

Annual Management Report of Fund Performance

For the period ended December 31, 2024

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2024

NBI Exchange-Traded Funds

NBI Sustainable Canadian 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.sedarplus.ca, 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 Sustainable Canadian Equity ETF's investment objective is to provide long-term capital growth while following a sustainable approach to investing. It invests, directly or indirectly through investments in securities of other mutual funds, in a portfolio comprised primarily of equity securities of Canadian companies.

The portfolio sub-advisor will apply a fundamental bottom-up investment process to invest in profitable, well-established companies with durable attributes presenting a strong potential for risk-adjusted returns. The portfolio sub-advisor undertakes a thorough analysis of responsible investing factors in order to assess the quality, capital allocation ability and long-term sustainability of a business. The portfolio sub-advisor's responsible investing analysis incorporates the Sustainable Accounting Standards Board's "SASB" five sustainability dimensions.

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, 2024, the NBI Sustainable Canadian Equity ETF's units returned 20.44% compared to 21.65% for the ETF's benchmark, the S&P/TSX Composite 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 ETF's net asset value rose by 20.36% over the period, from \$1.808 billion as at December 31, 2023, to \$2.176 billion as at December 31, 2024.

The increase stemmed mainly from market fluctuations.

After a blockbuster end to 2023, the new year got off to a cloudier start. Sentiment wavered somewhat as investors contemplated the prospect for aggressive monetary policy easing in an environment of still-robust growth and elevated inflation. Policymakers cemented the end of their aggressive tightening campaigns and appeared to shift their focus to when to begin easing policy. In February, the mood in the market remained ebullient and stock markets extended their winning streak, with solid economic data, the prospect for rate relief over the year, and rock-solid earnings results, especially in the AI segment, buttressing risk appetite. The first quarter wrapped up on a positive note, with solid growth data in the U.S. offsetting the environment of still-hot inflation and comments from officials that reinforced bets that the Fed would be in no rush to cut interest rates.

After a strong first quarter, the second quarter got off to a softer start as unrelenting economic strength and persistent inflationary pressures in the United States fuelled concerns the Federal Reserve would need to keep interest rates higher for longer, which weighed on both stock and bond market valuations in April. Investor hopes for a so-called soft landing catalyzed a profound rally across both stock and bond markets in May. Notably, data showing that economic momentum was finally fading in the United States added to evidence that restrictive monetary policy was working to cool the economy. The first half of 2024 wrapped up on a solid note, as investor hopes for a so-called soft landing extended into June, sending many global indices to new record highs.

At the start of the third quarter, both stock and bond markets pushed higher as investors braced for monetary policy easing from major central banks amid signs of cooling growth and inflation. However, a profound rotation from the high-flying megacap space took hold after earnings results failed to live up to lofty expectations and as traders speculated that the artificial intelligence frenzy had become excessive. After a turbulent start to August, sentiment improved, and global equity markets came roaring back. The combination of upbeat growth data and signs of ebbing inflationary pressures buttressed hopes that the Federal Reserve would be able to engineer a soft landing over the final months of the year. The third quarter ended on a strong note, with a clear easing path for many global central banks paving the way for a soft landing.

The fourth quarter got off to a challenging start, with both stocks and bonds losing ground in October. In November, the so-called Trump trade lingered on following the Republican sweep in the United States—with investors cheering the incoming administration's business-friendly stance. Financial markets ended 2024 on an uninspiring note as investors contemplated an environment of resilient growth and persistent inflation in the United States that cast doubts over the scope of policy easing from the Federal Reserve. Adding to investor angst were fears about President-elect Donald Trump's policy proposals that range from sweeping tariffs to wider fiscal deficits and slower population growth that risk exacerbating pricing pressures.

Over the course of the year, the S&P/TSX Index returned 21.7% with most sectors in the green. Information Technology and Financials were the best performing sectors, gaining 38.0% and 30.1% respectively. Telecommunication Services and Real Estate were the only two sectors in the red with respective returns of -21.1% and -1.9% over the period.

Canadian small caps slightly underperformed their larger peers, gaining 18.9% in 2024. Financials and Materials were the two top-performing sectors with respective returns of 28.5% and 26.0%. The only sector in the red was Utilities, posting a loss of 13.7% over the course of the year.

In this context, the Fund underperformed its benchmark.

Among the leading contributors to performance over the period were iA Financial Group and RB Global.

iA Financial Group is a leading Canadian life insurance company, with primary operations in life and health insurance, as well as savings and retirement plans. The company has a network that includes more than 25,000 agents. Operating for almost 40 years, IAG is a durable franchise with a long history. The company displayed a strong record of earnings growth from its core life insurance offering and benefitted from its best-in-class technology and operations as well as investing in the improvement of their auto and dealer services business lines. They have also been focused on strategic deals in the U.S. as well as expanding their wealth management division with the acquisition of the retail investment broker division of Laurentian Bank last year.

RB Global (previously known as Ritchie Bros. Auctioneers Incorporated) auctions industrial equipment, operating through various locations around the world. The Company sells, through unreserved public auctions, used and unused industrial equipment, including equipment used in the construction, transportation, mining, forestry, petroleum, and agricultural industries. The company benefits from their strong reputation as a trusted auction house in serving their global network of users. Although the company saw a decline in gross transactional value due to a weaker macro environment, it has seen continued positive progress from their integration of IAA and its various associated KPIs related to the acquisition. Furthermore, during the period it was announced that RBA was selected as the sole salvage provider for an Australian insurance provider with an expected multi-year contract starting in 2025.

Significant detractors over the period were Toromont Industries and Telus Corp.

Toromont Industries sells, rents, and services Caterpillar construction equipment and power systems in eastern Canada. The company benefits from their operational strength and strong and expansive network of dealerships. With product availability now fully normalized following a constrained period, the company has seen demand softness in their residential construction and rental segments as clients are being more patient on equipment capital expenditures. Despite this, the company has continued to deploy capital to optimize their sale and rental inventory as well as expand their revenue and geographic footprint through tuck-in acquisitions such as the recent deal for Tri-City Rentals in Southwestern Ontario.

Telus Corporation is a telecommunications company providing a variety of communications products and services including voice, data, Internet, and wireless services to businesses and consumers in Canada. The company benefits from a strong market share in Western Canada and an experienced, innovative, and customer-focused management team. During the year, the broader telecom industry continued to be under pressure from declining immigration and increased competition. While some of Telus’s competitors have focused on international expansion or financial engineering to mitigate financial pressures, the company has remained steadfast on investing in their core service offering, expanding their footprint within Canada and diligently managing costs.

Recent Developments

The Fund currently holds positions in a portfolio of well managed and profitable Canadian companies, including Intact Financial, Royal Bank of Canada, Constellation Software, CGI and Thomson Reuters all of which find themselves among the top 10 holdings.

These companies are all well established with track records of profitability and growth over time and align well with the Portfolio Manager’s investment approach.

During the year, the Portfolio Manager exited positions in Finning, Richelieu Hardware, Winpak, and Lumine Group.

Investors in the strategy benefit from an investment team with a solid long-term track record of performance, with a focus on capital preservation. The Portfolio Manager’s commitment remains to invest in high-quality companies with a demonstrated ability to compound intrinsic value over time, with the portfolio continuing to trade at an attractive discount to intrinsic value.

ESG

Responsible investing criteria are directly integrated into the research process. Consequently, portfolio addition/removal decisions are made based on the overall assessment of the quality and valuation characteristics of a company which would include ESG factors among others.

The investment team integrates ESG factors directly into the strategy. ESG factors are integrated into the investment process as part of the quality and risk assessment of individual securities.

Capital preservation being a key focus, the team’s proprietary research template explicitly targets Environmental, Social and Governance factors that could result in material risks or opportunities for the company and the stock price.

In other words, as with business or investment considerations, ESG factors are used to help the team assess the long-term durability, potential, and success as well as long-term value of a business. They align very well with a philosophy focused on long-term results and success through an assessment of quality, capital allocation abilities, and sustainability. It’s part of long-term, quality investing.

The Fund aims to maintain a lower level of carbon emissions relative to its benchmark. The Fund has been successful at achieving its objective—as of December 31, 2024, the Fund’s carbon emissions were at 78.1T CO2E/\$M Sales compared to 256.4 for the benchmark (S&P TSX).

The Fund has adhered to its ESG strategy as disclosed in the prospectus. During the period, there were no material divestments of portfolio securities as a result of the Fund’s ESG strategy or applicable normative exclusions.

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, 2024
Total brokerage fees	\$120,208.93
Brokerage fees paid to National Bank Financial	\$16,229.49

Holdings

As at December 31, 2024, 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 Secure Portfolio	0.4100
NBI Conservative Portfolio	3.3500
NBI Moderate Portfolio	5.9700
NBI Balanced Portfolio	13.0800
NBI Growth Portfolio	7.0500
NBI Equity Portfolio	3.8800
NBI Sustainable Secure Portfolio	0.0004
NBI Sustainable Conservative Portfolio	0.0009
NBI Sustainable Moderate Portfolio	0.0008
NBI Sustainable Balanced Portfolio	0.0015
NBI Sustainable Growth Portfolio	0.0020
NBI Sustainable Equity Portfolio	0.0020
NBI Sustainable Canadian Equity Fund	63.2200

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.

Independent Review Committee Approvals and Recommendations

The ETF has followed the standing instructions of its Independent Review Committee with respect to one or more of the following transactions:

- purchasing or selling government or other debt securities on the secondary market from related brokers that are main brokers in the Canadian debt securities market;
- purchasing on the secondary market securities of a related issuer that are not traded on an exchange;
- purchasing on the primary market non-exchange-related issuer debt securities having maturities of 365 days or more, other than asset-backed commercial paper.

The manager has implemented policies and procedures to ensure that the conditions that apply to each of the transactions identified above are met. The applicable standing instructions require that these transactions be carried out in accordance with the manager's policies. Notably, these instructions require that investment decisions pertaining to such related-party transactions must be made free from any influence from an entity related to the manager and without taking into account any consideration relevant to an entity related to the manager. Moreover, investment decisions must represent the business judgment of the portfolio manager, uninfluenced by considerations other than the interests of the ETF, and must achieve a fair and reasonable result for the ETF.

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.

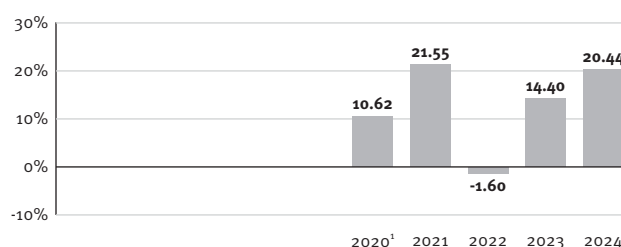
The ETF pays an annual management fee of 0.60% to the ETF manager for its management services. The fees are calculated based on a percentage of the ETF's daily net asset value before applicable taxes and are paid on a monthly basis. The management fees primarily covers investment management and general 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 March 4, 2020 (commencement of operations) to December 31, 2020.

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, 2024, compared with the following benchmark:

- S&P/TSX Composite Index

NBI Sustainable Canadian Equity ETF

	1 year	3 years	5 years	10 years	Since inception
ETF Units ¹	20.44%	10.68%	–	–	13.45%
Benchmark	21.65%	8.58%	–	–	14.37%

¹Commencement of operations: March 4, 2020

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/TSX Composite Index** is a subset of the S&P/TSX and reflects share price fluctuations of a group of companies listed on the Toronto Stock Exchange (TSX) and weighted by market capitalization.

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 4, 2020

Accounting Period Ended	2024 December 31	2023 December 31	2022 December 31	2021 December 31	2020 December 31
Net Assets, Beginning of Accounting Period Shown ⁽²⁾	36.44	32.24	33.06	27.50	25.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.79	0.73	0.65	0.67	0.50
Total expenses	(0.26)	(0.24)	(0.22)	(0.22)	(0.15)
Realized gains (losses)	1.32	0.22	(0.63)	0.23	(0.22)
Unrealized gains (losses)	5.50	3.71	0.19	4.43	2.74
Total Increase (Decrease) from Operations ⁽³⁾	7.35	4.42	(0.01)	5.11	2.87
Distributions (\$)					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.43	0.42	0.29	0.35	0.17
From capital gains	0.30	—	—	0.17	—
Return of capital	—	—	—	—	0.02
Total Annual Distributions ⁽⁴⁾	0.73	0.42	0.29	0.52	0.19
Net Assets, End of Accounting Period Shown ⁽²⁾	43.43	36.44	32.24	33.06	27.50

Ratios and Supplemental Data

Accounting Period Ended	2024 December 31	2023 December 31	2022 December 31	2021 December 31	2020 December 31
Total net asset value (000's of \$) ⁽⁵⁾	2,175,649	1,807,576	1,358,917	355,447	6,187
Number of units outstanding ⁽⁵⁾	50,100,000	49,600,000	42,150,000	10,750,000	225,000
Management expense ratio (%) ⁽⁶⁾	0.64	0.69	0.69	0.69	0.69
Management expense ratio before waivers or absorptions (%)	0.64	0.69	0.69	0.69	0.69
Trading expense ratio (%) ⁽⁷⁾	0.01	—	—	—	0.01
Portfolio turnover rate (%) ⁽⁸⁾	8.25	11.40	7.32	6.61	28.74
Net asset value per unit (\$)	43.43	36.44	32.24	33.06	27.50
Closing market price ⁽⁹⁾	43.45	36.44	32.23	33.08	27.62

⁽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. The management expense ratio includes, if necessary, the management expenses from its underlying funds, as described in Article 15.2 of Regulation 81-106.

⁽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. Data for periods prior to 2023 have been restated.

⁽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, 2024

Portfolio Top Holdings

	% of Net Asset Value
Constellation Software Inc.	5.6
Metro Inc.	5.5
Dollarama Inc.	5.4
Royal Bank of Canada	5.2
Intact Financial Corp.	5.2
CGI Group Inc., Class A	5.1
Loblaw Companies Ltd.	4.8
Waste Connections Inc.	4.7
Thomson Reuters Corp.	4.4
Canadian Pacific Kansas City	4.3
National Bank of Canada	4.2
TMX Group Ltd.	4.1
Toromont Industries Ltd.	4.1
Bank of Montreal	4.0
Descartes Systems Group Inc.	4.0
Canadian National Railway Co.	3.8
RB Global Inc.	3.6
CCL Industries Inc., Class B	2.9
Empire Company Ltd., Class A	2.9
Restaurant Brands International Inc.	2.7
Stantec Inc.	2.7
TELUS Corp.	2.5
Quebecor Inc., Class B	2.4
iA Financial Corp Inc.	2.0
Cash, Money Market and Other Net Assets	(0.1)
	96.0

Net asset value..... \$2,175,648,518

Asset Mix

	% of Net Asset Value
Common Shares	99.2
Cash, Money Market and Other Net Assets	0.8

Sector Allocation

	% of Net Asset Value
Industrials	27.6
Financials	26.5
Information Technology	16.0
Consumer Staples	13.2
Consumer Discretionary	8.1
Communication Services	4.9
Materials	2.9
Cash, Money Market and Other Net Assets	0.8

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.



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