

Annual Management Report of Fund Performance

For the period ended December 31, 2020

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2020

NBI Global Private Equity ETF

Notes on forward-looking statements

This report may contain forward-looking statements concerning the ETF, 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 ETF. You can get a copy of the annual financial statements of the ETF at your request, and at no cost, by calling 1-866-603-3601, by emailing us at investments@nbc.ca, 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 ETF'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 Global Private Equity ETF's investment objective is to generate long-term capital growth by replicating, to the extent possible and before fees and expenses, the performance of a global private equity index that measures the investment returns of publicly-listed private equity issuers. To do this, the ETF invests in a portfolio comprised primarily of securities of globally listed private equity companies and investment vehicles.

The ETF seeks to achieve its objective by following a passive investment strategy designed to replicate the performance of a listed private equity index. The ETF will generally be managed using a full replication strategy in which the ETF will generally hold the same investments and in the same proportion as the target index.

Risks

The global investment risk of the ETF remains as described in the prospectus or any amendments thereto and ETF Facts.

Results of Operations

The NBI Global Private Equity ETF was launched on January 23, 2020, and the ETF's net asset value was \$197.76 million as at December 31, 2020. Investment performance is not provided for an ETF that has been available for less than one year.

A tumultuous 2020 ended on a positive note amid optimism that the distribution of safe and effective vaccines will revitalize the economy in 2021. While the pandemic intensified at year-end, investors opted to look through the rampant outbreak towards the post-vaccine economy, while the deluge of policy stimulus also underpinned sentiment. Indeed, after several weeks of wrangling, U.S. lawmakers managed to approve a \$900 billion fiscal relief package that will be critical in bridging the gap until widespread vaccine rollout. Meanwhile, the U.K. and European Union unveiled a historic post-Brexit accord at the 11th hour, which formally completes Britain's separation from the bloc more than four years after the referendum.

Global equity markets extended their upward momentum through December, with the MSCI All Country World closing-out the year at an all-time high (+14.22%). Regionally speaking, gains were widespread across the globe. The S&P 500 (+16.32%), Nasdaq (+42.37%), and Dow Jones Industrial Average (+7.80%) all ended the year at record levels, while Canadian and international stocks also participated in the risk-on move. Emerging market stocks led the global charge and climbed to the highest level since 2007, with China's benchmark rising to a five-year high as economic data revealed a vigorous recovery in the world's second-largest economy.

It was a tumultuous 2020 for the petroleum industry, which endured oil price and oil demand fluctuation throughout the year. Although there were a series of rebounds throughout the period, continually rising COVID-19 cases and the resulting lockdowns led to perpetual weak global oil consumption.

Recent Developments

While few will miss 2020, all will long remember this past year that began amidst bombings between the U.S. and Iran, featured the worst pandemic in over 100 years, increased social tensions, and included a presidential election which looked like a referendum on America's core values.

The portfolio manager's main economic scenario expects the coronavirus vaccination campaign provides immunization for the vast majority of the most-at-risk population in developed countries by the end of Q1-2021 and takes us near herd immunity midyear. That should set to stage for the strong global cyclical recovery to continue. After a more challenging start of the year due to containment measures, the

investment team expects the pace of growth to accelerate in Q2-2021, driven by a gradual and permanent reopening of the economy, a rise in consumer sentiment, and a recovery in the service sector.

It is expected that central banks ensure highly accommodative monetary conditions as inflationary pressures remain muted. Central banks are expected to continue asset purchases and even increase pace if need be. The portfolio manager expects policy makers from most developed countries will maintain a significant level of fiscal support to businesses and consumers. Lastly, the investment team expects the bond yields to remain stable as the USD depreciates. The global equities are expected to continue to rise along their long-term trend, with an edge in favour of cyclical and emerging markets equities.

In short, 2020 was a year like no other: a year where a once-in-100-year pandemic triggered a recession that was as brief as it was brutal, revealed the spectacular effectiveness of coordination between monetary and fiscal authorities in times of crisis, and generated a succession of historical highs and lows.

On April 30, 2020, the ETF's independent review committee (the "IRC") was reduced to three members when Jacques Valotaire resigned as IRC member. On July 1, 2020, the ETF's IRC was increased to four members when Marie Desroches was appointed as IRC member.

Related Party Transactions

National Bank Investments Inc. (the "manager") is the manager and promoter of the ETF. Accordingly, it is entitled to receive, in exchange for the services that it provides to the ETF, management fees paid to it by the ETF (see "Management Fees" below).

From time to time, the manager may, on behalf of the ETF, carry out transactions or sign agreements to involve certain persons or companies related to it, to the extent that these transactions or agreements are, in its opinion, in the interest of the ETF. The description of the transactions or agreements between the ETF and a related party is provided in this section.

Members of the manager's group may earn fees or spreads in connection with services provided to, or transactions with, the NBI ETF, including in connection with brokerage and derivatives transactions.

Trustee

The manager has retained the services of Natcan Trust Company to serve as trustee for the ETF and has retained the services of National Bank Trust to serve as portfolio manager.

Designated Broker

The manager has signed an agreement with National Bank Financial Inc. ("NBF"), a company affiliated with NBI, under which NBF will serve as a designated broker for the ETF. The designated broker agreement signed with NBF is in keeping with market conditions.

Brokerage Fees

The ETF may pay broker's commissions at market rates to a corporation affiliated with National Bank Investments Inc. The brokerage fees paid by the ETF for the period are as follows:

	Period ended December 31, 2020
Total brokerage fees	51,931.32
Brokerage fees paid to National Bank Financial	16,384.48

Holdings

As at December 31, 2020, the Non-Traditional Capital Appreciation Pooled Fund held approximately 99.9% ownership of the redeemable units outstanding of the ETF. Transactions between the Non-Traditional

Capital Appreciation Pooled Fund and the ETF were carried out in the normal course of business. The portfolio manager for this Pooled Fund is National Bank Trust Inc.

Management Fees

The management fee is payable to the ETF manager in consideration of the services that the manager provides to the ETF in its capacity as manager, such as managing the day-to-day business and affairs of the ETF.

The ETF pays an annual management fee of 0.55% to the ETF manager for its management services. The fees are calculated based on a percentage of the ETF's daily net asset value before applicable taxes and are paid on a monthly basis. The management fees primarily covers investment management and general administration services.

Past Performance

Investment performance is not provided for an ETF that has been available for less than one year. The ETF's units were available since March 4, 2020.

Financial Highlights

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the accounting periods shown.

Net Assets per Unit⁽¹⁾

Commencement of operations: March 04, 2020

Accounting Period Ended	2020 December 31
Net Assets, Beginning of Accounting Period Shown⁽²⁾	-
Increase (Decrease) from Operations (\$)	
Total revenue	0.65
Total expenses	(0.23)
Realized gains (losses)	2.77
Unrealized gains (losses)	8.35
Total Increase (Decrease) from Operations (\$)⁽³⁾	11.54
Distributions (\$)	
From net investment income (excluding dividends)	0.32
From dividends	0.01
From capital gains	0.55
Return of capital	0.00
Total Annual Distributions (\$)⁽⁴⁾	0.88
Net Assets, End of Accounting Period Shown (\$)⁽²⁾	31.27

Ratios and Supplemental Data

Accounting Period Ended	2020 December 31
Total net asset value (000's of \$) ⁽⁵⁾	197,761
Number of units outstanding ⁽⁵⁾	6,325,000
Management expense ratio (%) ⁽⁶⁾	0.63
Management expense ratio before waivers or absorptions (%)	0.63
Trading expense ratio (%) ⁽⁷⁾	-
Portfolio turnover rate (%) ⁽⁸⁾	39.19
Net asset value per unit (\$)	31.27
Closing market price ⁽⁹⁾	31.27

⁽¹⁾ This information is derived from the ETF's Annual Audited Financial Statements. The net assets per unit presented in the financial statements might differ from the net asset value calculated for ETF pricing purposes. The differences are explained in the notes to the financial statements.

⁽²⁾ The net assets are calculated in accordance with IFRS.

⁽³⁾ 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.

⁽⁴⁾ Distributions were paid in cash or reinvested in additional units of the ETF, or both.

⁽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 ETF's portfolio turnover rate indicates how actively the ETF portfolio's manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the accounting period. The higher an ETF's portfolio turnover rate in an accounting period, the greater the trading costs payable by the ETF 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 an ETF.

⁽⁹⁾ Closing market price on the last trading day of the year as reported on the TSX.

Summary of Investment Portfolio

As of December 31, 2020

Portfolio Top Holdings

	% of Net Asset Value
Partners Group Holding AG	7.5
Blackstone Group Inc., Class A	7.4
KKR & Co. Inc., Class A	7.4
T Rowe Price Group Inc.	7.1
3i Group PLC	6.0
EXOR NV	4.9
Apollo Global Management Inc.	4.6
Intermediate Capital Group PLC	4.2
Kinnevik AB, Class B	4.2
EQT AB	3.6
Onex Corp.	3.1
Brookfield Renewable Partners LP	2.9
SBI Holdings Inc./Japan	2.9
Investment AB Latour	2.4
Encavis AG	2.3
Macquarie Infrastructure Corp.	2.2
Carlyle Group Inc.	2.2
Wendel SE	2.0
Syncona Limited	1.8
HgCapital Trust PLC/Fund	1.7
Ares Management Corp., Class A	1.6
Eurazeo SE	1.6
Greencoat UK Wind PLC/Funds	1.5
Jafco Co. Ltd.	1.4
Ratos AB	1.4
	87.9
Net asset value	\$197,761,177

Regional Allocation

	% of Net Asset Value
United States	35.3
United Kingdom	14.5
Sweden	11.7
Switzerland	7.6
Canada	6.0
Germany	5.4
Netherlands	4.9
Japan	4.3
France	3.6
Belgium	2.6
Guernsey	1.9
Jersey	1.4
Italy	0.6
Australia	0.0
Cash, Money Market and Other Net Assets	0.2

Sector Allocation

	% of Net Asset Value
Financials	85.7
Industrials	7.3
Utilities	6.6
Health Care	0.2
Consumer Discretionary	0.0
Communication Services	0.0
Cash, Money Market and Other Net Assets	0.2

The above table shows the top 25 positions held by the ETF. In the case of an ETF with fewer than 25 positions, all positions are indicated.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the ETF. A quarterly update is available. Please consult our Web site at www.nbinvestments.ca.



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