

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2020

Money Market Fund

NBI Money Market 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 Money Market Fund's investment objective is to ensure maximum protection of capital while providing a competitive short-term rate of return. This Fund invests its net assets primarily in debt securities of corporations and of Canadian federal, provincial and municipal governments.

The portfolio manager's security selection is based on an analysis of economic conditions in Canada and their impact on yields. Shorter or longer term issues will be favored depending on whether interest rates are expected to rise or fall. It is expected that investments in securities of foreign issuers will not exceed approximately 15% of the Fund's assets; these investments are denominated in Canadian dollars.

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 Money Market Fund's Investor Series units returned 0.40% compared to 0.90% for the Fund's benchmark, the FTSE Canada 91 Day T-Bill Index (CAD). 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.

The Fund's net asset value dropped by 79.80% over the period, from \$298.05 million as at December 31, 2019 to \$60.20 million as at December 31, 2020.

This decline stemmed mainly from net redemptions by unitholders of the Fund.

2020 started with positive momentum with many markets reaching record highs up until mid-February. However, fears of a global pandemic that nobody saw coming, quickly turned to reality, sending markets across the world in a downward spiral.

Fear gripped investors and financial markets were roiled against the backdrop of the escalating COVID-19 pandemic and the economic fallout from the aggressive countermeasures to contain it. Meanwhile, the global oil price war added to a fragile and panic-stricken backdrop, which emboldened the risk-off trade. The gloomy mood sent shockwaves through the marketplace and global equity markets as well as corporate, high yield and emerging bonds slid into bear market terrain before paring almost all its losses due to unconditional support from central banks and fiscal stimulus. At the peak of the crisis, in mid-March, a global flight to safety where only government backed securities seemed to have any value, propelled Treasury bills rate and government bond yields lower.

Fortunately, central banks around the world were quick to react, cutting rates to unprecedented levels and launching various programs aimed at providing liquidity and reestablishing a functioning market. Both the U.S. Federal Reserve (Fed) and the Bank of Canada (BoC) lowered their benchmark rates to minimal levels (0.25% in Canada and 0.05% in the U.S during the period. Governments over the world also launched massive stimulus packages offering support to individuals and businesses.

In this tumultuous and unprecedented market environment, corporate credit yield spreads vs Treasury bills blew out in March as the economic shutdown threatened corporate health and liquidity seized up. From the second quarter, those spreads begun to narrow as quantitative easing programs took effect and market conditions improved.

In this context, Canadian T-bill rates have ended the year much lower than 2019, regardless of their respective maturities.

In this falling rate environment, the Fund failed to outpace its benchmark after fees. While the portfolio manager's strategy has always been to add value by holding credit securities, the first quarter has been particularly difficult with the COVID 19 outbreak and the flight to safety trend favored by investors. However, as market stabilized, these assets regained strength and added value to the Fund's return afterwards, but less than expected.

During the worst of the credit market distress situation in March-April, the portfolio manager did replace the maturing credit securities with short-term government ones to avoid any outflow-funding risk. Since federal and provincial securities are yielding less than financials and corporate ones, the average yield of the portfolio was indeed reduced.

All securities in the portfolio have strong ratings but during the credit storm at the end of Q1-beginning of Q2, the portfolio manager did reduce exposure to some of the names at the lowest band of the universe. He also kept for a while a higher-than-usual exposure to government names. After the situation stabilized, he did come back to his long-proven strategy to overweight high credit issuers. While he used to invest more than 50 % of the portfolio in either short term bonds (less than one year) or floating rate notes, that component has been drastically reduced for two reasons: the yield premium on those securities is now almost gone; and the issuers simply do not renew their maturing debt (since they have more cash than what they need).

Recent Developments

Both Central Banks in Canada and U.S. have mentioned that they do not intend to increase their benchmark rates before 2023 or 2024. We will then have to live in a world of extremely low interest rates for the foreseeable future. In this context, the portfolio manager nevertheless believes that negative yields are something that the FED and the Bank of Canada will try to avoid. Given the fact that the spread between the different securities the portfolio manager invests in and the benchmark Canada T-Bills have been significantly reduced, adding value will be more challenging in the coming months/year.

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:

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.

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.

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.

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:

- a) Purchasing or holding the securities of a related issuer, in particular, those of National Bank of Canada;
- b) 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;
- c) Purchasing or selling securities to another investment Fund managed by the manager or a company in the same group;
- d) 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);
- e) 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	0.75%	33.33%	66.67%
Advisor Series*			
Front-end load	0.75%	33.33%	66.67%
Back-end load - 1 to 6 years	0.75%	33.33%	66.67%
Back-end load - 7 years and more	0.75%	33.33%	66.67%
Low load - 1 to 3 years	0.75%	33.33%	66.67%
Low load - 4 years and more	0.75%	33.33%	66.67%
Series F	0.50%	—	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 with the low sales charge option and deferred sales charge option, which are not paid for out of the management fees.

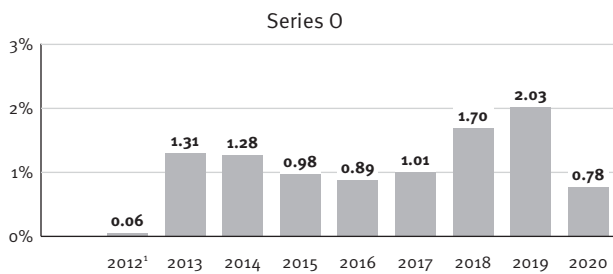
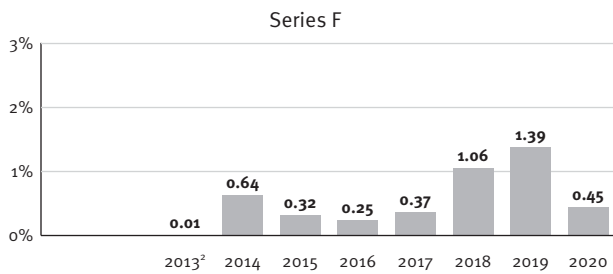
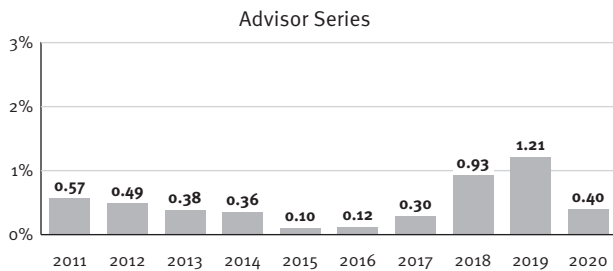
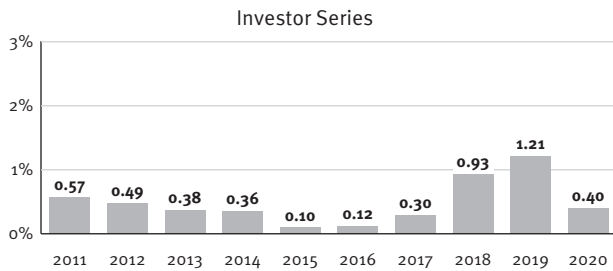
^(**) There are no management fees paid by the Fund with respect to the Series O. Instead, Series O securityholders pay a negotiated administration fee directly to National Bank Investments.

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.



⁽¹⁾ Returns for the period from December 14, 2012 (commencement of operations) to December 31, 2012.

⁽²⁾ Returns for the period from December 24, 2013 (commencement of operations) to December 31, 2013.

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

⁽⁷⁾ The Advisor Series was created on February 8, 2002.

Net Assets per Unit⁽¹⁾ Commencement of operations: December 21, 1990

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⁾	10.00	10.00	10.00	10.00	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.08	0.20	0.17	0.10	0.09
Total expenses	(0.04)	(0.08)	(0.08)	(0.08)	(0.08)
Realized gains (losses)	—	—	—	—	—
Unrealized gains (losses)	—	—	—	—	—
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.04	0.12	0.09	0.02	0.01
Distributions (\$)					
From net investment income (excluding dividends)	0.04	0.12	0.09	0.03	0.01
From dividends	—	—	—	—	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.04	0.12	0.09	0.03	0.01
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	10.00	10.00	10.00	10.00	10.00

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⁾	54,666	44,623	54,551	51,267	134,880
Number of units outstanding ⁽⁵⁾	5,466,642	4,462,265	5,455,036	5,126,641	13,488,013
Management expense ratio (%) ⁽⁶⁾	0.38	0.84	0.78	0.75	0.79
Management expense ratio before waivers or absorptions (%)	0.64	0.86	0.81	0.94	0.95
Trading expense ratio (%) ⁽⁷⁾	—	—	—	—	—
Portfolio turnover rate (%) ⁽⁸⁾	—	—	—	—	—
Net asset value per unit (\$)	10.00	10.00	10.00	10.00	10.00

Series F

Net Assets per Unit⁽¹⁾ Commencement of operations: December 24, 2013

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⁾	10.00	10.00	10.00	10.00	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.08	0.20	0.17	0.11	0.10
Total expenses	(0.03)	(0.07)	(0.07)	(0.07)	(0.07)
Realized gains (losses)	—	—	—	—	—
Unrealized gains (losses)	(0.01)	0.01	—	—	—
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.04	0.14	0.11	0.04	0.03
Distributions (\$)					
From net investment income (excluding dividends)	0.05	0.14	0.11	0.04	0.25
From dividends	—	—	—	—	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.05	0.14	0.11	0.04	0.25
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	10.00	10.00	10.00	10.00	10.00

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⁾	1,889	1,702	1,999	3,132	1,037
Number of units outstanding ⁽⁵⁾	188,898	170,160	199,881	313,240	103,692
Management expense ratio (%) ⁽⁶⁾	0.33	0.66	0.66	0.66	0.65
Management expense ratio before waivers or absorptions (%)	0.59	0.68	0.69	0.67	0.66
Trading expense ratio (%) ⁽⁷⁾	—	—	—	—	—
Portfolio turnover rate (%) ⁽⁸⁾	—	—	—	—	—
Net asset value per unit (\$)	10.00	10.00	10.00	10.00	10.00

Series O

Net Assets per Unit⁽¹⁾

Commencement of operations: December 14, 2012

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⁾	10.00	10.00	10.00	10.00	10.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.17	0.20	0.18	0.10	0.09
Total expenses	—	—	—	—	—
Realized gains (losses)	—	—	—	—	—
Unrealized gains (losses)	—	—	—	—	—
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.17	0.20	0.18	0.10	0.09
Distributions (\$)					
From net investment income (excluding dividends)	0.08	0.20	0.17	0.10	0.06
From dividends	—	—	—	—	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.08	0.20	0.17	0.10	0.06
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	10.00	10.00	10.00	10.00	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⁾	3,648	251,721	269,317	82,407	108,534
Number of units outstanding ⁽⁵⁾	364,836	25,172,093	26,931,678	8,240,716	10,853,432
Management expense ratio (%) ⁽⁶⁾	0.02	0.02	0.02	0.02	0.02
Management expense ratio before waivers or absorptions (%)	0.28	0.04	0.05	0.02	0.02
Trading expense ratio (%) ⁽⁷⁾	—	—	—	—	—
Portfolio turnover rate (%) ⁽⁸⁾	—	—	—	—	—
Net asset value per unit (\$)	10.00	10.00	10.00	10.00	10.00

⁽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
Ontario Hydro Residual Strip, due October 15, 2021	8.3
Bank of Nova Scotia, Floating, due January 13, 2021	8.0
Hydro-Québec, due August 15, 2021	5.0
Bank of Montreal, 0.24%, due January 5, 2021	4.6
Canadian Imperial Bank of Commerce, 0.23%, due February 5, 2021	4.2
Farm Credit Canada, 4.60%, due June 1, 2021	4.2
Royal Bank of Canada, 0.23%, due March 23, 2021	3.3
Toronto-Dominion Bank, 0.22%, due January 29, 2021	3.3
Royal Bank of Canada, 0.24%, due February 3, 2021	3.2
Altalink LP, 0.27%, due January 29, 2021	2.5
Central 1 Credit Union, 0.24%, due January 29, 2021	2.5
Énergir Inc., 0.24%, due January 20, 2021	2.5
Province of Alberta, 0.17%, due March 17, 2021	2.5
PSP Capital Inc., 0.25%, due July 2, 2021	2.5
South Coast BC Trans, 0.22%, due January 21, 2021	2.5
Toronto-Dominion Bank, 0.24%, due February 26, 2021	2.4
PSP Capital Inc., 0.27%, due January 26, 2021	2.4
Province of Ontario, 0.15%, due February 10, 2021	2.2
Canadian Imperial Bank of Commerce, 0.23%, due January 25, 2021	2.1
National Bank of Canada, 0.25%, due January 20, 2021	2.1
Province of Manitoba, 0.14%, due February 3, 2021	2.1
City of Toronto, 6.80%, due July 26, 2021	2.1
Nestlé SA, 0.23%, due March 9, 2021	2.0
OMERS Finance Trust Realty Corporation, 2.97%, due April 5, 2021	2.0
	78.5

Net asset value \$60,203,762

Asset Mix

	% of Net Asset Value
Banker's Acceptance	34.8
Corporate Bonds	26.0
Commercial Papers	15.0
Provincial T-Bills	8.2
Short Term Notes	7.6
Provincial Bonds	6.3
Municipal Bonds	2.1

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.