b> <sup>(2)</sup>	41.75	41.50	36.51	32.32	41.61	34.24

## Ratios and Supplemental Data

Accounting Period Ended	2025 June 30	2024 December 31	2023 December 31	2022 December 31	2021 December 31	2020 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	474,986	476,180	484,726	481,583	377,624	11,129
Number of units outstanding <sup>(5)</sup>	11,375,000	11,475,000	13,275,000	14,900,000	9,075,000	325,000
Management expense ratio (%) <sup>(6)</sup>	0.74	0.72	0.75	0.75	0.74	0.74
Management expense ratio before waivers or absorptions (%)	0.74	0.72	0.75	0.75	0.74	0.74
Trading expense ratio (%) <sup>(7)</sup>	0.15	0.05	0.06	0.05	0.05	0.05
Portfolio turnover rate (%) <sup>(8)</sup>	58.93	54.54	50.11	35.31	17.23	39.82
Net asset value per unit (\$)	41.76	41.50	36.51	32.32	41.61	34.24
Closing market price <sup>(9)</sup>	41.50	41.50	36.55	32.30	41.73	34.33

<sup>(1)</sup> 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.

<sup>(2)</sup> The net assets are calculated in accordance with IFRS.

<sup>(3)</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the average number of units outstanding over the accounting period.

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

<sup>(5)</sup> This information is provided as at the last day of the accounting period shown.

<sup>(6)</sup> Management expense ratio is based on total expenses including sales taxes for the accounting period indicated (excluding commission, other portfolio transaction costs and withholding taxes) and is expressed as an annualized percentage of daily average net asset 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.

<sup>(7)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the accounting period. The trading expense ratio includes, if necessary, the trading expenses from its underlying funds, as described in Article 15.2 of Regulation 81-106. Data for periods prior to 2023 have been restated.

<sup>(8)</sup> 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.

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

## Summary of Investment Portfolio

As of June 30, 2025

### Portfolio Top Holdings

	% of Net Asset Value
Microsoft Corp.	4.1
Flextronics International Ltd.	3.4
Nvidia Corporation	3.3
Cash, Money Market and Other Net Assets	3.1
London Stock Exchange Group PLC	2.5
Taiwan Semiconductor Manufacturing Co. Ltd.	2.5
Visa Inc., Class A	2.5
Cia de Saneamento Basico do Estado de Sao Paulo SABESP	2.4
Rockwell Automation	2.4
AIA Group Ltd.	2.3
Cameco Corp.	2.3
Veralto Corp.	2.3
Alcon AG	2.2
MercadoLibre Inc.	2.2
Broadcom Inc.	2.1
NextEra Energy Inc.	2.1
Aecom Technology Corp.	2.0
Aptiv PLC	2.0
Emerson Electric Co.	2.0
Danone Group	2.0
Halma PLC	2.0
Palo Alto Networks Inc.	2.0
salesforce.com	2.0
ServiceNow Inc.	2.0
LPL Financial Holdings Inc.	1.9
	59.6
Net asset value	\$474,985,739

### Regional Allocation

	% of Net Asset Value
United States	50.4
United Kingdom	5.6
Canada	4.9
Ireland	4.9
Switzerland	4.8
Singapore	3.4
Brazil	3.1
Hong Kong	3.0
Japan	2.7
Taiwan	2.5
Argentina	2.2
France	2.0
Germany	1.9
Italy	1.8
China	1.7
India	1.0
Netherlands	1.0
Cash, Money Market and Other Net Assets	3.1

### Sector Allocation

	% of Net Asset Value
Information Technology	38.1
Industrials	15.3
Financials	14.5
Health Care	12.6
Consumer Discretionary	4.8
Consumer Staples	4.7
Utilities	4.6
Energy	2.3
Cash, Money Market and Other Net Assets	3.1

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](http://www.nbinvestments.ca).



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