NBI Exchange-Traded Funds

Interim Management Report of Fund Performance

For the period ended June 30, 2026

NATIONAL BANK INVESTMENTS

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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

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NBI Sustainable Canadian Short Term Bond 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, 2026, the NBI Sustainable Canadian Short Term Bond ETF's units returned 1.49% compared to 1.45% for the ETF's benchmark, the FTSE Canada Short Term Overall Bond 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 ETF's net asset value rose by 4.3% over the period, from $47.75 million as at December 31, 2025 to $49.78 million as at June 30, 2026.

In the first half of 2026, the yield curve flattened, with short-term rates rising and long-term rates falling. For example, two-year maturity rates increased by 0.16% and 30-year maturity rates decreased by 0.08%. On the sector side, credit spreads remained broadly stable, with a slight widening for short-dated corporate bonds and a slight narrowing for long-dated provinces.

All in all, this results in a positive return of 2.24% for the FTSE Canada Universe Bond Index.

In this context, the fund outperformed its benchmark.

The main contributors were: Duration (-0.01%), Curve (0.03%), Sector (0.19%), Selected securities (-0.04%).

Recent Developments

During the first half of 2026, the duration gap between the NSSB fund and the benchmark remained at 0.23 years. The fund continues to be overweight 5-year bonds and underexposed to the 2-year term. In a corporate bond mandate, whose index also includes government bonds, the portfolio will naturally be overexposed to corporate credit.

As at June 30, 2026, the percentage of impact bonds (green, social and sustainable) in the portfolio increased from 41% to 46.9% of total market value. The portfolio benefited from the addition of new green bond issues.

TD Bank completed its sixth green bond issue in the amount of $1.5 billion to finance eligible environmental projects.

In addition, a new issuer came to market. Project REM, whose bonds total $1.85 billion, is intended to finance the construction of the Réseau express métropolitain (REM).

Our engagement activities focus both on systemic issues, notably climate, biodiversity loss and reconciliation with Indigenous Peoples, and on issuer-specific issues, such as the adoption of best practices for impact bonds (green, social and sustainable), the completeness of disclosed ESG information and the improvement of their ESG rating.

These activities are intended in particular to support the development and quality of the supply of impact bonds in the Canadian bond market, as well as to improve issuers' ESG practices, both in terms of ESG performance and the completeness of disclosed ESG information. Issuer awareness resulting from our engagement activities therefore supports the portfolio's ESG objectives.

The Fund has adhered to its ESG strategy as disclosed in the prospectus. During the period, there were no material divestments of portfolio securities as a result of the Fund's ESG strategy or applicable sustainable exclusions.

On April 30, 2026, Norman Turnbull resigned as member and President of the ETF's independent review committee (the "IRC"). On May 1, 2026, Yanic Chagnon was appointed IRC member and Marie Desroches was appointed as President of the IRC.

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.

Agent for securities lending transactions

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

Holdings

As at June 30, 2026, 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 %
Meritage Conservative Portfolio	34.11
Meritage Diversified Fixed Income Portfolio	15.75
Meritage Conservative Income Portfolio	50.13

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.

Independent Review Committee Approvals and Recommendations

The ETF has followed the standing instructions of its Independent Review Committee with respect to one or more of the following transactions:

a) purchasing or selling government or other debt securities on the secondary market from related brokers that are main brokers in the Canadian debt securities market;
b) purchasing on the secondary market securities of a related issuer that are not traded on an exchange;
c) purchasing on the primary market non-exchange-related issuer debt securities having maturities of 365 days or more, other than asset-backed commercial paper.

The manager has implemented policies and procedures to ensure that the conditions that apply to each of the transactions identified above are met. The applicable standing instructions require that these transactions be carried out in accordance with the manager's policies. Notably, these instructions require that investment decisions pertaining to such related-party transactions must be made free from any influence from an entity related to the manager and without taking into account any consideration relevant to an entity related to the manager. Moreover, investment decisions must represent the business judgment of the portfolio manager, uninfluenced by considerations other than the interests of the ETF, and must achieve a fair and reasonable result for the ETF.

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.

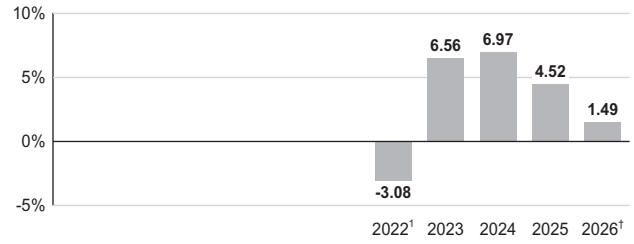
The ETF pays an annual management fee of 0.25% to the ETF manager for its management services. The fees are calculated based on a percentage of the ETF's daily net asset value before applicable taxes and are paid on a monthly basis. The management fees primarily covers investment management and general 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 10, 2022 (commencement of operations) to December 31, 2022.*

[(†)] *Returns for the period from January 1, 2026 to June 30, 2026.*

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 10, 2022

Accounting Period Ended	2026 June 30	2025 December 31	2024 December 31	2023 December 31	2022 December 31
Net Assets, Beginning of Accounting Period Shown [2]	10.27	10.14	9.78	9.46	10.00
Increase (Decrease) from Operations ($)					
Total revenue	0.18	0.35	0.34	0.32	0.26
Total expenses	(0.01)	(0.03)	(0.03)	(0.03)	(0.02)
Realized gains (losses)	0.07	0.18	0.02	(0.08)	(0.11)
Unrealized gains (losses)	(0.09)	(0.05)	0.34	0.38	(0.35)
Total Increase (Decrease) from Operations [3]	0.15	0.45	0.67	0.59	(0.22)
Distributions ($)					
From net investment income (excluding dividends)	0.16	0.32	0.31	0.29	0.21
From dividends	—	—	—	—	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
Total Annual Distributions [4]	0.16	0.32	0.31	0.29	0.21
Net Assets, End of Accounting Period Shown [2]	10.26	10.27	10.14	9.78	9.46

Ratios and Supplemental Data

Accounting Period Ended	2026 June 30	2025 December 31	2024 December 31	2023 December 31	2022 December 31
Total net asset value (000's of $) [5]	49,785	47,751	46,141	42,052	44,476
Number of units outstanding [5]	4,850,000	4,650,000	4,550,000	4,300,000	4,700,000
Management expense ratio (%) [6]	0.28	0.28	0.28	0.29	0.26
Management expense ratio before waivers or absorptions (%)	0.28	0.28	0.28	0.29	0.27
Trading expense ratio (%) [7]	—	—	—	—	—
Portfolio turnover rate (%) [8]	18.41	52.36	42.16	47.16	47.27
Net asset value per unit ($)	10.26	10.27	10.14	9.78	9.46
Closing market price [9]	10.27	10.26	10.16	9.78	9.44

[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.*

[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, 2026

Portfolio Top Holdings

	% of Net Asset Value
Government of Canada, 2.25%, due December 1, 2029	13.5
Royal Bank of Canada, Floating, due July 22, 2030	3.5
Bank of America Corp., Floating, due March 16, 2028	2.8
407 International Inc., 6.47%, due July 27, 2029	2.6
Ontario Power Generation Inc., 3.22%, due April 8, 2030	2.6
Toronto-Dominion Bank/The, 5.49%, due September 8, 2028	2.5
Hydro One Inc., 3.94%, due August 25, 2032	2.4
Bell Canada, 2.20%, due May 29, 2028	2.3
Ivanhoe Cambridge II Inc., 4.99%, due June 2, 2028	2.3
Toronto Hydro Corp., 3.65%, due September 24, 2032	2.2
Scotiabank, Floating, due September 26, 2030	2.1
OMERS Finance Trust Realty Corporation, 5.38%, due November 14, 2028	2.1
Bank of Montreal, Floating, due March 3, 2032	2.0
Toronto-Dominion Bank, Floating, due April 7, 2032	2.0
Metro Inc., 3.47%, due February 25, 2031	2.0
Dollarama Inc., 2.44%, due July 9, 2029	1.9
Projet Rem SEC, Floating, due June 22, 2031	1.9
CGI Group Inc., 4.15%, due September 5, 2029	1.8
Verizon Communications Inc., 2.38%, due March 22, 2028	1.8
Sun Life Financial Inc., Floating, due July 4, 2035	1.7
National Bank of Canada, Floating, due June 4, 2028	1.6
Altalink LP, 1.51%, due September 11, 2030	1.5
National Bank of Canada, Floating, due June 23, 2031	1.5
Federation des Caisses Desjardins du Quebec, 4.12%, due August 25, 2032	1.5
Cash, Money Market and Other Net Assets	0.9
	63.0

Net asset value	$49,784,818

Asset Mix

	% of Net Asset Value
Corporate Bonds	76.5
Federal Bonds	13.5
Municipal Bonds	3.4
Foreign Bonds	5.7
Cash, Money Market and Other Net Assets	0.9

Term Allocation

	% of Net Asset Value
Under one year	0.6
From 1 year to 5 years	75.8
From 5 years to 10 years	19.3
More than 10 years	4.3

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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