

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2024

Specialized Fund  
**NBI Precious Metals 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.

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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](http://www.nbinvestments.ca), by visiting SEDAR+'s website at [www.sedarplus.ca](http://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 Precious Metals Fund aims to achieve long-term growth through investment primarily in securities of companies or securities whose value is dependent upon the value of gold, silver, platinum and palladium (“Precious Metals”) or strategic metals (such as rhodium, titanium, chromium, cobalt and iridium) or strategic minerals or diamonds.

The portfolio manager analyzes Canadian and foreign companies engaged in the exploration for, or the mining, production or distribution of Precious Metals. The portfolio manager may also invest directly in Precious Metals by buying bullion, coins or certificates and other evidences of purchase. It is expected that investments in foreign securities will not exceed approximately 30% of the Fund’s net 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, 2024, the NBI Precious Metals Fund’s Investor Series units returned 20.55% compared to 22.32% for the Fund’s blended benchmark. The broad-based index, the S&P/TSX Gold Index (CAD), returned 18.38%. 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.

The Fund’s net asset value rose by 11.01% over the period, from \$22.42 million as at December 31, 2023 to \$24.89 million as at December 31, 2024.

The increase stemmed mainly from market fluctuations.

The price of gold appreciated 27% in 2024 while silver rose 21%, relatively in line with the respective returns of the S&P/TSX sub-indices. In October, the price of gold surged to a new record high of USD 2,740 per ounce amid ongoing geopolitical and economic uncertainty, and closed the year at USD 2,624 per ounce.

In this context, the Fund underperformed its benchmark.

Positive attribution came from the Fund’s positions in Osisko Gold Royalties (+17%), Orla Mining (+84%), and Wesdome Gold Mines (+67%). However, security selection within the Gold sub-index ultimately detracted from relative performance as a position in Barrick Gold (-5%) lagged amid weaker-than-expected 2025 production guidance and ongoing disputes with the Government of Mali over taxation and ownership. The Portfolio Manager believes shares are discounted to reflect the worst-case outcome and continues to see significant value in the company. The Fund’s overweight position in diversified metals and mining also acted as a detractor from relative performance.

Over the last 12 months, the Fund invested as much as 20.10% of its net assets in securities of Barrick Gold Corp, 19.30% of its net assets in securities of Franco-Nevada Corp and 17.00% of its net assets in securities of Wheaton Precious Metals Corp.

### Recent Developments

The Portfolio Manager’s strategy for the NBI Precious Metals Fund remains focused on owning higher quality (profitable) firms that have greater operational expertise and financial resources (i.e., more cash than debt). Given the uncertainty in global markets, the investment team believes it is prudent to own a portfolio of both producers and royalty companies.

Consistent with this strategy, during the year the Portfolio Manager initiated three new positions:

Triple Flag Precious Metals, a mid-tier precious metals royalty company, valued at a discount to its larger royalty peers, making it an attractive and accretive acquisition target. Activist manager Elliott Investment Management now owns over 66% of the company’s shares and may be advocating for a sale.

Hecla Mining Company, a mid-sized silver and gold producer with world-class properties that offer significant mine life extension potential, making them attractive targets for senior producers looking to replace reserves.

Osisko Gold Royalties, a mid-sized royalty company with a diverse portfolio of some of the highest-quality precious metal royalties and streams located primarily in North America and Australia.

The Portfolio Manager exited a position early in the year, SSR Mining, as the investment thesis changed following the heap leach failure at its Turkish Mine.

The portfolio remains overweight the Diversified Metals and Mining sub-Index and underweight the Silver sub-Index.

Despite significantly higher bullion prices, the Portfolio Manager continues to view near-term risks for gold producers as elevated given that unit operating and capital costs remain well above pre-pandemic levels. As such, cash margins could quickly compress should demand falter at a time when the costs associated with replacing existing production are unprecedented.

The investment team continues to focus on investing in either precious metal companies with established production and lower-cost operations or diversified royalty/streaming companies that typically have lower operational risk.

## 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 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) 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
<b>Total brokerage fees</b>	\$10,830.42
<b>Brokerage fees paid to National Bank Financial</b>	\$1,131.54

#### 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, 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 <sup>†</sup>
Investor Series	1.75%	57.14%	42.86%
Advisor Series*			
Front-end load**	1.75%	57.14%	42.86%
Series F	0.75%	—	100.00%

<sup>(†)</sup> Includes all costs related to management, investment advisory services, general administration and profit.

<sup>(\*)</sup> 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.

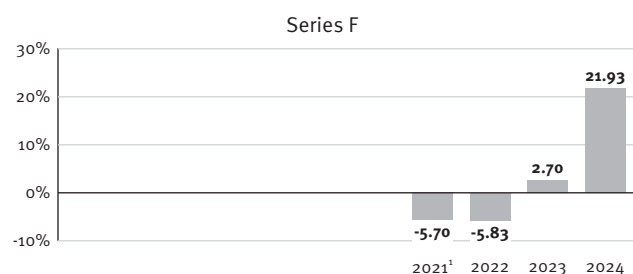
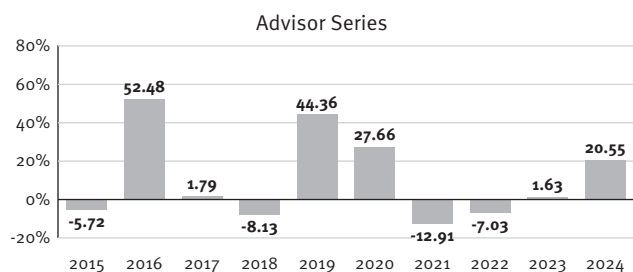
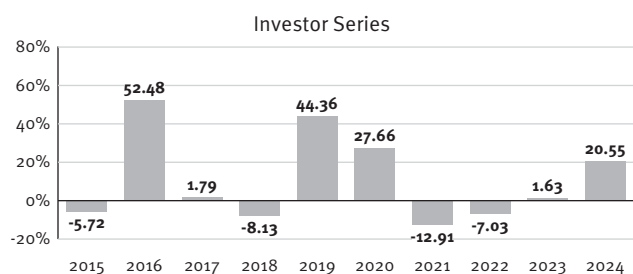
<sup>(\*\*)</sup> Rate applicable for all investments, including Advisor Series existing before May 14, 2015, systematic investment programs, reinvested distributions and switches.

## 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, in the case of the Annual management report of fund performance, or by June 30, in the case of the Interim management report of fund performance.



<sup>(1)</sup> Returns for the period from June 22, 2021 (commencement of operations) to December 31, 2021.

### 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, 2024, compared with the following benchmarks:

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

- S&P/TSX Gold Index (CAD) (85%)
- S&P/TSX Composite Silver Total Return Index (CAD) (15%)

The broad-based index is the S&P/TSX Gold Index (CAD).

### NBI Precious Metals Fund

	1 year	3 years	5 years	10 years	Since inception
<b>Investor Series<sup>1</sup></b>	20.55%	4.43%	4.84%	9.41%	–
Benchmark	22.32%	5.93%	7.15%	10.36%	–
Broad-based index	18.38%	4.86%	5.20%	8.72%	–
<b>Advisor Series<sup>2</sup></b>	20.55%	4.43%	4.84%	9.41%	–
Benchmark	22.32%	5.93%	7.15%	10.36%	–
Broad-based index	18.38%	4.86%	5.20%	8.72%	–
<b>Series F<sup>3</sup></b>	21.93%	5.65%	–	–	3.05%
Benchmark	22.32%	5.93%	–	–	4.39%
Broad-based index	18.38%	–	–	–	8.72%

<sup>1</sup>Commencement of operations: July 27, 1994

<sup>2</sup>Commencement of operations: June 12, 2009

<sup>3</sup>Commencement of operations: June 22, 2021

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 **S&P/TSX Gold Index** measures the performance of securities in the gold sector in Canada. The index is based on the securities' market capitalization.

The **S&P/TSX Composite Silver Total Return Index** measures the performance of securities in this specific sub industry in Canada. The Index is based in the securities' market capitalization.

## 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

<sup>(1)</sup> The Advisor Series was created on June 12, 2009.

Accounting Period Ended	Commencement of operations: July 27, 1994				
	2024 December 31	2023 December 31	2022 December 31	2021 December 31	2020 December 31
Net Assets per Unit <sup>(1)</sup>					
<b>Net Assets, Beginning of Accounting Period Shown<sup>(4)</sup></b>	17.47	17.19	18.49	21.23	16.63
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.26	0.28	0.33	0.37	0.18
Total expenses	(0.44)	(0.39)	(0.43)	(0.50)	(0.54)
Realized gains (losses)	2.05	(0.22)	0.23	1.48	4.94
Unrealized gains (losses)	1.76	0.64	(0.50)	(4.12)	0.10
<b>Total Increase (Decrease) from Operations (\$)<sup>(2)</sup></b>	3.63	0.31	(0.37)	(2.77)	4.68
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	—	—	—	—	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)<sup>(3)</sup></b>	—	—	—	—	—
<b>Net Assets, End of Accounting Period Shown (\$)<sup>(4)</sup></b>	21.06	17.47	17.19	18.49	21.23

### Ratios and Supplemental Data

Accounting Period Ended	2024	2023	2022	2021	2020
	December 31	December 31	December 31	December 31	December 31
Total net asset value (ooo's of \$) <sup>(5)</sup>	16,267	14,971	16,711	27,150	35,346
Number of units outstanding <sup>(5)</sup>	772,266	857,134	972,280	1,468,619	1,664,683
Management expense ratio (%) <sup>(6)</sup>	2.20	2.19	2.41	2.47	2.46
Management expense ratio before waivers or absorptions (%)	2.20	2.19	2.42	2.48	2.46
Trading expense ratio (%) <sup>(7)</sup>	0.05	0.07	0.05	0.12	0.18
Portfolio turnover rate (%) <sup>(8)</sup>	23.05	14.67	12.17	28.90	61.35
Net asset value per unit (\$)	21.06	17.47	17.19	18.49	21.23

### Series F

Accounting Period Ended	Commencement of operations: June 22, 2021			
	2024 December 31	2023 December 31	2022 December 31	2021 December 31
Net Assets per Unit <sup>(1)</sup>				
<b>Net Assets, Beginning of Accounting Period Shown<sup>(4)</sup></b>	9.12	8.88	9.43	10.00
<b>Increase (Decrease) from Operations (\$)</b>				
Total revenue	0.14	0.15	0.20	0.10
Total expenses	(0.12)	(0.10)	(0.10)	(0.06)
Realized gains (losses)	1.09	(0.11)	(0.09)	0.03
Unrealized gains (losses)	0.91	0.31	(2.32)	(0.81)
<b>Total Increase (Decrease) from Operations (\$)<sup>(2)</sup></b>	2.02	0.25	(2.31)	(0.74)
<b>Distributions (\$)</b>				
From net investment income (excluding dividends)	—	—	—	—
From dividends	—	—	—	—
From capital gains	—	—	—	—
Return of capital	—	—	—	—
<b>Total Annual Distributions (\$)<sup>(3)</sup></b>	—	—	—	—
<b>Net Assets, End of Accounting Period Shown (\$)<sup>(4)</sup></b>	11.12	9.12	8.88	9.43

### Ratios and Supplemental Data

Accounting Period Ended	2024	2023	2022	2021
	December 31	December 31	December 31	December 31
Total net asset value (ooo's of \$) <sup>(5)</sup>	8,618	7,447	7,408	18
Number of units outstanding <sup>(5)</sup>	774,810	816,405	834,492	1,869
Management expense ratio (%) <sup>(6)</sup>	1.08	1.08	1.11	1.13
Management expense ratio before waivers or absorptions (%)	1.08	1.08	1.12	1.15
Trading expense ratio (%) <sup>(7)</sup>	0.05	0.07	0.05	0.12
Portfolio turnover rate (%) <sup>(8)</sup>	23.05	14.67	12.17	28.90
Net asset value per unit (\$)	11.12	9.12	8.88	9.43

- <sup>(1)</sup> 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.
- <sup>(2)</sup> 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.
- <sup>(3)</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both.
- <sup>(4)</sup> The net assets are calculated in accordance with IFRS.
- <sup>(5)</sup> This information is provided as at the last day of the accounting period shown.
- <sup>(6)</sup> 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.
- <sup>(7)</sup> 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.
- <sup>(8)</sup> 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
Franco-Nevada Corp.....	19.1
Barrick Gold Corp.....	17.8
Wheaton Precious Metals Corp.....	15.4
Agnico-Eagle Mines Ltd.....	9.5
Major Drilling Group International Inc.....	9.4
Cash, Money Market and Other Net Assets.....	9.1
Osisko Gold Royalties Ltd.....	5.8
MAG Silver Corp.....	3.8
Alamos Gold Inc., Class A.....	3.1
Orla Mining Ltd.....	1.8
Triple Flag Precious Metals Corp.....	1.8
Hecla Mining Co.....	1.4
Kinross Gold Corp.....	1.0
Lundin Gold Inc.....	0.5
SilverCrest Metals Inc.....	0.2
Wesdome Gold Mines Ltd.....	0.2
K92 Mining Inc.....	0.1
	100.0

Net asset value..... \$24,885,495

### Sector Allocation

	% of Net Asset Value
Gold.....	76.0
Precious Metals & Minerals.....	9.4
Silver.....	5.2
Cash, Money Market and Other Net Assets.....	9.4

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](http://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](http://www.sedarplus.ca).