

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2020

Short Term and Income Fund

NBI Unconstrained Fixed 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 annual management report of fund performance contains financial highlights, but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual 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

Investment Objective and Strategies

The NBI Unconstrained Fixed Income Fund's investment objective is to maximize total return, consistent with preservation of capital. The Fund invests, directly or indirectly through investments in securities of other mutual funds or through the use of derivatives, in a diversified portfolio composed mainly of fixed income securities of issuers located throughout the world with various maturities and credit ratings.

The portfolio manager seeks to achieve its objective by managing portfolio duration, credit risk, and volatility. The Fund has significant latitude to pursue opportunities across the fixed income spectrum, and is not managed to be compared to any specific index. The Fund has the flexibility to invest across different sectors, credit ratings, maturities and geographic regions, including moving between sectors or across credit risk, and may have long, short or negative duration. The Fund may invest a significant portion of its net assets in a specific type of securities, by weighting one or other of the above criteria more heavily.

Risks

The global investment risk of the Fund remains as described in the simplified prospectus or any amendments thereto and Fund Facts.

Results of Operations

For the twelve-month period ended December 31, 2020, the NBI Unconstrained Fixed Income Fund's Investors Series units returned 4.81% compared to 5.33% for the Fund's benchmark, the Bloomberg Barclays Global Aggregate Bond Index (CAD Hedged). 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 rose by 14.06% over the period, from \$1.656 billion as at December 31, 2019 to \$1.889 billion as at December 31, 2020. The increase stemmed mainly from investments in the Fund by other NBI Funds and market fluctuations.

An optimistic start to the year gave way to the spread of COVID-19, a global lockdown, job losses and recession. As growth contracted sharply and unemployment soared, riskier asset classes reacted severely, with losses of 22% and 21% in high yield and emerging market debt, in the first quarter. Despite this, a sharp and sustained bounce back meant that most markets posted a positive return for the full year (IG returned 10.4%, with high yield and emerging market debt returning 7.0% and 5.3%, respectively) in USD. This ultimately came down to two things: first, central banks conducted massive quantitative easing and governments provided emphatic stimulus support; and second, the progress toward a vaccine, which ultimately bore fruit in Q4 as markets remained optimistic about the outlook for the global recovery in 2021.

Despite a significant drawdown in the market in March, the ETF had a strong year and outperformed its benchmark. Corporate investment grade bonds ("IG credit") were the top contributors for the year, given the support from central banks and extremely strong investor demand for the asset class. This is an area the portfolio manager added to substantially as the full scale of policy support for IG credit became clear. Corporate high yield bonds were another key contributor. He had reduced their exposure during March in response to the crisis and avoided the full impact of the sell-off, before adding back cautiously as markets staged a strong rebound. Another area which added value to the ETF was emerging market debt, which – similarly to high yield – has been tactically reduced in Q1, before adding back across both local and hard currency assets. Additional contributors came from government bonds positioning and duration and securitized products (which held up well throughout the year relative to other sectors).

Over the last twelve months, the portfolio manager has lifted the duration of the ETF from 3.5 years at the end of 2019 to 3.7 years at the end of December 2020. In the first quarter, he lifted the duration to 5.7 years to hedge the portfolio against increased market volatility primarily through exposure to developed-market government rates and later trimmed it as markets were more risk on in the second quarter. These changes helped provide a hedge during the COVID induced crisis and later added returns especially from the Peripheral European bonds in May and June. However, the portfolio manager cut the duration back in the fourth quarter mainly through increased short positions in US Treasuries. The duration's positioning generated positive returns overall in 2020. In high yield ("HY") bonds, where he had reduced exposure to 12% from 18% in the first quarter, exposure to this asset class detracted value during this period with the credit spread widening relative government bonds. However, increasing HY's exposure to 14% in the second quarter and to 23% in the second semester was particularly lucrative, as this asset class rebounded strongly with the risk-on sentiment. Increasing convertible bonds positioning was also fruitful, with equities approaching all-time highs. Emerging market debt is another sector that was down during March, but the portfolio manager reduced the losses by trimming the overall exposure. As markets moved to risk on towards the end of the second quarter, he cautiously raised the sector exposure from 13% at the end of 2019 to 21% as of December 2020 by adding across all the three sub-sectors of the asset class, which added strong returns after the weakness seen in the first quarter. Investment grade corporate bonds where he has increased exposure from 17% to 26%, has been the strongest performer of the year making up for more than its losses from March 2020. Lastly, he has trimmed the overall exposure to securitized sector from 28% to 16% across 2020 to fund the riskiest sectors. The sector was the worst performer across March but has also bounced back strongly after that to have overall positive returns over 2020.

In this context, the Fund underperformed its benchmark for the period. Exposure to credit assets such as high yield and corporate bonds detracted some value in the first quarter as well as emerging bonds. However, despite a significant drawdown in the market in March, investment grade corporate bonds (IG) ended the year as being the top contributor to the Fund's performance, given the support from central banks and extremely strong investor demand for the asset class. This is an area the portfolio manager added substantially as the full scale of policy support for IG credit became clear. Corporate high yield bonds were another key contributor. Their exposure has been reduced during March in response to the crisis which help avoid the full impact of the sell-off, before adding back cautiously as markets staged a strong rebound. Another area which added to the Fund was emerging market debt, which – similarly to high yield bonds – has been tactically reduced in Q1, before adding back across both local and hard currency assets. Additional contributors came from government bonds and securitised products (which held up well throughout the year relative to other sectors).

Recent Developments

The portfolio manager expects above-trend growth for 2021 as more countries gain control of the coronavirus and vaccine distribution begins. This improving economic backdrop is likely to drive core government bond yields moderately higher, but he believes central banks will continue to be accommodative and not let rates rise too much. The persistent low rate environment should continue to drive demand for higher-yielding bond markets, such as emerging markets debt and high yield. The biggest risk to his outlook for 2021 is related to the vaccines: any issues with their efficacy or distribution could result in a delay of the economic reopening and a double-dip recession. He's also closely monitoring for a potential temporary bounce in inflation in the spring (for instance, if the global reopening creates a demand surge and pushes prices up) and a possible reduction in fiscal support from governments.

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. On July 1, 2020, the Fund's IRC was increased to four members when Marie Desroches was appointed as IRC member.

The investment objective of the Fund remains unchanged. However, its investment strategy was modified to allow it to invest 100% in underlying funds (effective on or about May 14, 2020). This change is in line with the governance process of NBI's open architecture structure.

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 December 31, 2020
Total brokerage fees	95,257.50
Brokerage fees paid to National Bank Financial	-

Holdings

As at December 31, 2020, National Bank Investments Inc. held 652.18 Fund securities for a value of \$6,337.68, which represented close to 0.0003% 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.

As at December 31, 2020, National Bank Trust Inc. held 1.11 Fund securities for a value of \$11.02, which represented close to 0.0000% of the net asset value of the Fund at that date. Transactions between National Bank Trust 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	1.25%	40.00%	60.00%
Advisor Series and Series T5*			
Front-end load	1.25%	40.00%	60.00%
Back-end load - 1 to 6 years	1.25%	20.00%	80.00%
Back-end load - 7 years and more	1.25%	40.00%	60.00%
Low load - 1 to 3 years	1.25%	20.00%	80.00%
Low load - 4 years and more	1.25%	40.00%	60.00%
Series F and Series F5	0.75%	—	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 T5 with low sales charges option and deferred sales charge option, which are not paid for out of the management fees.

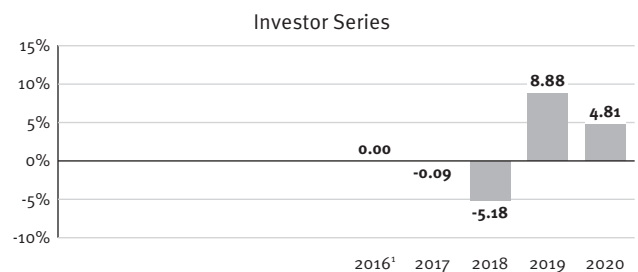
(**) There are no management fees paid by the Fund with respect to the Series O. Instead, Series O securityholders pay a negotiated administration fee directly to National Bank Investments.

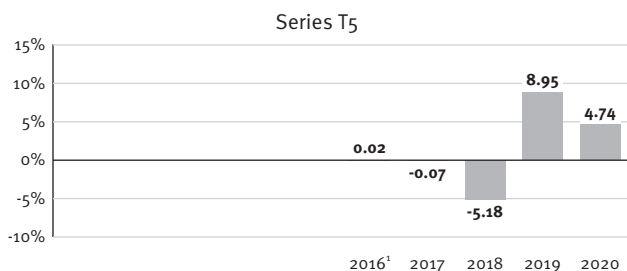
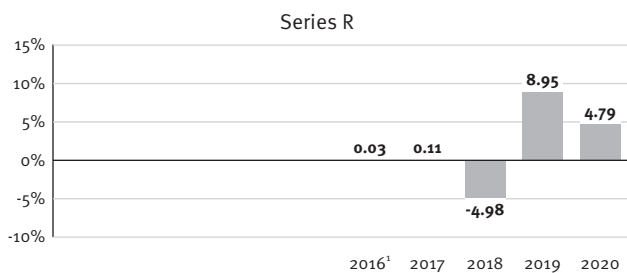
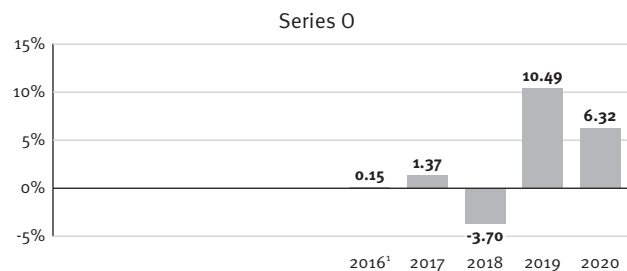
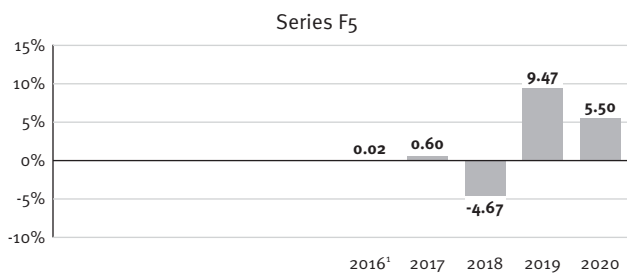
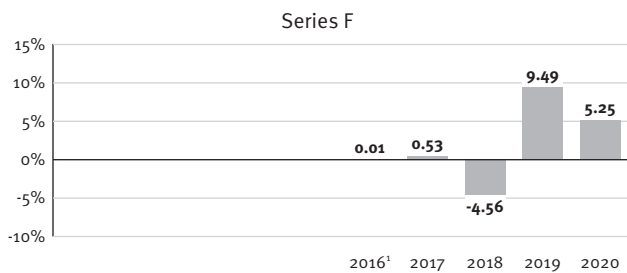
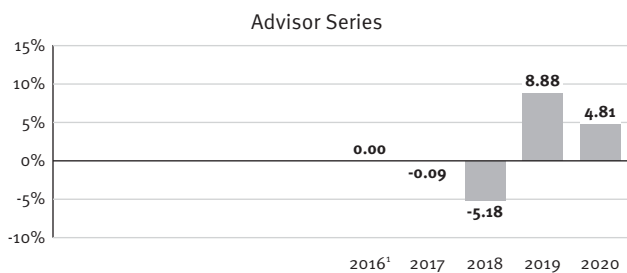
Past Performance

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.





Annual Compounded Performance

The following table shows the Fund's annual compound returns for each series in existence greater than one year and for each of the periods ended on December 31, 2020, compared with the following benchmark:

- Bloomberg Barclays Global Aggregate Bond Index (CAD Hedged)

NBI Unconstrained Fixed Income Fund

	1 year	3 years	5 years	10 years	Since inception
Investor Series¹	4.81%	2.66%	-	-	1.92%
Benchmark	5.33%	4.57%	-	-	4.11%
Advisor Series¹	4.81%	2.66%	-	-	1.92%
Benchmark	5.33%	4.57%	-	-	4.11%
Series F¹	5.25%	3.22%	-	-	2.48%
Benchmark	5.33%	4.57%	-	-	4.11%
Series F5¹	5.50%	3.26%	-	-	2.53%
Benchmark	5.33%	4.57%	-	-	4.11%
Series O¹	6.32%	4.20%	-	-	3.44%
Benchmark	5.33%	4.57%	-	-	4.11%
Series R¹	4.79%	2.75%	-	-	2.05%
Benchmark	5.33%	4.57%	-	-	4.11%
Series T5¹	4.74%	2.67%	-	-	1.93%
Benchmark	5.33%	4.57%	-	-	4.11%

¹Commencement of operations: November 28, 2016

A discussion of the Fund's relative performance in comparison to the index (or indices) can be found in the *Results of Operations* Section of this report.

Index Description

The **Bloomberg Barclays Global Aggregate Bond Index**, hedged in CAD, is a market capitalization weighted index which is designed to measure the broad global markets for corporate, government, governmental agency, supranational, mortgage-backed and asset backed fixed income securities.

⁽⁴⁾ Returns for the period from November 28, 2016 (commencement of operations) to December 31, 2016.

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: November 28, 2016

Accounting Period Ended	2020	2019	2018	2017	2016
	December 31	December 31	December 31	December 31	December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.89	9.34	9.85	10.00	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.30	0.38	(0.61)	0.05	0.01
Total expenses	(0.12)	(0.15)	(0.16)	(0.16)	(0.01)
Realized gains (losses)	(0.02)	0.19	0.16	0.29	(0.03)
Unrealized gains (losses)	0.16	0.39	0.09	(0.17)	0.03
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.32	0.81	(0.52)	0.01	—
Distributions (\$)					
From net investment income (excluding dividends)	0.21	0.14	—	0.14	—
From dividends	—	—	—	—	—
From capital gains	0.23	0.14	—	—	—
Return of capital	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.44	0.28	—	0.14	—
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.91	9.89	9.34	9.85	10.00

Ratios and Supplemental Data

Accounting Period Ended	2020	2019	2018	2017	2016
	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) ⁽⁵⁾	14,644	18,368	16,885	22,913	4,906
Number of units outstanding ⁽⁵⁾	1,478,015	1,857,138	1,807,372	2,326,006	490,567
Management expense ratio (%) ⁽⁶⁾	1.45	1.54	1.53	1.54	1.55
Management expense ratio before waivers or absorptions (%)	1.76	1.55	1.54	1.55	1.57
Trading expense ratio (%) ⁽⁷⁾	0.02	0.01	0.14	0.10	0.02
Portfolio turnover rate (%) ⁽⁸⁾	170.78	88.12	238.88	156.98	20.40
Net asset value per unit (\$)	9.91	9.89	9.34	9.85	10.00

Series F

Net Assets per Unit⁽¹⁾

Commencement of operations: November 28, 2016

Accounting Period Ended	2020	2019	2018	2017	2016
	December 31	December 31	December 31	December 31	December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	10.02	9.41	9.86	10.00	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.29	0.39	(0.63)	0.06	0.01
Total expenses	(0.07)	(0.09)	(0.10)	(0.10)	(0.01)
Realized gains (losses)	(0.03)	0.20	0.13	0.26	(0.05)
Unrealized gains (losses)	0.19	0.34	0.13	(0.14)	0.06
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.38	0.84	(0.47)	0.08	0.01
Distributions (\$)					
From net investment income (excluding dividends)	0.26	0.17	—	0.19	—
From dividends	—	—	—	—	—
From capital gains	0.23	0.11	—	—	—
Return of capital	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.49	0.28	—	0.19	—
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	10.04	10.02	9.41	9.86	10.00

Ratios and Supplemental Data

Accounting Period Ended	2020	2019	2018	2017	2016
	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) ⁽⁵⁾	70,528	74,459	51,951	96,263	6,873
Number of units outstanding ⁽⁵⁾	7,021,417	7,432,129	5,522,846	9,762,967	687,049
Management expense ratio (%) ⁽⁶⁾	0.94	0.93	0.94	0.95	0.98
Management expense ratio before waivers or absorptions (%)	1.25	0.94	0.95	0.96	0.99
Trading expense ratio (%) ⁽⁷⁾	0.02	0.01	0.14	0.10	0.02
Portfolio turnover rate (%) ⁽⁸⁾	170.78	88.12	238.88	156.98	20.40
Net asset value per unit (\$)	10.04	10.02	9.41	9.86	10.00

Series F5

Net Assets per Unit⁽¹⁾

Commencement of operations: November 28, 2016

Accounting Period Ended	2020	2019	2018	2017	2016
	December 31	December 31	December 31	December 31	December 31
Net Assets, Beginning of Accounting Period Shown ^(a)	8.84	8.61	9.52	9.96	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.26	0.34	(0.49)	(0.01)	0.01
Total expenses	(0.04)	(0.09)	(0.10)	(0.10)	(0.01)
Realized gains (losses)	0.02	0.20	0.18	0.39	(0.09)
Unrealized gains (losses)	0.21	0.37	(0.03)	(0.25)	0.10
Total Increase (Decrease) from Operations (\$) ^(a)	0.45	0.82	(0.44)	0.03	0.01
Distributions (\$)					
From net investment income (excluding dividends)	0.24	0.15	—	0.01	—
From dividends	—	—	—	—	—
From capital gains	0.21	0.14	—	—	—
Return of capital	0.21	0.28	0.48	0.49	0.04
Total Annual Distributions (\$) ⁽³⁾	0.66	0.57	0.48	0.50	0.04
Net Assets, End of Accounting Period Shown (\$) ^(a)	8.65	8.84	8.61	9.52	9.96

Ratios and Supplemental Data

Accounting Period Ended	2020	2019	2018	2017	2016
	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) ⁽⁵⁾	929	727	850	337	1,914
Number of units outstanding ⁽⁵⁾	107,365	82,232	98,653	35,451	192,115
Management expense ratio (%) ⁽⁶⁾	0.76	1.03	0.94	0.97	0.98
Management expense ratio before waivers or absorptions (%)	1.06	1.03	0.95	0.97	1.00
Trading expense ratio (%) ⁽⁷⁾	0.02	0.01	0.14	0.10	0.02
Portfolio turnover rate (%) ⁽⁸⁾	170.78	88.12	238.88	156.98	20.40
Net asset value per unit (\$)	8.65	8.84	8.61	9.52	9.96

Series O

Net Assets per Unit⁽¹⁾

Commencement of operations: November 28, 2016

Accounting Period Ended	2020	2019	2018	2017	2016
	December 31	December 31	December 31	December 31	December 31
Net Assets, Beginning of Accounting Period Shown ^(a)	9.97	9.38	9.74	10.01	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.29	0.38	(0.54)	0.05	0.01
Total expenses	0.03	—	(0.02)	(0.01)	—
Realized gains (losses)	0.05	0.29	0.13	0.38	(0.09)
Unrealized gains (losses)	0.25	0.16	0.05	(0.28)	0.09
Total Increase (Decrease) from Operations (\$) ^(a)	0.62	0.83	(0.38)	0.14	0.01
Distributions (\$)					
From net investment income (excluding dividends)	0.34	0.24	—	0.30	—
From dividends	—	—	—	—	—
From capital gains	0.30	0.14	—	0.11	—
Return of capital	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.64	0.38	—	0.41	—
Net Assets, End of Accounting Period Shown (\$) ^(a)	9.93	9.97	9.38	9.74	10.01

Ratios and Supplemental Data

Accounting Period Ended	2020	2019	2018	2017	2016
	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) ⁽⁵⁾	1,801,846	1,561,512	440,771	227,933	270,595
Number of units outstanding ⁽⁵⁾	181,489,315	156,585,125	46,988,417	23,392,905	27,037,757
Management expense ratio (%) ⁽⁶⁾	0.04	0.02	0.02	0.02	0.02
Management expense ratio before waivers or absorptions (%)	0.34	0.02	0.02	0.02	0.02
Trading expense ratio (%) ⁽⁷⁾	0.02	0.01	0.14	0.10	0.02
Portfolio turnover rate (%) ⁽⁸⁾	170.78	88.12	238.88	156.98	20.40
Net asset value per unit (\$)	9.93	9.97	9.38	9.74	10.01

Series R

Net Assets per Unit⁽¹⁾

Commencement of operations: November 28, 2016

Accounting Period Ended	2020	2019	2018	2017	2016
	December 31	December 31	December 31	December 31	December 31
Net Assets, Beginning of Accounting Period Shown ^(a)	8.90	8.62	9.46	9.97	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.26	0.34	(0.53)	0.05	0.01
Total expenses	(0.10)	(0.12)	(0.13)	(0.14)	(0.01)
Realized gains (losses)	0.03	0.19	0.17	0.34	(0.09)
Unrealized gains (losses)	0.22	0.35	0.03	(0.23)	0.09
Total Increase (Decrease) from Operations (\$) ^(a)	0.41	0.76	(0.46)	0.02	—
Distributions (\$)					
From net investment income (excluding dividends)	0.18	0.13	—	0.16	—
From dividends	—	—	—	—	—
From capital gains	0.26	0.14	—	—	—
Return of capital	0.18	0.22	0.38	0.36	0.03
Total Annual Distributions (\$) ⁽³⁾	0.62	0.49	0.38	0.52	0.03
Net Assets, End of Accounting Period Shown (\$) ^(a)	8.69	8.90	8.62	9.46	9.97

Ratios and Supplemental Data

Accounting Period Ended	2020	2019	2018	2017	2016
	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) ⁽⁵⁾	1	1	1	1	1
Number of units outstanding ⁽⁵⁾	125	116	110	106	100
Management expense ratio (%) ⁽⁶⁾	1.44	1.41	1.35	1.31	1.30
Management expense ratio before waivers or absorptions (%)	2.51	2.01	2.13	2.29	14.99
Trading expense ratio (%) ⁽⁷⁾	0.02	0.01	0.14	0.10	0.02
Portfolio turnover rate (%) ⁽⁸⁾	170.78	88.12	238.88	156.98	20.40
Net asset value per unit (\$)	8.69	8.90	8.62	9.46	9.97

Series T5

Net Assets per Unit⁽¹⁾

Commencement of operations: November 28, 2016

Accounting Period Ended	2020	2019	2018	2017	2016
	December 31	December 31	December 31	December 31	December 31
Net Assets, Beginning of Accounting Period Shown ^(a)	8.61	8.41	9.35	9.96	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.25	0.33	(0.39)	0.05	0.01
Total expenses	(0.10)	(0.13)	(0.15)	(0.16)	(0.01)
Realized gains (losses)	0.01	0.19	0.21	0.27	(0.01)
Unrealized gains (losses)	0.20	0.29	(0.09)	(0.15)	0.02
Total Increase (Decrease) from Operations (\$) ^(a)	0.36	0.68	(0.42)	0.01	0.01
Distributions (\$)					
From net investment income (excluding dividends)	0.17	0.12	—	0.15	—
From dividends	—	—	—	—	—
From capital gains	0.22	0.12	—	—	—
Return of capital	0.26	0.30	0.47	0.45	0.04
Total Annual Distributions (\$) ⁽³⁾	0.65	0.54	0.47	0.60	0.04
Net Assets, End of Accounting Period Shown (\$) ^(a)	8.34	8.61	8.41	9.35	9.96

Ratios and Supplemental Data

Accounting Period Ended	2020	2019	2018	2017	2016
	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) ⁽⁵⁾	562	606	421	285	60
Number of units outstanding ⁽⁵⁾	67,346	70,382	50,053	30,491	5,992
Management expense ratio (%) ⁽⁶⁾	1.45	1.53	1.52	1.53	1.53
Management expense ratio before waivers or absorptions (%)	1.76	1.54	1.52	1.54	2.77
Trading expense ratio (%) ⁽⁷⁾	0.02	0.01	0.14	0.10	0.02
Portfolio turnover rate (%) ⁽⁸⁾	170.78	88.12	238.88	156.98	20.40
Net asset value per unit (\$)	8.34	8.61	8.41	9.35	9.96

Private Series*

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

Net Assets per Unit⁽¹⁾ Commencement of operations: November 28, 2016

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	10.12	9.54	9.99	10.01	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.29	0.38	(0.72)	—	0.01
Total expenses	(0.05)	(0.08)	(0.10)	(0.09)	(0.01)
Realized gains (losses)	0.04	0.22	0.27	0.43	(0.09)
Unrealized gains (losses)	0.27	0.40	0.20	(0.22)	0.10
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.55	0.92	(0.35)	0.12	0.01
Distributions (\$)					
From net investment income (excluding dividends)	0.27	0.18	—	0.07	—
From dividends	—	—	—	—	—
From capital gains	0.30	0.16	—	—	—
Return of capital	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.57	0.34	—	0.07	—
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	10.08	10.12	9.54	9.99	10.01

Ratios and Supplemental Data

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) ⁽⁵⁾	1	1	1	148	1
Number of units outstanding ⁽⁵⁾	110	104	101	14,846	100
Management expense ratio (%) ⁽⁶⁾	0.77	0.79	0.85	0.85	0.83
Management expense ratio before waivers or absorptions (%)	1.82	1.38	0.85	0.86	14.52
Trading expense ratio (%) ⁽⁷⁾	0.02	0.01	0.14	0.10	0.02
Portfolio turnover rate (%) ⁽⁸⁾	170.78	88.12	238.88	156.98	20.40
Net asset value per unit (\$)	10.08	10.12	9.54	9.99	10.00

⁽⁴⁾ This information is derived from the Fund's Annual Audited 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.

⁽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 December 31, 2020

Portfolio Top Holdings

	% of Net Asset Value
NBI Unconstrained Fixed Income ETF	95.3
Cash, Money Market and Other Net Assets	2.7
Russian Federal Bond - OFZ, 7.65%, due April 10, 2030	0.8
Indonesia Treasury Bond, 7.00%, due September 15, 2030	0.7
Czech Republic Government Bond, 2.00%, due October 13, 2033	0.4
Government of the Dominican Republic, 9.75%, due June 5, 2026	0.1
	100.0
Net asset value	\$1,888,510,428

Asset Mix

	% of Net Asset Value
Corporate bonds	26.2
High yield bonds	22.5
Emerging markets bonds	21.1
Asset backed securities	15.9
Government bonds	7.8
Cash, Money Market and Other Net Assets	6.5

Term Allocation

	% of Net Asset Value
Under one year	4.0
From 1 year to 5 years	24.4
From 5 years to 10 years	34.7
More than 10 years	36.9

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.