NBI Exchange-Traded Funds

Annual Management Report of Fund Performance

For the period ended December 31, 2025

NATIONAL BANK INVESTMENTS

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ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

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NBI Exchange-Traded Funds

NBI Sustainable Canadian Short Term Bond 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 Short Term Bond ETF's investment objective is to provide a steady flow of income with an emphasis on capital preservation while focusing on debt instruments designed to raise funds that promote a positive environmental and/or social impact and/or contribute to sustainable development. It invests, directly or indirectly through investments in securities of other mutual funds, in a portfolio comprised primarily of high quality Canadian corporate fixed-income securities with relatively shorter terms to maturity. It may also invest in short-term fixed income securities issued by federal, provincial or municipal governments in Canada.

When selecting securities, the portfolio sub-advisor uses a bottom-up approach. It selects issuers based on fundamental analysis. The portfolio sub-advisor also carries out a credit and an ESG analysis on each security. The portfolio sub-advisor also carries out a credit analysis on each security which is combined to the ESG analysis described in the prospectus to determine the security's weighting in the portfolio. ESG issues are assessed using relevant indicators that vary from one sector to another (in accordance with the relevant ESG issues of the sector). This analysis could include elements such as energy efficiency, greenhouse gas emissions, water management, waste management, human capital, diversity and inclusion, health and safety, board composition, compensation and financial governance among other issues.

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 Short Term Bond ETF's units returned 4.52% compared to 3.88% for the ETF's benchmark, the FTSE Canada Short Term Overall Bond 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 rose by 3.5% over the period, from $46.14 million as at December 31, 2024 to $47.75 million as at December 31, 2025.

Over the course of 2025, the yield curve steepened considerably, with short-term rates falling and long-term rates rising. For example, two-year maturity rates decreased by 0.34% and 30-year maturity rates increased by 0.53%. On the sector side, there was a broad-based narrowing of credit spreads and the largest change in corporate bonds. The differences between the provinces and municipalities also narrowed, but the movement was less pronounced than on the corporate side.

All in all, this results in a positive return of 2.64% for the FTSE Canada Universe Bond Index.

In this context, the Fund has outperformed its benchmark index for the period

The main contributors were duration (0.13%), curve (0.01%), sector (0.71%), stock selection (0.09%).

Recent Developments

In the course of 2025, the duration spread between the NSSB fund and the benchmark has increased from zero to 0.25 years. The fund is still overweight in 5-year bonds and underexposed at the end of 2 years. In a corporate bond mandate, where the index also includes government bonds, the portfolio will naturally be overexposed to corporate credit. The magnitude of this overexposure decreased slightly to $1.66 in duration years. The portfolio remains largely overexposed to financials, infrastructure, communications and real estate.

The past year has been marked by a rapid reconfiguration of the North American macroeconomic environment, largely dependent on the political and trade orientations adopted in the United States. The election of Donald Trump and the accelerated implementation of protectionist policies have introduced a high level of uncertainty, influencing both the growth outlook, the fiscal path and the behaviour of financial markets, particularly the bond market.

Over the course of 2025, the percentage of impact bonds (green, social and sustainable) in the portfolio increased from 37.6% to 41% of the total market value, notably thanks to the addition of a new green bond issue and a social bond issue.

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.

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 %
Meritage Conservative Portfolio	32.97
Meritage Diversified Fixed Income Portfolio	19.78
Meritage Conservative Income Portfolio	47.25

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.

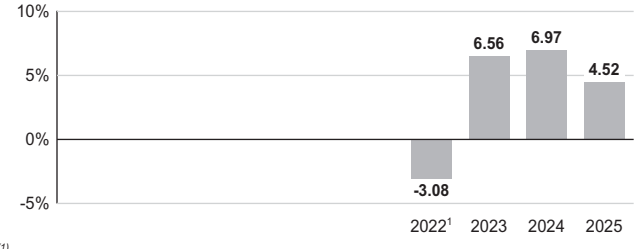
The ETF pays an annual management fee of 0.25% to the ETF manager for its management services. The fees are calculated based on a percentage of the ETF’s daily net asset value before applicable taxes and are paid on a monthly basis. The management fees primarily covers investment management and general 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 10, 2022 (commencement of operations) to December 31, 2022.

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:

- FTSE Canada Short Term Overall Bond Index

NBI Sustainable Canadian Short Term Bond ETF

	1 year	3 years	5 years	10 years	Since inception
ETF Units[1]	4.52%	6.01%	–	–	3.74%
Benchmark	3.88%	4.86%	–	3.77%	3.77%

[1]Commencement of operations: February 10, 2022

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 **FTSE Canada Short Term Overall Bond Index** is intended to represent the Canadian short-term bond market. It contains bonds with remaining effective terms greater than or equal to one year and less than or equal to five years.

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 10, 2022

Accounting Period Ended	2025 December 31	2024 December 31	2023 December 31	2022 December 31
Net Assets, Beginning of Accounting Period Shown [2]	10.14	9.78	9.46	10.00
Increase (Decrease) from Operations ($)				
Total revenue	0.35	0.34	0.32	0.26
Total expenses	(0.03)	(0.03)	(0.03)	(0.02)
Realized gains (losses)	0.18	0.02	(0.08)	(0.11)
Unrealized gains (losses)	(0.05)	0.34	0.38	(0.35)
Total Increase (Decrease) from Operations [3]	0.45	0.67	0.59	(0.22)
Distributions ($)				
From net investment income (excluding dividends)	0.32	0.31	0.29	0.21
From dividends	—	—	—	—
From capital gains	—	—	—	—
Return of capital	—	—	—	—
Total Annual Distributions [4]	0.32	0.31	0.29	0.21
Net Assets, End of Accounting Period Shown [2]	10.27	10.14	9.78	9.46

Ratios and Supplemental Data

Accounting Period Ended	2025 December 31	2024 December 31	2023 December 31	2022 December 31
Total net asset value (000's of $) [5]	47,751	46,141	42,052	44,476
Number of units outstanding [5]	4,650,000	4,550,000	4,300,000	4,700,000
Management expense ratio (%) [6]	0.28	0.28	0.29	0.26
Management expense ratio before waivers or absorptions (%)	0.28	0.28	0.29	0.27
Trading expense ratio (%) [7]	—	—	—	—
Portfolio turnover rate (%) [8]	52.36	42.16	47.16	47.27
Net asset value per unit ($)	10.27	10.14	9.78	9.46
Closing market price [9]	10.26	10.16	9.78	9.44

[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.

[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
Government of Canada, 2.25%, due December 1, 2029	13.7
Canadian Imperial Bank of Commerce, 2.25%, due January 7, 2027	4.5
Bank of America Corp., Floating, due March 16, 2028	3.0
Bell Canada, 2.20%, due May 29, 2028	2.9
Bank of Montreal, 4.71%, due December 7, 2027	2.7
Toronto-Dominion Bank/The, 5.49%, due September 8, 2028	2.7
Ivanhoe Cambridge II Inc., 4.99%, due June 2, 2028	2.4
Royal Bank of Canada, Floating, due January 22, 2026	2.3
Scotiabank, Floating, due September 26, 2030	2.2
OMERS Finance Trust Realty Corporation, 5.38%, due November 14, 2028	2.2
Altalink LP, 1.51%, due September 11, 2030	2.1
Ontario Power Generation Inc., 3.22%, due April 8, 2030	2.1
Dollarama Inc., 2.44%, due July 9, 2029	2.0
CGI Group Inc., 4.15%, due September 5, 2029	1.9
Metro Inc., 3.39%, due December 6, 2027	1.9
TELUS Corp., 2.35%, due January 27, 2028	1.9
Verizon Communications Inc., 2.38%, due March 22, 2028	1.9
Sun Life Financial Inc., Floating, due July 4, 2035	1.8
BCI QuadReal Realty, 4.16%, due July 31, 2027	1.7
Toronto Hydro Corp., 3.65%, due September 24, 2032	1.7
407 International Inc., 6.47%, due July 27, 2029	1.6
Hydro One Inc., 3.94%, due August 25, 2032	1.6
Lower Mattagami Energy LP, 2.43%, due May 14, 2031	1.5
Toronto-Dominion Bank/The, 4.68%, due January 8, 2029	1.4
Cash, Money Market and Other Net Assets	0.6
	64.3

Net asset value $47,750,839

Asset Mix

	% of Net Asset Value
Corporate Bonds	76.7
Federal Bonds	13.7
Foreign Bonds	3.0
Municipal Bonds	3.0
US Bonds	2.5
Cash, Money Market and Other Net Assets	0.6

Term Allocation

	% of Net Asset Value
Under one year	3.8
From 1 year to 5 years	75.7
From 5 years to 10 years	16.9
More than 10 years	3.6

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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