

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2020

Diversified Fund

NBI Jarislowsky Fraser Select Balanced 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 Jarislowsky Fraser Select Balanced Fund's investment objective is to achieve moderate capital growth. The Fund invests, directly or indirectly, in a diversified portfolio comprised mainly of Canadian fixed income and equity securities.

The portfolio manager analyses equity securities such as common and preferred shares and selects mainly high quality equities of Canadian issuers. The Fund may also invest in investment-grade fixed income securities denominated in Canadian or foreign currency and invests mainly in corporate and government bonds. The Fund may also invest in convertible bonds. The Fund may invest approximately 30% of its net assets in equity or fixed income securities of foreign issuers.

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 Jarislowsky Fraser Select Balanced Fund's Advisor Series units returned 7.68% compared to 9.49% for the Fund's blended benchmark. The broad-based indices, the Morningstar Canada Liquid Bond Index (CAD) and the Morningstar Canada Large-Mid Index (CAD), returned 8.79% and 5.60% respectively. Unlike the indices, 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 dropped by 5.05% over the period, from \$148.53 million as at December 31, 2019 to \$141.02 million as at December 31, 2020.

After a start marked by the emergence of a global pandemic and the fastest stock market plunge in history, 2020 ended with a third consecutive quarter of strong gains for risk assets. Overall, these twelve months have witnessed extreme variations between asset classes—especially in the first quarter. Nonetheless, both the stock and bond markets generally ended 2020 in positive territory, as lower interest rates led to significant gains for fixed income securities while supporting the economic and stock market recovery. Within equity regions, divergences were also quite spectacular, with the U.S. stock market dominating its peers throughout the first three quarters of the year thanks to its heavy allocation to more defensive sectors. That said, emerging markets rallied strongly later in 2020, lifted by a weaker U.S. dollar and the spectacular performance of Asian countries, most of which have managed to quickly contain the pandemic.

In this context, the S&P/TSX Index ended the year with a solid gain, after having rebounded sharply from a decline of more than 20% in March. Performance in 2020 was driven mainly by the Information Technology and Materials sectors while Real estate and Energy posted the lowest returns. During the last few weeks of the year, we also witnessed a sector rotation in favor of the cyclical sectors that were lagging at the beginning of the year. Merger and acquisition activity also picked up nicely and many small caps became takeover targets from private equity funds as the abundance and low cost of capital is starting to get deployed. The IPO market also continued to shine as investor demand was impressive for newly listed companies. Meanwhile, Canadian Small Caps outperformed their large-cap peers. The Materials and Consumer Staples sectors were the best performers while the Energy and Health Care sectors lagged.

For their part, U.S. equities figured among the best performers worldwide thanks to the Information Technology and Consumer Discretionary sectors, which that gained over 40% and 30% respectively whereas the Energy sector suffered and lost more than 30% over the year.

For their part, the majority of fixed-income markets managed to post gains, as bond yields ended the period lower. In this tumultuous and unprecedented market environment, investment grade corporate and sovereign bonds figured among the best performing asset classes for the year, followed by emerging and high yield bonds.

In Canada, the FTSE Canada Universe Bond index posted a strong absolute return for 2020. Municipal and provincial bonds for their part, outperformed corporate and federal bonds. However, the big winners for the period were long-term issues, which outperformed those with short and medium-term maturities. Among corporate bonds, BBB-rated issuers also stood out in comparison to higher rated issuers. On a sector basis, Infrastructure and Communications outperformed other sectors while securitized securities and financial sector-related securities lagged behind.

In this tumultuous environment, the Fund lagged its benchmark for the year. Shopify, Copart and ASML Holdings were the top performers while Canadian Natural Resources, Compass Group and Vermilion Energy were the bottom performers of the Fund over the period. However, being underweight in Shopify was a headwind to performance, as it almost tripled in one year and is now the largest stock in the S&P/TSX.

Recent Developments

While the pace of recovery is expected to slow as a consequence of further COVID-19 outbreaks and the resulting government restriction measures, the impact on economic growth is not expected to be as extreme as it was in 2020.

Financial markets are not showing significant signs of distress following the surge in virus infections, likely owing to the early deployment of vaccines that allows investors to look past current concerns.

Policy makers will need to strike a delicate balance between short-term needs and the longer-term impacts of the toll the pandemic has taken on country finances.

At the end of December, the Fund was underweighted in the Materials and Energy sectors while being overweight in the Industrials, Consumer Staples and Discretionary sectors compared to the benchmark.

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.

Related Party Transactions

National Bank of Canada ("the Bank") and its affiliated companies' roles and responsibilities related to the Fund are as follows:

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 Fund reimbursed NBI for operating expenses, at cost, incurred in administering the Fund, including trustee, recordkeeping, custodial, legal, audit, investor servicing, and securityholder reporting fees.

As described under the heading *Management Fees*, the Fund pays annual management fees to NBI as consideration for its services.

Distribution and Dealer Compensation

Fund securities are offered by National Bank Direct Brokerage (a division of National Bank Financial Inc., an indirect wholly owned subsidiary of the Bank), CABN Investments (a division of NBII), National Bank Financial Inc. and other affiliated entities. Each month, brokers receive a 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	18,837.19
Brokerage fees paid to National Bank Financial	3,654.31

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 NBI 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 NBI and without taking into account any consideration relevant to an entity related to NBI. 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 [†]
Advisor Series and Series T5*			
Front-end load	1.70%	58.82%	41.18%
Low load - 1 to 3 years	1.70%	29.41%	70.59%
Low load - 4 years and more	1.70%	58.82%	41.18%
Series E	0.70%	-	100.00%
Series F and Series F5	0.70%	-	100.00%

^(*) Includes all costs related to management, investment advisory services, general administration and profit.

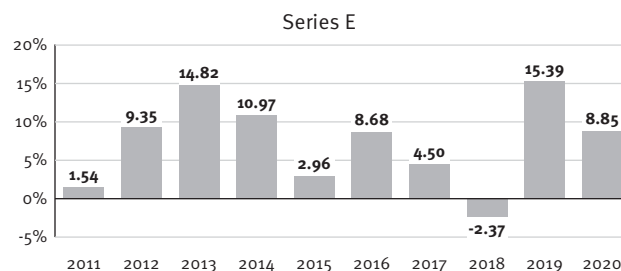
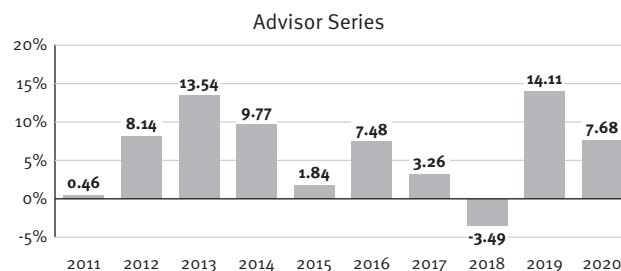
^(†) Excluding sales commissions paid on the Advisor Series and Series T5 with the low sales charge option, which are not included in the management fees.

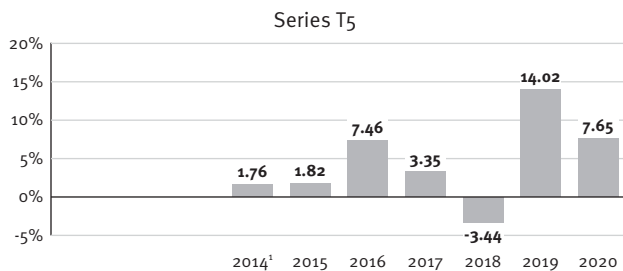
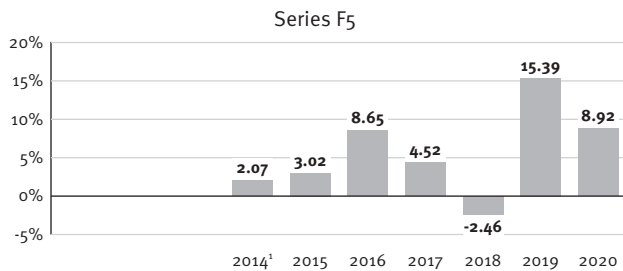
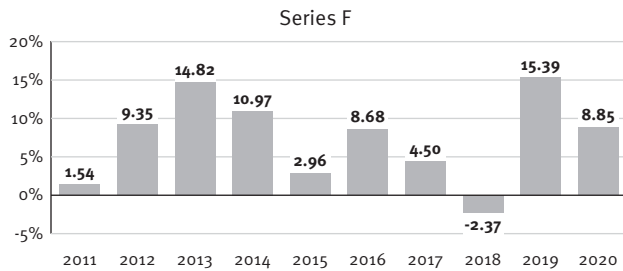
Past Performance

The performance of each series of the Fund presented below are calculated as of December 31 of each year. They assume 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 the 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.





⁽¹⁾ Returns for the period of September 30, 2014 (commencement of operations) to December 31, 2014.

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 benchmarks:

The blended benchmark (the "Benchmark") is composed of:

- Morningstar Canada Liquid Bond Index (CAD) (40%)
- Morningstar Canada Large-Mid Index (CAD) (35%)
- Morningstar Developed Markets Large-Mid Cap Index (CAD) (25%)

The broad-based indices are as follows:

- Broad-based index 1: Morningstar Canada Liquid Bond Index (CAD)
- Broad-based index 2: Morningstar Canada Large-Mid Index (CAD)

NBI Jarislowsky Fraser Select Balanced Fund

	1 year	3 years	5 years	10 years	Since inception
Advisor Series¹	7.68%	5.85%	5.65%	6.14%	-
Benchmark	9.49%	7.49%	7.98%	7.42%	-
Broad-based index 1	8.79%	5.75%	4.50%	4.72%	-
Broad-based index 2	5.60%	5.83%	9.41%	5.95%	-
Series E¹	8.85%	7.03%	6.85%	7.33%	-
Benchmark	9.49%	7.49%	7.98%	7.42%	-
Broad-based index 1	8.79%	5.75%	4.50%	4.72%	-
Broad-based index 2	5.60%	5.83%	9.41%	5.95%	-
Series F¹	8.85%	7.03%	6.85%	7.33%	-
Benchmark	9.49%	7.49%	7.98%	7.42%	-
Broad-based index 1	8.79%	5.75%	4.50%	4.72%	-
Broad-based index 2	5.60%	5.83%	9.41%	5.95%	-
Series F5²	8.92%	7.02%	6.84%	-	6.28%
Benchmark	9.49%	7.49%	7.98%	-	7.43%
Broad-based index 1	8.79%	5.75%	4.50%	-	4.72%
Broad-based index 2	5.60%	5.83%	9.41%	-	5.98%
Series T5²	7.65%	5.83%	5.65%	-	5.08%
Benchmark	9.49%	7.49%	7.98%	-	7.43%
Broad-based index 1	8.79%	5.75%	4.50%	-	4.72%
Broad-based index 2	5.60%	5.83%	9.41%	-	5.98%

¹Commencement of operations: October 7, 2010

²Commencement of operations: September 30, 2014

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 Descriptions

The **Morningstar Canada Liquid Bond Index** offers diversified exposure to federal debt securities guaranteed by the federal government, to provincial debt securities guaranteed by the provincial government and to corporate debt securities denominated in Canadian dollars in order to maintain liquidity. Small issuances, issuances with limited terms and issuances with credit ratings lower than those of investment-grade securities are excluded from the index.

The **Morningstar Canada Large-Mid Index** measures the performance of Canadian stock exchanges by targeting 90% of shares, based on their order of importance in terms of market capitalization.

The **Morningstar Developed Markets Large-Mid Cap Index** is a subset of large- and mid-cap stocks included in the Morningstar Developed Markets Index, a broad-based index that represents 97% of the market capitalization of developed markets.

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.

Advisor Series

Net Assets per Unit⁽¹⁾

Commencement of operations: October 7, 2010

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⁾	14.82	13.07	13.97	13.60	12.76
Increase (Decrease) from Operations (\$)					
Total revenue	0.35	0.37	0.35	0.35	0.37
Total expenses	(0.30)	(0.29)	(0.27)	(0.28)	(0.26)
Realized gains (losses)	0.66	0.20	0.96	(0.28)	0.08
Unrealized gains (losses)	0.32	1.56	(1.48)	0.65	0.77
Total Increase (Decrease) from Operations (\$) ⁽²⁾	1.03	1.84	(0.44)	0.44	0.96
Distributions (\$)					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.04	0.08	0.08	0.07	0.11
From capital gains	—	—	0.34	—	—
Return of capital	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.04	0.08	0.42	0.07	0.11
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	15.91	14.82	13.07	13.97	13.60

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⁾	64,703	69,709	65,532	91,440	88,811
Number of units outstanding ⁽⁵⁾	4,066,570	4,703,465	5,016,194	6,545,870	6,532,368
Management expense ratio (%) ⁽⁶⁾	2.02	1.99	1.96	2.01	2.00
Management expense ratio before waivers or absorptions (%)	2.03	2.00	1.97	2.02	2.01
Trading expense ratio (%) ⁽⁷⁾	0.01	0.01	0.02	0.01	0.01
Portfolio turnover rate (%) ⁽⁸⁾	37.49	30.90	37.81	25.51	18.73
Net asset value per unit (\$)	15.91	14.82	13.06	13.97	13.60

Series F/E

Net Assets per Unit⁽¹⁾

Commencement of operations: October 7, 2010

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⁾	15.09	13.31	14.24	13.85	12.99
Increase (Decrease) from Operations (\$)					
Total revenue	0.35	0.37	0.36	0.35	0.38
Total expenses	(0.14)	(0.13)	(0.12)	(0.13)	(0.12)
Realized gains (losses)	0.68	0.20	0.96	(0.29)	0.09
Unrealized gains (losses)	0.35	1.65	(1.48)	0.67	0.84
Total Increase (Decrease) from Operations (\$) ⁽²⁾	1.24	2.09	(0.28)	0.60	1.19
Distributions (\$)					
From net investment income (excluding dividends)	—	—	—	—	0.07
From dividends	0.20	0.25	0.24	0.23	0.17
From capital gains	—	—	0.34	—	—
Return of capital	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.20	0.25	0.58	0.23	0.24
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	16.21	15.09	13.31	14.24	13.85

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⁾	67,809	69,642	70,932	93,980	85,099
Number of units outstanding ⁽⁵⁾	4,182,644	4,613,109	5,330,028	6,601,430	6,143,582
Management expense ratio (%) ⁽⁶⁾	0.91	0.86	0.84	0.89	0.87
Management expense ratio before waivers or absorptions (%)	0.91	0.87	0.85	0.90	0.87
Trading expense ratio (%) ⁽⁷⁾	0.01	0.01	0.02	0.01	0.01
Portfolio turnover rate (%) ⁽⁸⁾	37.49	30.90	37.81	25.51	18.73
Net asset value per unit (\$)	16.21	15.10	13.31	14.24	13.85

Series F5

Net Assets per Unit⁽¹⁾

Commencement of operations: September 30, 2014

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)	10.07	9.14	10.10	10.16	9.84
Increase (Decrease) from Operations (\$)					
Total revenue	0.23	0.25	0.25	0.25	0.28
Total expenses	(0.09)	(0.09)	(0.08)	(0.09)	(0.09)
Realized gains (losses)	0.43	0.14	0.64	(0.22)	0.07
Unrealized gains (losses)	(0.07)	1.08	(1.03)	0.50	0.84
Total Increase (Decrease) from Operations (\$) ^(a)	0.50	1.38	(0.22)	0.44	1.10
Distributions (\$)					
From net investment income (excluding dividends)	—	—	—	—	0.05
From dividends	0.13	0.16	0.16	0.15	0.11
From capital gains	—	—	0.21	—	—
Return of capital	0.37	0.29	0.34	0.36	0.33
Total Annual Distributions (\$) ⁽³⁾	0.50	0.45	0.71	0.51	0.49
Net Assets, End of Accounting Period Shown (\$) ^(a)	10.42	10.07	9.14	10.10	10.16

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⁾	4,425	5,666	5,365	5,792	2,570
Number of units outstanding ⁽⁵⁾	424,729	562,556	586,679	573,743	252,914
Management expense ratio (%) ⁽⁶⁾	0.92	0.88	0.85	0.89	0.88
Management expense ratio before waivers or absorptions (%)	0.94	0.89	0.86	0.90	0.88
Trading expense ratio (%) ⁽⁷⁾	0.01	0.01	0.02	0.01	0.01
Portfolio turnover rate (%) ⁽⁸⁾	37.49	30.90	37.81	25.51	18.73
Net asset value per unit (\$)	10.42	10.07	9.14	10.10	10.16

Series T5

Net Assets per Unit⁽¹⁾

Commencement of operations: September 30, 2014

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)	9.36	8.60	9.63	9.80	9.59
Increase (Decrease) from Operations (\$)					
Total revenue	0.21	0.24	0.24	0.24	0.27
Total expenses	(0.19)	(0.18)	(0.18)	(0.19)	(0.19)
Realized gains (losses)	0.42	0.13	0.64	(0.21)	0.06
Unrealized gains (losses)	0.27	0.98	(1.00)	0.61	0.64
Total Increase (Decrease) from Operations (\$) ^(a)	0.71	1.17	(0.30)	0.45	0.78
Distributions (\$)					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.02	0.05	0.05	0.02	0.08
From capital gains	—	—	0.23	—	—
Return of capital	0.45	0.38	0.43	0.47	0.40
Total Annual Distributions (\$) ⁽³⁾	0.47	0.43	0.71	0.49	0.48
Net Assets, End of Accounting Period Shown (\$) ^(a)	9.57	9.36	8.60	9.63	9.80

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⁾	4,082	3,510	2,996	3,798	248
Number of units outstanding ⁽⁵⁾	426,558	374,825	348,427	394,366	25,338
Management expense ratio (%) ⁽⁶⁾	2.11	1.97	1.96	2.00	1.99
Management expense ratio before waivers or absorptions (%)	2.13	1.99	1.98	2.01	1.99
Trading expense ratio (%) ⁽⁷⁾	0.01	0.01	0.02	0.01	0.01
Portfolio turnover rate (%) ⁽⁸⁾	37.49	30.90	37.81	25.51	18.73
Net asset value per unit (\$)	9.57	9.36	8.60	9.63	9.80

- ⁽¹⁾ 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
Province of Ontario, 2.90%, due June 2, 2028	2.8
Canadian National Railway Co.	2.7
Toronto-Dominion Bank	2.6
Microsoft Corp.	2.4
Brookfield Asset Management Inc., Class A	2.3
Bank of Nova Scotia	2.0
Enbridge Inc.	2.0
Manulife Financial Corp.	1.8
Alimentation Couche-Tard Inc., Class B	1.7
ASML Holding N.V.	1.7
Province of Ontario, 4.70%, due June 2, 2037	1.7
Alphabet Inc., Class A	1.6
CAE Inc.	1.5
Nutrien Ltd.	1.5
Open Text Corp.	1.5
Thomson Reuters Corp.	1.5
CGI Group Inc., Class A	1.4
Intact Financial Corp.	1.4
Magna International Inc.	1.4
Restaurant Brands International Inc.	1.4
Atlas Copco AB, ADR	1.3
CCL Industries Inc., Class B	1.3
Chubb Ltd.	1.3
MasterCard Inc., Class A	1.3
Cash, Money Market and Other Net Assets	1.0
	43.1

Net asset value \$141,019,142

Asset Mix

	% of Net Asset Value
Canadian Equity	38.3
US Equity	17.6
Corporate Bonds	13.8
Provincial Bonds	12.7
International Equity	9.1
Federal Bonds	4.2
US Bonds	2.1
Foreign Bonds	0.7
Municipal Bonds	0.5
Cash, Money Market and Other Net Assets	1.0

Sector Allocation

	% of Net Asset Value
Bonds	33.9
Financials	15.2
Industrials	12.4
Information Technology	10.2
Consumer Staples	7.1
Consumer Discretionary	6.6
Health Care	4.2
Communication Services	3.5
Materials	3.0
Energy	2.5
Real Estate	0.4
Cash, Money Market and Other Net Assets	1.0

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.