NBI Exchange-Traded Funds

Annual Management Report of Fund Performance

For the period ended December 31, 2025

NATIONAL BANK INVESTMENTS

NATIONAL BANK INVESTMENTS

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2025

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 Environmental, Social, and Governance analysis to assess the quality, capital allocation ability and long-term sustainability of a business. The 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, 2025, the NBI Sustainable Canadian Equity ETF's units returned 12.09% compared to 31.68% 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 11.70% over the period, from $2.176 billion as at December 31, 2024, to $2.429 billion as at December 31, 2025.

The increase stemmed mainly from market fluctuations.

Equity markets posted their third straight annual gain in 2025. After stumbling lower in the aftermath of President Trump's tariff announcements in early April ("Liberation Day") – stock markets roared back throughout the remainder of the year amid signs of easing trade tensions (after President Trump walked back on some of his most aggressive trade proposals), unrelenting euphoria around the Artificial Intelligence boom, and synchronized monetary policy easing – all of which provided a powerful tailwind for stock markets. Fixed income markets also generated positive results in 2025. The US bond market outperformed its Canadian counterpart by a wide margin owing to divergences between the trajectory for Federal Reserve and Bank of Canada monetary policy. While the Bank of Canada appears to have hit the sidelines amid solid labor market data, sticky core inflation, and a profound government borrowing spree - investors have been ramping up their wagers for further rate cuts from the Federal Reserve. Indeed, while traders have begun to price-in the possibility of a Bank of Canada rate hike towards the end of 2026, traders are positioning for at least two more rate cuts from the Federal Reserve.

In commodity markets, crude oil (-20%) posted its steepest annual drop since 2020 amid worries that global production will eclipse demand after OPEC and its allies ramped up output in a bid to recapture market share. Those concerns about excess supply in the market outweighed lingering geopolitical tensions that risk constraining output. By contrast, precious metals had a banner year, with both gold and silver breaching record highs and posting their best annual performances since 1979.

Over the course of the year, the S&P/TSX Index returned 31.7% with all sectors in the green. Materials and Financials were the best performing sectors, gaining 100.7% and 35.3% respectively. Health Care and Industrials were the sectors with the smallest gains over the period, returning 0.4% and 3.1%.

Canadian small caps outperformed their larger peers, gaining 50.4% over the course of 2025. Materials and Energy were the two top performing sectors with respective returns of 138.1% and 31.2%. Information Technology was the only sector in the red, losing 10.4% over the period.

In this context, the Fund underperformed its benchmark.

A significant driver of the fund's underperformance over the course of the year was the non-exposure to the gold subsector. This sector makes up a significant portion of the S&P/TSX market and our portfolio has 0% exposure to them. The investment philosophy is focused on identifying established, high quality attractively valued businesses and owning them for the long term. The portfolio manager is not dogmatic about any single sector or industry including mining or gold in particular. Quite simply, the manager feels gold companies have historically not been great capital allocators and have lacked attractive fundamental business results. Although these companies have had periods outsized returns, historically they have underperformed, with the 30-year annualized return for the gold sector at about 3% while the S&P/TSX has returned approximately 9% over the same period. If he focuses on quality and use of Return on Equity (ROE) as a proxy, the 5-yr median ROE for the top quartile of TSX performers in Q3 2025 was approximately 3.7%. For perspective, the equivalent metric for the TSX has typically been around 12% and our portfolio closer to 17% historically.

Among the leading contributors to performance over the period were Dollarama and Quebecor.

Recent Developments

The Fund currently has positions in a portfolio of well-managed and profitable Canadian companies, including Metro, Toromont, Intact Financial, Loblaw and Quebecor all of which find themselves in our top 10 holdings. These companies are all well-established with track records of profitability and growth over time and align well with our investment approach.

During the period the manager completed the exit from TD Bank and initiated positions in Rogers Communications and Definity Financial. Both additions were on the watch list for some time and were added for a combination of quality and valuation opportunities.

Investors in the strategy have the benefit of an investment team with a solid long-term track record of performance, with a focus on capital preservation. Their commitment remains to investing 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 our 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 in the strategies they manage. ESG factors are integrated into the investment process as part of the quality and risk assessment of individual securities for all the strategies managed by the team.

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 us 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 by aligning well with 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, 2025, the Fund's carbon emissions was at 78.8T CO2E/$M Sales compared to 241.1 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.

On or about May 14, 2025, National Bank Investments Inc. (“NBI”) replaced National Bank Trust Inc. (“NBT”) as portfolio manager of the ETF. The investment objectives of the ETF remain unchanged. This change has no impact on the sub-advisor currently making investment decisions for the ETF.

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 Investments Inc. to serve as portfolio manager for the ETF.

Agent for securities lending transactions

NTC acts as the agent for securities lending transactions on behalf of the ETF in administering securities lending transactions entered into by the ETF. NTC is an affiliate of the 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, 2025
Total brokerage fees	$167,542.66
Brokerage fees paid to National Bank Financial	$20,005.59

Holdings

As at December 31, 2025, 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	0.37
NBI Conservative Portfolio	3.13
NBI Moderate Portfolio	5.53
NBI Balanced Portfolio	12.10
NBI Growth Portfolio	6.43
NBI Equity Portfolio	4.19
NBI Sustainable Secure Portfolio	0.01
NBI Sustainable Conservative Portfolio	0.04
NBI Sustainable Moderate Portfolio	0.06
NBI Sustainable Balanced Portfolio	0.11
NBI Sustainable Growth Portfolio	0.04
NBI Sustainable Equity Portfolio	0.09
NBI Sustainable Canadian Equity Fund	67.91

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 Investments 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:

a) 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;
b) purchasing on the secondary market securities of a related issuer that are not traded on an exchange;
c) 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.

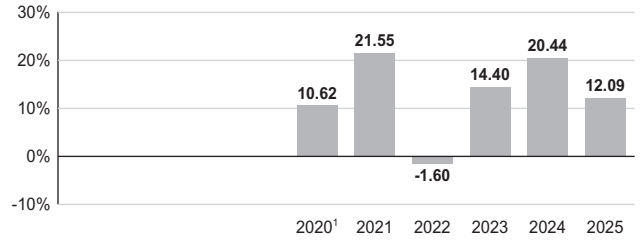
The ETF pays an annual management fee of 0.60% to the ETF manager for its management services. The fees are calculated based on a percentage of the ETF’s daily net asset value before applicable taxes and are paid on a monthly basis. The management fees primarily covers investment management and general 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, 2025, 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]	12.09%	15.59%	13.00%	–	13.04%
Benchmark	31.68%	21.42%	16.09%	17.64%	17.64%

[1]Commencement 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	2025 December 31	2024 December 31	2023 December 31	2022 December 31	2021 December 31
Net Assets, Beginning of Accounting Period Shown [2]	43.43	36.44	32.24	33.06	27.50
Increase (Decrease) from Operations ($)					
Total revenue	0.90	0.79	0.73	0.65	0.67
Total expenses	(0.32)	(0.26)	(0.24)	(0.22)	(0.22)
Realized gains (losses)	3.30	1.32	0.22	(0.63)	0.23
Unrealized gains (losses)	1.35	5.50	3.71	0.19	4.43
Total Increase (Decrease) from Operations [3]	5.23	7.35	4.42	(0.01)	5.11
Distributions ($)					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.41	0.43	0.42	0.29	0.35
From capital gains	1.99	0.30	—	—	0.17
Return of capital	—	—	—	—	—
Total Annual Distributions [4]	2.40	0.73	0.42	0.29	0.52
Net Assets, End of Accounting Period Shown [2]	48.25	43.43	36.44	32.24	33.06

Ratios and Supplemental Data

Accounting Period Ended	2025 December 31	2024 December 31	2023 December 31	2022 December 31	2021 December 31
Total net asset value (000's of $) [5]	2,429,260	2,175,649	1,807,576	1,358,917	355,447
Number of units outstanding [5]	50,350,000	50,100,000	49,600,000	42,150,000	10,750,000
Management expense ratio (%) [6]	0.69	0.64	0.69	0.69	0.69
Management expense ratio before waivers or absorptions (%)	0.69	0.64	0.69	0.69	0.69
Trading expense ratio (%) [7]	0.01	0.01	—	—	—
Portfolio turnover rate (%) [8]	12.37	8.25	11.40	7.32	6.61
Net asset value per unit ($)	48.25	43.43	36.44	32.24	33.06
Closing market price [9]	48.29	43.45	36.44	32.23	33.08

[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, 2025

Portfolio Top Holdings

	% of Net Asset Value
Royal Bank of Canada	6.1
Metro Inc.	5.2
Bank of Montreal	5.1
Loblaw Companies Ltd.	5.1
Intact Financial Corp.	5.1
Toromont Industries Ltd.	5.1
National Bank of Canada	4.9
Quebecor Inc., Class B	4.9
CGI Group Inc., Class A	4.5
Restaurant Brands International Inc.	4.5
Waste Connections Inc.	4.5
Canadian National Railway Co.	4.4
Canadian Pacific Kansas City	4.0
RB Global Inc.	4.0
Constellation Software Inc.	3.8
Dollarama Inc.	3.3
Empire Company Ltd., Class A	3.3
TMX Group Ltd.	3.2
CCL Industries Inc., Class B	3.0
iA Financial Corp Inc.	2.9
Rogers Communications Inc., Class B	2.7
TELUS Corp.	2.3
Stantec Inc.	2.2
Thomson Reuters Corp.	2.1
Cash, Money Market and Other Net Assets	0.9
	97.1

Net asset value	$2,429,260,383

Asset Mix

	% of Net Asset Value
Canadian Equity	99.1
Cash, Money Market and Other Net Assets	0.9

Sector Allocation

	% of Net Asset Value
Financials	28.1
Industrials	26.4
Consumer Staples	13.6
Information Technology	10.3
Communication Services	9.9
Consumer Discretionary	7.8
Materials	3.0
Cash, Money Market and Other Net Assets	0.9

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.

NATIONAL
BANK
INVESTMENTS