

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 Global 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 Global 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 companies located around the world.

The portfolio sub-advisor employs a combination of a “top-down” and “bottom-up” investment process with the goal of identifying, based on its internal research and analysis, securities of companies worldwide that fit into sustainable investment themes. The investment team utilizes top-down research based on the UN Sustainable Development Goals to gain a deeper understanding of long-term secular themes, which can drive the market outlook for industries. The investment team then uses a bottom-up analysis of individual companies, focusing on prospective earnings growth, valuation, and quality of company management and on evaluating a company's exposure to ESG factors.

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 Global Equity ETF's units returned 14.46% compared to 29.43% for the ETF's benchmark, the the MSCI World 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 1.76% over the period, from \$484.73 million as at December 31, 2023 to \$476.18 million as at December 31, 2024.

The MSCI All Country World Index (ACWI) returned 28.2%, in Canadian-dollar terms, for the full year ending December 31, 2024. According to Bloomberg, nearly half (45%) of the 2024 MSCI ACWI return came from the Magnificent Seven (Mag 7), illustrating the uphill battle for stock picking in 2024. In a year that saw continued strength in AI momentum, it comes as no surprise that Technology was the best-performing sector over the 12-month period. Close behind were the Communication Services and Financials sectors. Materials was the only sector to post negative performance for 2024, but Healthcare and Energy also disappointed, lagging the broader market.

Global equity markets watched for the long-awaited results of the U.S. presidential election, which ended in a victory for Donald Trump, who will commence his second term in January 2025. After much anticipation, the U.S. market reacted positively to the Trump win with a big rally as expectations for stronger economic growth, higher corporate profits, and an improved regulatory environment flowed through to equity prices. However, outside of the U.S., the majority of countries experienced declines, with China and Taiwan in particular selling off during November as tariff uncertainty proved to be a headwind. With the exception of Microsoft, the Mag 7, led by electric vehicle (EV) company Tesla (non-held), rose. Since the election, the Mag 7 returned 4.8%, while in aggregate the remaining holdings in the MSCI ACWI returned 1.5%, in Canadian-dollar terms.

In this context, the Fund underperformed its benchmark.

Security selection detracted from overall relative returns while sector selection was positive. Security selection within Technology, Financials and Healthcare weighed on performance the most. In contrast, an overweight position in the Technology sector contributed, as did underweights to Materials and Energy. Some of this underperformance is attributable to not owning enough of the Mag 7 names. However, the Fund Management Team participated in the semiconductor rally with NVIDIA and Taiwan Semiconductor Manufacturing (TSMC), two additions made during the year.

ICON, the outsourced contract research organization (CRO), faces some near-term headwinds, including lower research-and-development spending at some large pharma customers and slower decision-making by biotech companies overall. The current end-market pressures may persist for the next several quarters, and the timing of a rebound in biotech funding activity is unknown. Shares declined further around the potential impact of Trump's appointees on medical research (particularly vaccines). CRO peers have also reported elevated trial cancellations in 4Q24, though ICON has experienced this to a lesser degree.

Aptiv, a manufacturer of EV parts and safety content, detracted after the company posted softer 3Q24 revenues and modestly reduced 4Q24 guidance.

Adobe detracted after reporting a strong first quarter but provided a lighter-than-expected outlook for the company's second quarter, where expectations for further uplift from monetization of Adobe's newer generative AI products released last year was higher.

Flex, an outsourced manufacturer whose products include server racks for data centres, benefited from the rally in companies providing solutions for the increased energy needs of the AI infrastructure build-out.

Shares of semiconductor chip manufacturer TSMC had a strong end to 2024. Earnings are expected to increase 30% in 2025 on the back of 30% growth in 2024. Despite this outlook, shares traded at a discount to many of its customers (e.g., NVIDIA, AMD, Apple) on a price/earnings basis.

Fair Isaac Corporation, a predictive analytics company better known as FICO, contributed. While earnings results were broadly in line with expectations, the stock was lifted by the prospect of an easier regulatory environment, removing an overhang with respect to pricing potential.

Recent Developments

The Fund Management Team's largest buys during the period included:

MercadoLibre: The Fund Management Team added MercadoLibre, Latin America's e-commerce leader. The Team expects the company to be the dominant share gainer in this space for the foreseeable future. It also has a rapidly growing and very profitable credit business that addresses the large, underpenetrated consumer loan market in Latin America.

Rockwell Automation: The Fund Management Team initiated a position in Rockwell which has a leading U.S. industrial position that benefits from reshoring, North American manufacturing investment, rising PMIs and automation adoption tailwinds.

GE Healthcare: The Fund Management Team added a new position in this high-quality, compounding medical imaging business. GE Healthcare has a strong market position with secular growth potential and opportunities for improving margins.

Bank Mandiri: The Fund Management Team initiated a position in this leading Indonesian bank after a positive meeting with management added to the Team's conviction.

Nubank: Nubank is one of the world's largest digital financial services platforms, serving 90 million customers across Brazil, Mexico, and Colombia.

Jefferies Financial Group: The Fund Management Team initiated a new position in Jefferies Financial Group, a beneficiary of favourable capital markets. The company exhibits high-quality fundamentals and is exposed to attractive secular growth opportunities.

AECOM Technology: The Fund Management Team added to the Fund's infrastructure bucket by introducing AECOM Technology, a leading engineering and design company and peer to Tetra Tech. The company is a high-quality compounder with double-digit profit growth, benefiting from secular growth in global infrastructure investment.

On Holding: Within the broader Health theme, the Fund Management Team initiated a position in On Holding. On is a leading athletic footwear provider for which the Team sees multiple growth levers, strong brand positioning, high-quality attributes and profitability relative to peers.

Terumo: The Fund Management Team added Terumo, a niche medical device company with attractive organic revenue growth and several upcoming performance catalysts.

Cameco: This leading provider of uranium, a necessary fuel for nuclear reactors, enables nuclear power production which is essential for decarbonization of energy and electricity production and reduces reliance on fossil fuels.

Cadence Design Systems: Within the computing/AI exposure, the Fund Management Team diversified beyond NVIDIA and introduced Cadence Design Systems, a semiconductor software design leader, which is a key enabler of semiconductor chip development.

Hologic: Within Healthcare, the Fund Management Team initiated a position in Hologic, a leading diagnostics and imaging company, with a focus on women's health. The Team expects the company will continue to roll out new products to bolster its market share and expand market opportunities.

The Fund Management Team added to existing positions in Unilever, Bank Mandiri, Arista Networks, and AIA Group.

The Fund Management Team's largest sales during the period included:

Intuit: The Fund Management Team sold the Fund's position in this software company to concentrate on higher fundamental conviction software names.

Deutsche Boerse: The Fund Management Team exited this European exchange provider to reallocate to a higher conviction alternative.

Danaher: Danaher was removed to fund more attractive opportunities in the Healthcare space.

MSCI: The Fund Management Team exited the position in MSCI following a recent disappointing quarter. The Team believes the stock lacks compelling longer-term growth catalysts.

Infineon Technologies: The position in Infineon Technologies was closed given the overlapping exposure with NXP Semiconductors, which the Fund Management Team believes offers better resilience and lower risks, and as a means to temper the semiconductors exposure in the Fund.

Keysight Technologies: The Fund Management Team exited Keysight, an electronic test and measurement firm, which had been an underperformer for the Fund given several quarters of delayed spending by customers while its business has been bottoming.

TopBuild: The Fund Management Team exited TopBuild, the leading installer and specialty distributor of insulation and building material products, after a period of underperformance and an uncertain backdrop for housing.

SMC: Concerns over customer pneumatic equipment inventory destocking and slowing sales have been heightened by peer company results. SMC's earnings expectations have been moving lower. The Fund Management Team exited the position to shift proceeds elsewhere.

BYD: The Fund Management Team learned of potential tobacco exposure at a BYD-related entity (BYD Electronics, which is 65% owned by BYD Co.) in late September 2023. The potential exposure was flagged through a Sustainalytics product involvement screen, but not AB's primary ESG data source, MSCI. The Team did not immediately sell BYD, electing to further investigate the exposure and engage with the company (the Team has seen incorrect exclusion flags from other data providers). The Team attempted to clarify the scale and the exact nature of the tobacco exposure. While the Team is confident that the revenue exposure is not considered de minimis (the Team believes it approximates 0.2% of consolidated revenues), the Team has not been able to determine conclusively whether the company is merely selling a component, which would not violate our exclusion policy, or an end product, which would. The company was largely non-responsive to our repeated engagement attempts, which prevented us from reaching a definitive conclusion.

The Fund Management Team trimmed existing positions in Partners Group, Fair Isaac Corporation, Tetra Tech, and Visa.

The Fund Management Team thinks that the safety net provided by Big Tech ownership may not be as substantial as many market participants perceive. These stocks, in the Team's view, have reaped disproportionate benefits and are too widely held. High valuations, increasingly challenging YoY earnings growth comparisons and questions about their ability to convert the AI spending surge into profits could potentially restrict their absolute return potential in the future. Apple serves as a prime example. Although its return exceeded 20% in 2Q24, consensus estimates for the next two years have remained largely static. Arguably, meaningful positive estimate revisions would be required to push the shares much higher from here.

The Fund Management Team remains optimistic about the prospects for Fund holdings. Many of the holdings have derated as the market has narrowly focused on Big Tech, despite their continued robust fundamentals. The Management Team believes the Fund will benefit as market breadth improves and the strong fundamentals of the company holdings are rewarded and lead to higher price performance in the future. Although market sentiment fluctuates daily, over the long run, earnings have been proven to drive price performance.

ESG

The Fund Management Team can confirm that there have been no changes to the investment objectives of the strategies related to ESG factors during the period.

The Fund Management Team is meeting its objectives as 100% of the Fund's equity holdings meet the 25% SDG-aligned revenues threshold. As of September 30, 2024, the Fund has over 80% weighted SDG revenues exposure.

The Fund Management Team utilizes third-party vendor Impact Cube to help measure ESG outcomes. The information is not yet available, but the Fund Management Team will present it in the upcoming quarterly materials. The Fund Management Team can, however, confirm that the Fund is on track to achieve the stated ESG outcomes.

The Fund has adhered to its ESG strategy as disclosed in the prospectus. During the period, the Fund divested from Hexcel Corp due to its the exclusion criteria stated in the Fund investment strategy.

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	\$175,004.61
Brokerage fees paid to National Bank Financial	-

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	0.5900
NBI Conservative Portfolio	5.6900
NBI Moderate Portfolio	9.5300
NBI Balanced Portfolio	20.5700
NBI Growth Portfolio	11.0700
NBI Equity Portfolio	7.2200
NBI Sustainable Secure Portfolio	0.0036
NBI Sustainable Conservative Portfolio	0.0094
NBI Sustainable Moderate Portfolio	0.0082
NBI Sustainable Balanced Portfolio	0.0155
NBI Sustainable Growth Portfolio	0.0202
NBI Sustainable Equity Portfolio	0.0199
NBI Sustainable Global Equity Fund	41.0800

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.

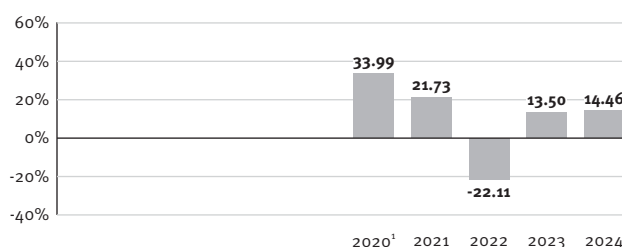
The ETF pays an annual management fee of 0.65% to the ETF manager for its management services. The fees are calculated based on a percentage of the ETF's daily net asset value before applicable taxes and are paid on a monthly basis. The management fees primarily covers investment management and general 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:

- MSCI World Index

NBI Sustainable Global Equity ETF

	1 year	3 years	5 years	10 years	Since inception
ETF Units¹	14.46%	0.39%	-	-	11.44%
Benchmark	29.43%	11.04%	-	-	17.59%

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 **MSCI World Index** is designed to measure global developed market equity performance and is made up of approximately 1,500 companies listed on stock exchanges in the 22 developed countries that make up the MSCI national indexes.

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⁾	36.51	32.32	41.61	34.24	25.00
Increase (Decrease) from Operations (\$)					
Total revenue	0.53	0.39	0.36	0.29	0.18
Total expenses	(0.31)	(0.26)	(0.25)	(0.28)	(0.22)
Realized gains (losses)	3.28	(0.56)	(1.57)	0.39	1.03
Unrealized gains (losses)	1.94	4.27	(5.21)	8.08	8.66
Total Increase (Decrease) from Operations ⁽³⁾	5.44	3.84	(6.67)	8.48	9.65
Distributions (\$)					
From net investment income (excluding dividends)	0.30	0.17	0.09	0.07	—
From dividends	—	—	—	—	—
From capital gains	—	—	—	0.35	0.65
Return of capital	—	—	—	—	—
Total Annual Distributions ⁽⁴⁾	0.30	0.17	0.09	0.42	0.65
Net Assets, End of Accounting Period Shown ⁽²⁾	41.50	36.51	32.32	41.61	34.24

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 (ooo's of \$) ⁽⁵⁾	476,180	484,726	481,583	377,624	11,129
Number of units outstanding ⁽⁵⁾	11,475,000	13,275,000	14,900,000	9,075,000	325,000
Management expense ratio (%) ⁽⁶⁾	0.72	0.75	0.75	0.74	0.74
Management expense ratio before waivers or absorptions (%)	0.72	0.75	0.75	0.74	0.74
Trading expense ratio (%) ⁽⁷⁾	0.05	0.06	0.05	0.05	0.05
Portfolio turnover rate (%) ⁽⁸⁾	54.54	50.11	35.31	17.23	39.82
Net asset value per unit (\$)	41.50	36.51	32.32	41.61	34.24
Closing market price ⁽⁹⁾	41.50	36.55	32.30	41.73	34.33

⁽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
Microsoft Corp.	3.8
Nvidia Corporation	3.3
Taiwan Semiconductor Manufacturing Co. Ltd.	3.1
Unilever PLC	3.1
Flextronics International Ltd.	2.9
Veralto Corp.	2.8
Visa Inc., Class A	2.8
London Stock Exchange Group PLC	2.7
Waste Management Inc.	2.7
Fiserv Inc.	2.6
MercadoLibre Inc.	2.4
NextEra Energy Inc.	2.4
Accenture PLC, Class A	2.3
Aecom Technology Corp.	2.3
On Holding AG	2.3
Rockwell Automation	2.3
Terumo Corp.	2.2
AFLAC Inc.	2.1
Becton Dickinson and Co.	2.1
Cadence Design Systems Inc.	2.1
GE HealthCare Technologies Inc.	2.1
Adobe Systems Inc.	2.0
AIA Group Ltd.	2.0
Jefferies Financial Group Inc.	2.0
Cash, Money Market and Other Net Assets	0.2
	60.6
Net asset value	\$476,180,168

Regional Allocation

	% of Net Asset Value
United States	51.7
United Kingdom	9.0
Ireland	6.9
Switzerland	5.3
Japan	4.1
Canada	3.4
Brazil	3.2
Taiwan	3.1
Netherlands	3.0
Singapore	2.9
Argentina	2.4
Hong Kong	2.0
Italy	1.0
Norway	1.0
Indonesia	0.8
Cash, Money Market and Other Net Assets	0.2

Sector Allocation

	% of Net Asset Value
Information Technology	38.5
Industrials	17.0
Financials	16.9
Health Care	11.9
Consumer Discretionary	5.3
Consumer Staples	5.0
Utilities	3.7
Energy	1.5
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.



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