

Annual Management Report of Fund Performance

For the period ended December 31, 2022

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2022

NBI Exchange-Traded Funds

NBI Global Real Assets Income 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 Real Assets Income ETF's investment objective is to provide income and long-term capital growth while focusing on hedging against inflation. It invests, directly or through investments in securities of other mutual funds, in a portfolio comprised primarily of common shares of companies located around the world in industry sectors associated with real assets.

The Portfolio Sub-Advisor applies a bottom-up approach based on a disciplined valuation of high quality companies, while providing geographic diversification. The portfolio is constructed with both an income and growth component. The income component focuses on dividend-paying companies in developed markets. The growth component focuses on developing economies where real asset markets are still under development, but have future growth potential. This approach aims to achieve a balance between high income and opportunities for growth.

Risks

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

Results of Operations

For the twelve-month period ended December 31, 2022, the NBI Global Real Assets Income ETF's units returned -1.79% compared to 7.08% for the ETF's benchmark, the S&P Global Infrastructure Index. Unlike the benchmark, the ETF's performance is calculated after fees and expenses. Please see the *Past Performance* section for the ETF's returns, which may vary mainly because of fees and expenses.

The Fund's net asset value dropped by 18.16% over the period, from \$55.81 million as at December 31, 2021 to \$45.67 million as at December 31, 2022.

The decline stemmed mainly from a rebalancing of the managed solutions offered by National Bank and market fluctuations.

Equity markets ended a rollercoaster year in negative territory amid an increasingly challenging landscape for the capital markets. The Russia/Ukraine war exacerbated investors' worries that were already high owing to decades-high inflation and central bank tightening. Bond and equity markets posted losses, while commodities benefited from surging energy prices. Among major benchmarks, the Standard & Poor's (S&P) 500® Index dropped 18.11%, the MSCI EAFE Index, a measure of non-US developed markets, slid 14.45%, while the MSCI Emerging Markets Index fell 19.74%.

In the US, stocks ended their worst year since 2008. Increasing inflationary pressures proved to be non-transitory, pushing the Federal Reserve (Fed) to begin aggressively tightening monetary policy in March. The federal-funds rate, set at a target range of 0.00% to 0.25% in early January, was raised several times throughout the year, ultimately closing out 2022 at 4.25% to 4.50%. While rate hikes dampened market sentiment, Fed Chair Jerome Powell's accompanying comments often drove stock market highs and lows. The housing market lagged in 2022, as data from home sale prices to building permits slowed, largely in response to rising mortgage rates. While inflation showed signs of decelerating, unemployment remained historically low, perplexing policymakers. US Treasury securities suffered steep losses; yields rise as bond prices fall, and the 10-year Treasury note yield climbed sharply in 2022, beginning the year at 1.496% and ending at 3.833%. Meanwhile, recession fears pushed the US dollar higher, wrapping up 2022 with its biggest rally in several years.

Developed markets also experienced losses for the year, although the United Kingdom was able to eke out a positive return. The impact of the Russia/Ukraine War, combined with decades-high inflation, pressured the European Central Bank to begin raising rates for the first time in over 10 years. In the UK, political woes added to the strife, as its new government's attempt to shore up the economy and curb 40-year high inflation with tax cuts backfired, inciting a near collapse of the British pound sterling and requiring central bank intervention.

These economic plans were led by Liz Truss, who promptly resigned as prime minister and was replaced by Rishi Sunak. While Japan spent much of the year maintaining a dovish stance, the end of December saw policymakers altering its bond yield control, which should allow its long-term interest rates to continue rising.

Emerging markets dropped for the full year in the wake of tightening monetary policy and a surging US dollar. As with their developed-market peers, central banks in emerging-market countries also raised rates in an effort to control inflation. China's zero-Covid policy had lingering effects on the world's second-largest economy, prompting its central bank to trim key rates in August to invigorate credit demand. The Caixin PMI—China's official manufacturing purchasing managers' index and a measure of China's smaller, export-oriented companies—fell during the year, dropping from 50.9 in December 2021 to 49.0 in December 2022; any reading above 50 signals an expansion and below 50 denotes a contraction. Meanwhile, neighbouring India was one of the better-performing markets in 2022. The Russia/Ukraine war and resulting sanctions had an immediate effect on the Russian economy. The Russian ruble traded at a record low of 150 to the US dollar in March, rallied to a seven-year high of 50 by June, and then depreciated past 70 in December, as lower energy prices weighed on exports. Brazil's rate hikes pushed the Brazilian real up more than 6% since the beginning of 2022, eliciting an upbeat growth outlook. The Brazilian central bank started its tightening cycle much earlier than its developed-market peers.

Commodities gained in 2022, although oil and natural gas gave back gains toward the end of the year. The Russia/Ukraine war pushed oil prices over \$100 per barrel, before prices began steadily declining as higher energy costs threatened economic growth and increased recession fears. After a notable rally, gold prices ended the year lower, while silver prices advanced. The Dow Jones Commodity Index soared 20.63% in 2022.

Under these circumstances, the Fund underperformed its benchmark.

Relative to the S&P Global Infrastructure Index, Utilities, Energy and Industrials were positive for performance, while Communication Services and Real Estate weighed on period results.

From a sector perspective, Energy was the top performer over the period, thanks to beneficial stock selection within the sector. Portfolio holdings OKEOK Inc. and Antero Midstream Corp. outperformed over the period with the rest of the energy sector as crude oil rallied off of OPEC announcing supply cuts of 2 million barrels per day with the objective of stabilizing prices around \$90 per barrel which is proving effective.

The portfolio's weight in the Industrials sector was a positive contributor over the period. Holdings in French concession business VINCI SA performed well over the period, while a zero weight to several names within the index created a headwind for the sector over the period.

The portfolio's weight in the out of benchmark Real Estate sector led relative detractors over the period, largely due to weak performance in Medical Properties Trust, Inc. There was some good news over the period when their largest tenant received a one-year extension of its ABL credit facility, an overhang for the stock, but this was quickly followed by news that S&P was placing its debt on credit watch.

Utilities also detracted over the period, as the divergence between US utilities (which the fund is underweight) and European utilities (which the fund is overweight) continued. As we head into the start of the winter season, investors expressed concern for what price caps in colder months could mean for these businesses. That fear was most pronounced in the UK. We have seen commentary from the new government in the UK on their supportive stance for the sector since the recent government change, though August did bring some volatility to the space.

The portfolio's weight in the out-of-benchmark Communication Services sector negatively impacted portfolio returns over the period. While one of our holdings in this sector delivered absolute positive returns, they lagged the broader infrastructure space.

Recent Developments

Maintaining balanced positioning in the Fund remains a top priority. We are overweight to Utilities and Energy versus the S&P Global Infrastructure Index and are underweight Industrials.

Key Buys

Dominion Energy Inc: We initiated a position in US-based utility Dominion Energy Inc over the period. The company surprised the market with the announcement of a top to bottom strategic review ahead of a regulatory review of their Virginia business. This caused weakness in the shares, which we used as an opportunity to start a position in the name. We believe there is a strong case to be made for the company simplifying their structure and selling off non-core assets, which we believe should lead to a higher rating post the review.

Hess Midstream LP Class A: We purchased Hess Midstream LP, an oil and gas gathering and processing company with exposure to the Bakken Shale formation through its relationship with Hess Corporation. This partnership has steady cash flows supported long-term facility contracts that allow for generous stable distributions back to shareholders.

VINCI SA: During the period, we initiated a new position in French concession business VINCI SA. Toll and airport traffic have remained incredibly resilient, with the benefit of emerging from the Covid-19 crisis offsetting headwinds from higher fuel prices and geopolitical strife. The addition of VINCI SA helps to narrow the underweight in the sector with one of the highest quality and best exposed names in the group.

Key Sells

Atlantia S.p.A: As we are approaching the final date of acquisition of Atlantia, we sold out of the remaining small position that we held in the portfolio.

Naturgy Energy Group, S.A.: This has been one of the most resilient European utilities in the portfolio, due to how well they are positioned in Spain given the current backdrop (as the owner of very high-quality gas assets) and their willingness to engage in value unlocking mergers & acquisitions to split up their business. With a good deal of the value having surfaced already this year, we sold our remaining position in the utilities company and redeployed exposure into better opportunities.

Public Service Enterprise Group, Inc.: We sold electric utility group PSEG after a solid period of outperformance, which made its relative valuation less attractive compared to other opportunities in the sector.

Exelon Corporation: We also sold electric utility group Exelon after the spin-out Constellation Energy. The transaction crystallized a lot of value. As a standalone pure-play nuclear business, Constellation will benefit from recent legislative support in Illinois. The company's zero- or low-carbon profile will only enhance its standing during the wider energy transition period. Exelon is now a fully regulated utility, and the shares rallied to narrow their valuation discount with other regulated peers.

Constellation Energy Corporation: We sold our position after the shares surged nearly 40% since the nuclear energy pure play's spin-out from regulated electric utility group Exelon in January 2022. Investors have acknowledged the company's unique and attractive asset profile, as the US pushes an aggressive energy transition path toward low- or zero-carbon energy sources.

From our perspective, the outlook for the global infrastructure sector continues to remain positive, and we are witnessing inflation effectively passing through these revenue models. With higher borrowing costs flowing through regulated business models, we continue to believe that this area remains unique in its ability to mechanically pass through these pressures. The energy transition remains in focus, and we see the greatest opportunity for value creation in this area within Europe. Having gone through another quarter of earnings reports, we continue to see these inflation passthrough mechanisms play out in earnings.

On April 30, 2022, the ETF's independent review committee (the "IRC") was reduced to three members when Robert Martin resigned as IRC member. On May 1, 2022, the Fund's IRC was increased to four members when Line Deslandes was appointed as IRC member. However, on September 30, 2022, the ETF's IRC was reduced to three members when Line Deslandes resigned 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, 2022
Total brokerage fees	47,188.00
Brokerage fees paid to National Bank Financial	-

Holdings

As at December 31, 2022, ownership of the redeemable units outstanding of the ETF was held by the following NBI Funds as indicated below:

NBI Funds	Ownership of the redeemable units outstanding of the ETF %
NBI Presumed Sound Investments Fund	13.61
Meritage Tactical ETF Moderate Portfolio	3.20
Meritage Tactical ETF Balanced Portfolio	8.81
Meritage Tactical ETF Growth Portfolio	7.51
Meritage Tactical ETF Equity Portfolio	2.90

Transactions between the NBI Funds and the ETF were carried out in the normal course of business. The portfolio manager for these Funds 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.

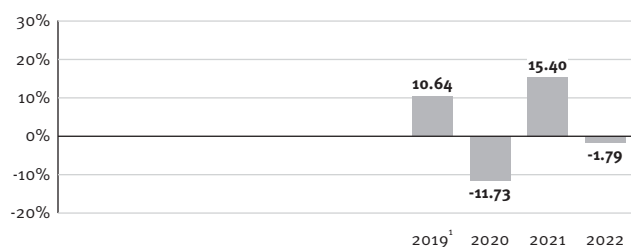
The ETF pays an annual management fee of 0.90% to the ETF manager for its management services. The fees are calculated based on a percentage of the ETF's daily net asset value before applicable taxes and are paid on a monthly basis. The management fees primarily covers investment management and general administration services.

Past Performance

The performance of the ETF, presented below and calculated as at December 31 of each year, is based on the net asset value of the ETF. It assumes that all distributions made in the periods shown were reinvested in additional units of the ETF. These returns do not take into account sales, redemption charges, distributions, or optional charges that would have reduced returns. Past performance of an ETF does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The bar chart indicates the performance of the ETF for each of the years shown and illustrates how the performance has changed from year to year. It shows, in percentage terms, how much an investment made on January 1 (or made commencing from the start of the ETF) 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.



⁽¹⁾ Returns for the period from February 8, 2019 (commencement of operations) to December 31, 2019.

Annual Compounded Performance

The following table shows the ETF's annual compound returns greater than one year and for each of the periods ended on December 31, 2022, compared with the following benchmark:

- S&P Global Infrastructure Index

NBI Global Real Assets Income ETF

	1 year	3 years	5 years	10 years	Since inception
ETF Units ¹	(1.79)%	0.01%	–	–	2.64%
Benchmark	7.08%	3.22%	–	–	8.05%

¹Commencement of operations: February 8, 2019

A discussion of the ETF'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 **S&P Global Infrastructure Index** is designed to track 75 companies from around the world selected to represent the listed infrastructure industry.

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: February 8, 2019

Accounting Period Ended	2022 December 31	2021 December 31	2020 December 31	2019 December 31
Net Assets, Beginning of Accounting Period Shown ⁽²⁾	20.22	18.33	21.61	25.00
Increase (Decrease) from Operations (\$)				
Total revenue	1.04	1.00	1.02	1.24
Total expenses	(0.20)	(0.20)	(0.36)	(0.43)
Realized gains (losses)	0.41	0.61	(2.40)	0.47
Unrealized gains (losses)	(1.66)	1.37	(0.68)	0.85
Total Increase (Decrease) from Operations ⁽³⁾	(0.41)	2.78	(2.42)	2.13
Distributions (\$)				
From net investment income (excluding dividends)	0.74	0.78	0.55	0.46
From dividends	0.07	0.11	0.11	0.06
From capital gains	—	—	—	0.21
Return of capital	—	—	0.02	—
Total Annual Distributions ⁽⁴⁾	0.81	0.89	0.68	0.73
Net Assets, End of Accounting Period Shown ⁽²⁾	19.03	20.22	18.33	21.61

Ratios and Supplemental Data

Accounting Period Ended	2022 December 31	2021 December 31	2020 December 31	2019 December 31
Total net asset value (000's of \$) ⁽⁵⁾	45,674	55,808	55,728	56,192
Number of units outstanding ⁽⁵⁾	2,400,000	2,760,000	3,040,000	2,600,000
Management expense ratio (%) ⁽⁶⁾	1.04	1.04	1.03	1.03
Management expense ratio before waivers or absorptions (%)	1.04	1.04	1.03	1.03
Trading expense ratio (%) ⁽⁷⁾	—	—	—	—
Portfolio turnover rate (%) ⁽⁸⁾	33.30	54.02	134.39	81.62
Net asset value per unit (\$)	19.03	20.22	18.33	21.61
Closing market price ⁽⁹⁾	19.06	20.22	18.35	21.50

⁽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, 2022

Portfolio Top Holdings

	% of Net Asset Value
Oneok Inc.	7.7
Antero Midstream Corp.	7.2
Scottish & Southern Energy PLC	7.0
Bouygues SA	6.3
Enel SPA	5.3
Orange	5.1
Medical Properties Trust Inc.	4.7
ENGIE	4.4
PPL Corp.	4.3
Endesa SA	3.8
Vinci	3.7
Vistra Energy Corp.	3.7
Deutsche Post AG	3.6
Enagas SA	3.5
Dominion Resources Inc./VA	3.4
Enbridge Inc.	3.1
Italgas SPA	3.1
Red Electrica Corp. SA	3.1
Drax Group	2.8
Hess Midstream LP	2.7
Jiangsu Expressway Co.Ltd., Class H	2.7
Verizon Communications Inc.	2.3
Clearway Energy Inc., Class C	2.1
Williams Companies Inc.	1.9
Omega Healthcare Investors Inc.	1.0
	98.5

Net asset value..... \$45,673,670

Regional Allocation

	% of Net Asset Value
United States	41.0
France	19.4
Spain	10.3
United Kingdom	9.8
Italy	8.4
Germany	3.6
Canada	3.1
China	2.7
Norway	0.8
Belgium	0.7
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 website at www.nbinvestments.ca.



Open architecture.
Endless opportunities.



**NATIONAL
BANK**

INVESTMENTS