

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2020

Short Term and Income Fund

NBI Floating Rate 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 Floating Rate Income Fund's investment objective is to generate income corresponding to current short-term bond yields while minimizing the effects of interest-rate fluctuations. The Fund invests, directly or indirectly, in a portfolio composed mainly of Canadian debt securities while using interest rate derivatives to minimize interest rate risk and deliver a floating rate of income.

The portfolio manager uses fundamental credit research to select companies that, based on its view of the industry and the company's growth prospects, seem to offer attractive risk-adjusted returns. It is expected that investments in foreign securities will not exceed approximately 40% of the Fund's assets.

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 Floating Rate Income Fund's Investor Series units returned 2.43% 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.

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 28.09% over the period, from \$159.16 million as at December 31, 2019 to \$114.45 million as at December 31, 2020.

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

Among the asset classes held in the Fund, corporate bonds finished ahead of preferred equities over the year.

Bond markets were certainly impacted by the COVID-19 pandemic but performed well amid significant monetary easing. Corporate credit spreads relative to government bonds blew out in March, as the economic shutdown threatened corporate health and liquidity seized up in the tumultuous market environment. However, they returned relatively rapidly near pre-pandemic levels, as quantitative easing programs helped support credit markets and market sentiment improved.

These developments caused the 10-year Canada bond yield to drop by 100 bps to 0.68% and the yield curve (short-term bond yields vs their long-term peers) to steepen, allowing the FTSE Canada Universe Bond Index to generate a return of 8.68% for 2020. Municipal and provincial bonds for their part, outperformed corporate and federal bonds, yielding 10.13% and 9.86% respectively, compared to 8.74% and 7.28% for the other two asset classes. However, the big winners for the period were long-term issues which outperformed those with shorter maturities.

Among corporate bonds, BBB-rated issuers also stood out higher rated issuers. On a sector basis, Infrastructure and Communications outperformed other sectors, gaining 10.44% and 10.49% respectively, while securitized securities and financial sector-related securities lagged behind with 6.53% and 6.91%.

On the other hand, the launch of a new and cheaper AT1 funding alternative for Canadian Banks, the Limited Recourse Capital Notes (LRCNs) was a game changer for the asset class over the year. Preferred shares investors turned their focus towards the positive impact of both the LRCN and the Hybrid market, which should result in many redemptions of expensive preferred shares over the next quarters and bring a constant bid to the market.

The strong credit tone and more stable interest rates during the second half of the year also helped. The S&P/TSX Preferred Share Index returned 6.16% while the Solactive Laddered Canadian Preferred Share Index (100% rate reset) returned 6.24% in 2020. Fixed rate perpetual issues outperformed the other types of preferred shares over the whole year, despite the rebound of both floating rate and fixed-reset issues during the second half. For their part, Insurance and Bank sectors outperformed in 2020 while Energy and Real Estate sectors underperformed.

Under these circumstances, both fixed-income assets and preferred equities contributed to performance this year. In the former, the overall outperformance was mainly a result of security selection within corporate bonds. The overweight allocation in Energy issuers was also fruitful. In preferred equities, the overweight position in fixed rate perpetual securities was a major contributor throughout the year, as was the security selection in floating rate issues. Conversely, the underweight position in Financials and the overweight exposure to Energy detracted some value to the Fund.

Recent Developments

Covid-19 will continue to be the focus for financial markets. Virus cases have been spiking, economies are temporarily shutting down and growth will be hit hard in the near term, but vaccinations are underway, governments will continue to provide support, countries will eventually reopen and growth will pick up significantly. Central banks will keep short rates anchored but expectations for a stronger economy and the corresponding rise in inflation expectations will put some pressure on the long end of the curve. In this context, the portfolio manager has positioned the Fund to benefit from both higher yields and a steeper curve. In general, he expects credit to perform well with low government yields, supportive central banks and an improving economy. However, he has and will continue to take profits on credits that he deems expensive and focus on issuers where spreads are still trading above pre-COVID levels. In addition, credit curves have become steep presenting possible investment opportunities.

Within preferred equities, the development of the LRCN market and the strength of this market will continue to be a game changer for this asset class in Canada. Apart from the Canadian banks, the portfolio manager thinks the life insurance companies could also tap the LRCN market shortly. For the non-financial companies, the stronger ones already have access to the hybrid market both in Canada and in the US. Those alternatives are currently cheaper solutions for issuers to fund capital or AT1. As such, the technical should stay positive for at least the next seven quarters as he thinks issuers would redeem up to \$13.1 bn of expensive preferred shares (18.8% of the market) and replace them with LRCN and Hybrid. He expects that Central banks and fiscal government stimulus will help keep the credit tone strong. The primary market will remain quiet in this environment. Retail investors could continue to be net seller, but it should not derail the positive impact of those potential redemptions which will bring a strong and constant bid in the market. Flows into the ETFs will continue to be an important driver of daily volatility. In this environment, fixed-reset issues with mid reset level that trade at discount should continue to outperform. He also thinks the non-financial sectors (utilities, communications and energy) have more upside than the financial sector.

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.

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	11,915.84
Brokerage fees paid to National Bank Financial	-

Holdings

As at December 31, 2020, National Bank Investments Inc. held 446.20 Fund securities for a value of \$4,258.50, 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.

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	1.20%	54.17%	45.83%
Advisor Series and Series T*			
Front-end load	1.20%	54.17%	45.83%
Back-end load - 1 to 6 years	1.20%	20.83%	79.17%
Back-end load - 7 years and more	1.20%	54.17%	45.83%
Low load - 1 to 3 years	1.20%	20.83%	79.17%
Low load - 4 years and more	1.20%	54.17%	45.83%
Series F and Series FT	0.55%	—	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 T with low sales charges option and deferred sales charge option, which are not paid for out of the management fees.

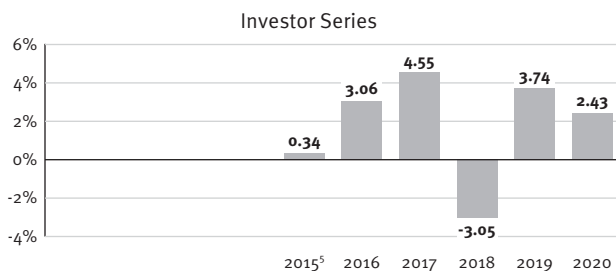
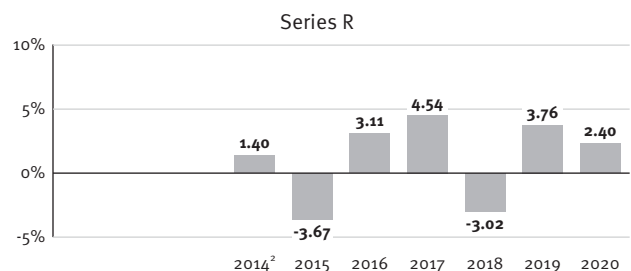
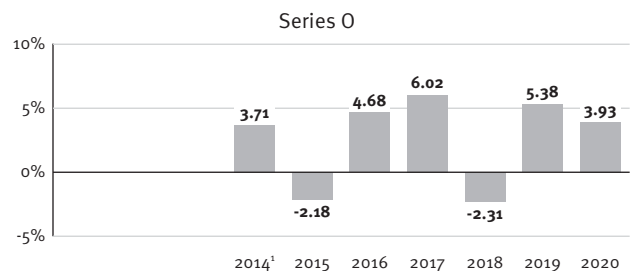
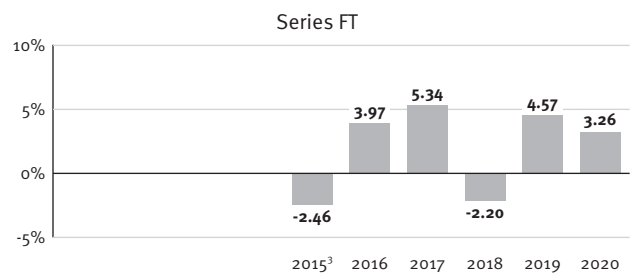
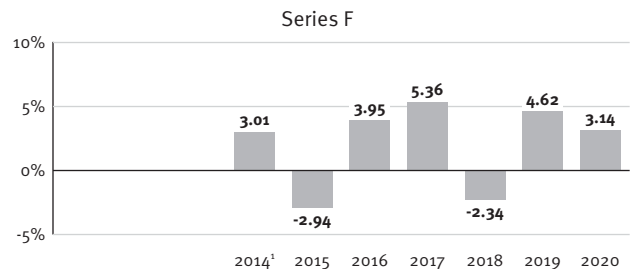
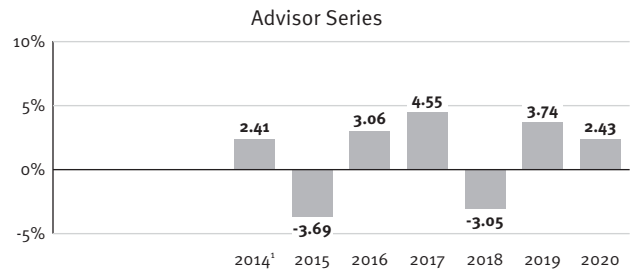
^(**) There are no management fees paid by the Fund with respect to the Series O. Instead, Series O securityholders pay a negotiated administration fee directly to National Bank Investments.

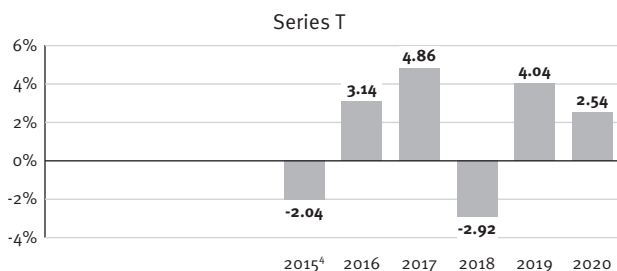
Past Performance

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.





⁽¹⁾ Returns for the period from January 8, 2014 (commencement of operations) to December 31, 2014.

⁽²⁾ Returns for the period from January 24, 2014 (commencement of operations) to December 31, 2014.

⁽³⁾ Returns for the period from May 21, 2015 (commencement of operations) to December 31, 2015.

⁽⁴⁾ Returns for the period from January 14, 2015 (commencement of operations) to December 31, 2015.

⁽⁵⁾ Returns for the period from October 30, 2015 (commencement of operations) to December 31, 2015.

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:

- FTSE Canada 91 Day T-Bill Index (CAD)

NBI Floating Rate Income Fund

	1 year	3 years	5 years	10 years	Since inception
Investor Series¹	2.43%	1.00%	2.11%	–	2.11%
Benchmark	0.90%	1.30%	0.99%	–	1.00%
Advisor Series²	2.43%	1.00%	2.11%	–	1.31%
Benchmark	0.90%	1.30%	0.99%	–	1.08%
Series F²	3.14%	1.76%	2.91%	–	2.07%
Benchmark	0.90%	1.30%	0.99%	–	1.08%
Series FT³	3.26%	1.83%	2.95%	–	2.17%
Benchmark	0.90%	1.30%	0.99%	–	1.05%
Series O²	3.93%	2.28%	3.49%	–	2.70%
Benchmark	0.90%	1.30%	0.99%	–	1.08%
Series R⁴	2.40%	1.00%	2.12%	–	1.18%
Benchmark	0.90%	1.30%	0.99%	–	1.07%
Series T⁵	2.54%	1.18%	2.30%	–	1.57%
Benchmark	0.90%	1.30%	0.99%	–	1.11%

¹Commencement of operations: October 30, 2015

²Commencement of operations: January 8, 2014

³Commencement of operations: May 21, 2015

⁴Commencement of operations: January 24, 2014

⁵Commencement of operations: January 14, 2015

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 **FTSE Canada 91 Day T-Bill Index** tracks the daily return on 91-day Canadian Treasury bills.

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

⁽¹⁾ The Investor Series was created on October 30, 2015.

Accounting Period Ended	Commencement of operations: January 8, 2014				
	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Net Assets per Unit ⁽¹⁾					
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.56	9.47	10.02	9.78	9.65
Increase (Decrease) from Operations (\$)					
Total revenue	0.20	0.39	0.36	0.31	0.27
Total expenses	(0.14)	(0.14)	(0.15)	(0.15)	(0.14)
Realized gains (losses)	(0.19)	0.09	(0.12)	0.11	(0.06)
Unrealized gains (losses)	0.28	0.02	(0.31)	0.18	0.22
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.15	0.36	(0.22)	0.45	0.29
Distributions (\$)					
From net investment income (excluding dividends)	—	0.15	0.15	0.06	0.04
From dividends	0.08	0.11	0.10	0.09	0.10
From capital gains	—	—	—	—	—
Return of capital	0.11	—	—	0.05	0.03
Total Annual Distributions (\$) ⁽³⁾	0.19	0.26	0.25	0.20	0.17
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.59	9.56	9.47	10.02	9.78

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⁾	108,364	147,292	201,168	374,394	469,717
Number of units outstanding ⁽⁵⁾	11,296,547	15,400,375	21,240,663	37,349,232	48,006,677
Management expense ratio (%) ⁽⁶⁾	1.48	1.49	1.49	1.49	1.49
Management expense ratio before waivers or absorptions (%)	1.50	1.50	1.51	1.51	1.50
Trading expense ratio (%) ⁽⁷⁾	0.01	0.01	0.01	0.01	0.02
Portfolio turnover rate (%) ⁽⁸⁾	12.95	17.03	6.18	28.08	30.25
Net asset value per unit (\$)	9.59	9.56	9.47	10.02	9.78

Series F

Accounting Period Ended	Commencement of operations: January 8, 2014				
	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Net Assets per Unit ⁽¹⁾					
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.71	9.61	10.13	9.83	9.67
Increase (Decrease) from Operations (\$)					
Total revenue	0.21	0.39	0.36	0.31	0.27
Total expenses	(0.07)	(0.07)	(0.07)	(0.07)	(0.07)
Realized gains (losses)	(0.17)	0.11	(0.12)	0.10	(0.07)
Unrealized gains (losses)	0.15	(0.01)	(0.40)	0.20	0.20
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.12	0.42	(0.23)	0.54	0.33
Distributions (\$)					
From net investment income (excluding dividends)	—	0.23	0.21	0.13	0.11
From dividends	0.18	0.11	0.08	0.09	0.10
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	0.18	0.34	0.29	0.22	0.21
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.83	9.71	9.61	10.13	9.83

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⁾	5,117	10,259	20,160	17,591	15,976
Number of units outstanding ⁽⁵⁾	520,481	1,056,530	2,097,385	1,736,452	1,625,177
Management expense ratio (%) ⁽⁶⁾	0.76	0.71	0.71	0.71	0.73
Management expense ratio before waivers or absorptions (%)	0.79	0.74	0.75	0.78	0.79
Trading expense ratio (%) ⁽⁷⁾	0.01	0.01	0.01	0.01	0.02
Portfolio turnover rate (%) ⁽⁸⁾	12.95	17.03	6.18	28.08	30.25
Net asset value per unit (\$)	9.83	9.71	9.61	10.13	9.83

Series FT

Net Assets per Unit⁽¹⁾

Commencement of operations: May 21, 2015

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⁾	9.41	9.60	10.06	9.79	9.66
Increase (Decrease) from Operations (\$)					
Total revenue	0.21	0.40	0.37	0.32	0.28
Total expenses	(0.06)	(0.06)	(0.07)	(0.07)	(0.07)
Realized gains (losses)	(0.20)	0.07	(0.13)	0.11	(0.07)
Unrealized gains (losses)	0.36	0.03	(1.17)	0.17	0.24
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.31	0.44	(1.00)	0.53	0.38
Distributions (\$)					
From net investment income (excluding dividends)	—	0.33	0.16	0.14	0.11
From dividends	0.14	0.30	0.06	0.09	0.10
From capital gains	—	—	—	—	—
Return of capital	0.06	—	0.02	0.02	0.03
Total Annual Distributions (\$) ⁽³⁾	0.20	0.63	0.24	0.25	0.24
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.50	9.41	9.60	10.06	9.79

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⁾	119	116	109	106	104
Management expense ratio (%) ⁽⁶⁾	0.67	0.68	0.75	0.69	0.69
Management expense ratio before waivers or absorptions (%)	1.53	1.34	0.81	1.78	2.13
Trading expense ratio (%) ⁽⁷⁾	0.01	0.01	0.01	0.01	0.02
Portfolio turnover rate (%) ⁽⁸⁾	12.95	17.03	6.18	28.08	30.25
Net asset value per unit (\$)	9.50	9.41	9.61	10.06	9.79

Series O

Net Assets per Unit⁽¹⁾

Commencement of operations: January 8, 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 ⁽⁴⁾	9.65	9.53	10.06	9.78	9.65
Increase (Decrease) from Operations (\$)					
Total revenue	0.21	0.40	0.36	0.23	0.28
Total expenses	—	—	(0.07)	—	—
Realized gains (losses)	(0.20)	0.08	(0.12)	(0.03)	(0.07)
Unrealized gains (losses)	0.37	0.02	(0.40)	0.38	0.24
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.38	0.50	(0.23)	0.58	0.45
Distributions (\$)					
From net investment income (excluding dividends)	—	0.29	0.21	0.20	0.18
From dividends	0.19	0.10	0.09	0.08	0.10
From capital gains	—	—	—	—	—
Return of capital	0.07	—	—	0.03	0.03
Total Annual Distributions (\$) ⁽³⁾	0.26	0.39	0.30	0.31	0.31
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.76	9.65	9.53	10.06	9.78

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⁾	2	2	2	2	41,372
Number of units outstanding ⁽⁵⁾	208	203	195	189	4,227,903
Management expense ratio (%) ⁽⁶⁾	—	—	0.68	0.02	0.02
Management expense ratio before waivers or absorptions (%)	0.48	0.37	1.15	0.02	0.02
Trading expense ratio (%) ⁽⁷⁾	0.01	0.01	0.01	0.01	0.02
Portfolio turnover rate (%) ⁽⁸⁾	12.95	17.03	6.18	28.08	30.25
Net asset value per unit (\$)	9.76	9.65	9.53	10.06	9.79

Series R

Net Assets per Unit⁽¹⁾

Commencement of operations: January 24, 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 ⁽⁴⁾	9.24	9.15	9.69	9.45	9.37
Increase (Decrease) from Operations (\$)					
Total revenue	0.20	0.38	0.35	0.30	0.26
Total expenses	(0.13)	(0.14)	(0.14)	(0.14)	(0.14)
Realized gains (losses)	(0.18)	0.08	(0.12)	0.10	(0.06)
Unrealized gains (losses)	0.20	0.03	(0.31)	0.18	0.19
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.09	0.35	(0.22)	0.44	0.25
Distributions (\$)					
From net investment income (excluding dividends)	—	0.14	0.15	0.06	0.03
From dividends	0.08	0.11	0.09	0.09	0.10
From capital gains	—	—	—	—	—
Return of capital	0.11	—	—	0.05	0.07
Total Annual Distributions (\$) ⁽³⁾	0.19	0.25	0.24	0.20	0.20
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.26	9.24	9.15	9.69	9.45

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⁾	967	1,603	2,194	4,193	5,594
Number of units outstanding ⁽⁵⁾	104,404	173,466	239,783	432,964	591,678
Management expense ratio (%) ⁽⁶⁾	1.49	1.49	1.49	1.49	1.49
Management expense ratio before waivers or absorptions (%)	1.49	1.49	1.49	1.49	1.49
Trading expense ratio (%) ⁽⁷⁾	0.01	0.01	0.01	0.01	0.02
Portfolio turnover rate (%) ⁽⁸⁾	12.95	17.03	6.18	28.08	30.25
Net asset value per unit (\$)	9.26	9.24	9.15	9.68	9.45

Series T

Net Assets per Unit⁽¹⁾

Commencement of operations: January 14, 2015

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⁾	9.44	9.33	9.85	9.59	9.50
Increase (Decrease) from Operations (\$)					
Total revenue	0.20	0.51	0.35	0.31	0.27
Total expenses	(0.12)	(0.12)	(0.13)	(0.12)	(0.14)
Realized gains (losses)	(0.19)	0.05	(0.12)	0.10	(0.07)
Unrealized gains (losses)	0.35	0.25	(0.39)	0.15	0.25
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.24	0.69	(0.29)	0.44	0.31
Distributions (\$)					
From net investment income (excluding dividends)	—	0.16	0.16	0.08	0.05
From dividends	0.40	0.10	0.08	0.08	0.10
From capital gains	—	—	—	—	—
Return of capital	0.06	—	—	0.04	0.07
Total Annual Distributions (\$) ⁽³⁾	0.46	0.26	0.24	0.20	0.22
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.21	9.44	9.33	9.85	9.59

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⁾	119	113	110	108	105
Management expense ratio (%) ⁽⁶⁾	1.33	1.32	1.28	1.26	1.42
Management expense ratio before waivers or absorptions (%)	2.21	1.83	2.12	2.36	2.85
Trading expense ratio (%) ⁽⁷⁾	0.01	0.01	0.01	0.01	0.02
Portfolio turnover rate (%) ⁽⁸⁾	12.95	17.03	6.18	28.08	30.25
Net asset value per unit (\$)	9.21	9.44	9.33	9.85	9.59

- ⁽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
Cash, Money Market and Other Net Assets	8.2
Citigroup Inc., 4.09%, due June 9, 2025	2.9
Husky Energy Inc., 3.95%, due April 15, 2022	2.9
Wells Fargo & Co., 3.87%, due May 21, 2025	2.9
Alimentation Couche-Tard Inc., 3.60%, due June 2, 2025	2.6
Smart Real Estate Investment Trust, 2.99%, due August 28, 2024	2.5
Empire Life Insurance, 3.38%, due December 16, 2026	2.4
H&R Real Estate Investment Trust, 3.37%, due January 30, 2024	2.4
Granite Reit Holdings LP, 3.87%, due November 30, 2023	2.4
Ford Credit Canada Ltd., 3.28%, due July 2, 2021	2.2
Inter Pipeline Ltd., 2.61%, due September 13, 2023	2.2
Loblaw Companies Ltd., 4.86%, due September 12, 2023	2.1
Calloway Real Estate Investment Trust, 3.73%, due July 22, 2022	2.0
Teranet Holdings LP, 3.65%, due November 18, 2022	2.0
AltaGas Ltd., 3.84%, due January 15, 2025	1.9
Laurentian Bank of Canada, Floating, due June 22, 2022	1.9
AT&T Inc., 2.85%, due May 25, 2024	1.7
Bank of Montreal, Floating, due December 15, 2027	1.7
Toronto-Dominion Bank, 4.85%, Series 14	1.6
Ford Credit Canada Ltd., 2.58%, due May 10, 2021	1.5
Pembina Pipeline Corporation, 2.99%, due January 22, 2024	1.4
Air Canada, 4.75%, due October 6, 2023	1.3
Canadian Imperial Bank of Commerce, 4.40%, Series 45	1.3
Nissan Canada Financial Services Inc., 3.15%, due September 14, 2021	1.2
Manulife Financial Corp., Floating, due February 24, 2027	1.2
	56.4

Net asset value \$114,452,357

Asset Mix

	% of Net Asset Value
Canadian Corporate Bonds	67.0
Preferred Shares	19.9
US Bonds	10.3
Mortgage Backed Securities	1.0
Asset Backed Securities	0.5
Foreign Bonds	0.4
Municipal Bonds	0.2
Derivative Products	(9.6)
Cash, Money Market and Other Net Assets	10.3

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.