

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2024

Short Term and Income Fund **NBI Senior Loan 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, 800 Saint-Jacques Street, Transit 44331, Montreal, Quebec, H3C 1A3, 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 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 Senior Loan Fund's investment objective is to generate a high level of current income. The fund invests, directly or indirectly through investments in securities of other mutual funds, in a portfolio comprised primarily of senior floating rate loans, which are generally rated below investment-grade, of corporate issuers located throughout the world and other floating rate debt instruments.

To achieve its investment objective, the fund invests in a portfolio comprised primarily of U.S. dollar denominated senior floating rate loans of corporate issuers located throughout the world and other floating rate debt instruments. Senior floating rate loans are generally rated below investment-grade and carry credit ratings indicative of higher risk and speculative characteristics. Up to 100% of the fund's investments can be in foreign securities. The fund may use a responsible investment approach, as described in the fund prospectus, this approach being one of many components of the investment strategies used to help achieve the fund's investment objective.

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

The NBI Senior Loan Fund was launched on November 4, 2024, and the Fund's net asset value was \$81.09 million as at December 31, 2024. Investment performance is not provided for a Fund that has been available for less than one year.

At the beginning of 2024, a climate of cautious optimism had set in. Indeed, while 2023 had just ended with a dramatic rebound, central banks still faced a major challenge: to start cutting interest rates when inflation had not yet returned to target, but several previously impeccable recession indicators had already been triggered. In the end, it was the most optimistic investors who won their case; With inflation continuing to slow, central banks amid a rate-cutting cycle, and a U.S. economy continuing to exceed all expectations, stock markets have had a spectacular year in 2024. Bonds, on the other hand, had a mixed year, with a performance like that of cash.

On the fixed income side, the risk appetite climate favoured Canadian corporate bonds and U.S. high-yield securities. Conversely, government securities have had more modest annual returns in Canada, but especially in the United States. In the commodities sector, the price of oil ended the year virtually unchanged. In addition, the economic and political environment has been very favourable for gold, with an annual gain of 27.1% that outpaces that of equities. Finally, the US dollar appreciated sharply during the year, with the greenback driven by the relative outperformance of the US economy and the threat of tariffs from the new Trump administration.

The portfolio was under construction in the last month of the year. The market has been exceptionally active during this period, with a record volume of issuance. Refinancing activities remain dominant, and it is essential to be vigilant when purchasing bank loans.

Recent Developments

The portfolio was under construction in the last month of the year following its launch. The cash overweight is used to be flexible if an opportunity arises. The service industry was dominant in the Fund during the last quarter.

The beginning of 2025 is expected to be a continuation of the end of 2024, which was characterized by strong demand for bank loans and a limited volume of new transactions. Refinancing operations are expected to remain the main driver of activity at the beginning of the year, before giving way to a recovery in M&A activity. In addition, the arrival of a new administration in the United States could lead to deregulation in certain sectors, thus stimulating business investment. Finally, with the US Federal Reserve appearing to be slowing the pace of interest rate cuts, bank lending remains attractive thanks to high coupons.

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"), an 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. ("NBI"), which is an indirect wholly-owned subsidiary of the Bank. Therefore, NBI 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 NBI as consideration for its services.

Portfolio Manager

The Manager has appointed National Bank Trust Inc. ("NBT"), a direct and 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

National Bank Savings and Investments Inc. ("NBSI") acts as principal distributor for the Fund. In this capacity, NBSI buys, sells and swaps securities through external registered representatives. Fund securities are also offered by National Bank Financial Inc. (including its division National Bank Direct Brokerage) 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 NBI. The brokerage fees paid by the Fund for the period are as follows:

	Period ended December 31, 2024
Total brokerage fees	\$705.75
Brokerage fees paid to National Bank Financial	\$705.75

Holdings

As at December 31, 2024, National Bank Investments Inc. held 300.61 Fund securities for a value of \$3,000.09, which represented close to 0.0037% 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.

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, NBI, to National Bank Trust Inc. ("NBT"), a direct and indirect wholly-owned 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. Under the *Distribution* heading, expenses include the broker's compensation consisting of the maximum annual trailer fees and sales commissions paid to brokers. Under the *Other* heading, the fees relate mainly to investment management, investment advisory services, general administration and profit. 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			
Front-end load	1.20%	41.67%	58.33%
Series F	0.70%	—	100.00%
Series O	N/A*	—	100.00%

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

^(*) The Series O is only available to selected investors that have been approved and have entered into an O Series units account agreement with National Bank Investments Inc. The criteria for approval may include the size of the investment, the expected level of account activity and the investor's total investments with NBI. No management fees are charged to the Fund with respect to the O Series units. Management fees are negotiated with and paid directly by investors and are in addition to the fixed-rate administration fee. NBI does not pay any commissions or service fees to dealers who sell O Series units. There are no sales charges payable by investors who purchase O Series units.

Past Performance

Investment performance is not provided for a Fund that has been available for less than one year.

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: November 4, 2024

Accounting Period Ended	2024 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	10.00
Increase (Decrease) from Operations (\$)	
Total revenue	0.11
Total expenses	(0.04)
Realized gains (losses)	(0.71)
Unrealized gains (losses)	0.61
Total Increase (Decrease) from Operations (\$) ⁽²⁾	(0.03)
Distributions (\$)	
From net investment income (excluding dividends)	—
From dividends	—
From capital gains	—
Return of capital	—
Total Annual Distributions (\$) ⁽³⁾	—
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.99

Ratios and Supplemental Data

Accounting Period Ended	2024 December 31
Total net asset value (ooo's of \$) ⁽⁵⁾	486
Number of units outstanding ⁽⁵⁾	48,676
Management expense ratio (%) ⁽⁶⁾	1.51
Management expense ratio before waivers or absorptions (%)	1.51
Trading expense ratio (%) ⁽⁷⁾	0.01
Portfolio turnover rate (%) ⁽⁸⁾	8.63
Net asset value per unit (\$)	9.99

Series F

Net Assets per Unit⁽¹⁾

Commencement of operations: November 4, 2024

Accounting Period Ended	2024 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	10.00
Increase (Decrease) from Operations (\$)	
Total revenue	0.10
Total expenses	(0.02)
Realized gains (losses)	(0.42)
Unrealized gains (losses)	0.33
Total Increase (Decrease) from Operations (\$) ⁽²⁾	(0.01)
Distributions (\$)	
From net investment income (excluding dividends)	0.02
From dividends	—
From capital gains	—
Return of capital	—
Total Annual Distributions (\$) ⁽³⁾	0.02
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.98

Ratios and Supplemental Data

Accounting Period Ended	2024 December 31
Total net asset value (ooo's of \$) ⁽⁵⁾	10,557
Number of units outstanding ⁽⁵⁾	1,057,638
Management expense ratio (%) ⁽⁶⁾	0.92
Management expense ratio before waivers or absorptions (%)	0.92
Trading expense ratio (%) ⁽⁷⁾	0.01
Portfolio turnover rate (%) ⁽⁸⁾	8.63
Net asset value per unit (\$)	9.98

Series O

Net Assets per Unit⁽¹⁾

Commencement of operations: November 4, 2024

Accounting Period Ended	2024 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	10.00
Increase (Decrease) from Operations (\$)	
Total revenue	0.10
Total expenses	—
Realized gains (losses)	(0.42)
Unrealized gains (losses)	0.33
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.01
Distributions (\$)	
From net investment income (excluding dividends)	0.02
From dividends	—
From capital gains	—
Return of capital	—
Total Annual Distributions (\$) ⁽³⁾	0.02
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.98

Ratios and Supplemental Data

Accounting Period Ended	2024 December 31
Total net asset value (000's of \$) ⁽⁵⁾	70,048
Number of units outstanding ⁽⁵⁾	7,013,844
Management expense ratio (%) ⁽⁶⁾	0.04
Management expense ratio before waivers or absorptions (%)	0.04
Trading expense ratio (%) ⁽⁷⁾	0.01
Portfolio turnover rate (%) ⁽⁸⁾	8.63
Net asset value per unit (\$)	9.99

Private Series*

⁽¹⁾ Please note that this Series is offered by way of private placement.

Net Assets per Unit⁽¹⁾

Commencement of operations: November 4, 2024

Accounting Period Ended	2024 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	10.00
Increase (Decrease) from Operations (\$)	
Total revenue	0.04
Total expenses	(0.02)
Realized gains (losses)	(0.16)
Unrealized gains (losses)	0.13
Total Increase (Decrease) from Operations (\$) ⁽²⁾	(0.01)
Distributions (\$)	
From net investment income (excluding dividends)	0.02
From dividends	—
From capital gains	0.01
Return of capital	—
Total Annual Distributions (\$) ⁽³⁾	0.03
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.96

Ratios and Supplemental Data

Accounting Period Ended	2024 December 31
Total net asset value (000's of \$) ⁽⁵⁾	1
Number of units outstanding ⁽⁵⁾	100
Management expense ratio (%) ⁽⁶⁾	0.92
Management expense ratio before waivers or absorptions (%)	0.92
Trading expense ratio (%) ⁽⁷⁾	0.01
Portfolio turnover rate (%) ⁽⁸⁾	8.63
Net asset value per unit (\$)	9.96

- ⁽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. 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 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, 2024

Portfolio Top Holdings

	% of Net Asset Value
Cash, Money Market and Other Net Assets	11.2
Charter Communications Operating LLC, Floating, due November 24, 2031	3.7
Aramark Services Inc., Floating, due January 15, 2027	3.6
Asplundh Tree Expert LLC, Floating, due May 23, 2031	3.6
Dun & Bradstreet Corp./The, Floating, due January 18, 2029	3.6
KFC Holding Co., Floating, due March 15, 2028	3.6
Medline Borrower LP, Floating, due October 23, 2028	3.6
Reynolds Consumer Products LLC, Floating, due February 4, 2027	3.6
SS&C Technologies Inc., Floating, due May 9, 2031	3.6
CHG Healthcare Services Inc., Floating, due September 29, 2028	3.5
Elanco Animal Health Inc., Floating, due August 1, 2027	3.5
Energizer Holdings, Floating, due December 22, 2027	3.5
Go Daddy Operating Co LLC, Floating, due June 2, 2031	3.5
Restaurant Brand, Floating, due September 23, 2031	3.5
Trans Union LLC, Floating, due June 24, 2031	3.5
Gates Corp/DE, Floating, due November 16, 2029	3.3
Nexstar Media Inc., Floating, due September 18, 2026	3.2
Invesco Senior Loan ETF	3.1
SPDR Blackstone Senior Loan ETF	3.1
Burlington Coat, Floating, due September 19, 2031	2.7
Core & Main LP, Floating, due February 10, 2031	2.0
Hydro One Inc., Floating, due March 21, 2025	1.9
AlixPartners LLP, Floating, due February 4, 2028	1.8
ASGN Inc., Floating, due August 30, 2030	1.8
Scotiabank, Floating, due February 4, 2025	1.8
	85.8

Net asset value..... \$81,091,950

Asset Mix

	% of Net Asset Value
Floating Rate Loans	77.6
Exchange Traded Funds	7.5
Corporate Bonds	3.7
Cash, Money Market and Other Net Assets	11.2

Credit Quality

	% of Net Asset Value
AAA	41.0
A	2.7
BBB	21.4
BB	21.8
B	10.7
Not rated	2.4

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 website at www.nbinvestments.ca.

If this investment Fund invests in other investment funds, please consult the prospectus and other information about the underlying investment funds on the website indicated above or on SEDAR+'s website at www.sedarplus.ca.