

## **INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE**

For the period ended June 30, 2021

Short Term and Income Fund

### **NBI Unconstrained Fixed Income Fund**

#### **Notes on forward-looking statements**

This report may contain forward-looking statements concerning the Fund, 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.

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This interim management report of fund performance contains financial highlights, but does not contain the complete interim financial statements of the investment fund. You can get a copy of the interim financial statements at your request, and at no cost, by calling 1-888-270-3941 or 514-871-2082, by writing to us at National Bank Investments Advisory Service, 500, Place d'Armes, 12th floor, Montreal, Quebec, H2Y 2W3, by visiting our website at [www.nbinvestments.ca](http://www.nbinvestments.ca), by visiting SEDAR's website at [www.sedar.com](http://www.sedar.com), or by contacting your advisor. You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

## Management Discussion of Fund Performance

### Results of Operations

For the six-month period ended June 30, 2021, the NBI Unconstrained Fixed Income Fund's Investor Series units returned 0.90% compared to -1.53% for the Fund's benchmark, the Bloomberg Barclays Global Aggregate Bond Index (CAD Hedged). Unlike the benchmark, the Fund's performance is calculated after fees and expenses. Please see the *Past Performance* section for the returns of all of the Fund's series, which may vary mainly because of fees and expenses.

Certain series of the Fund, as applicable, may make distributions at a rate determined by the manager. This rate may change from time to time. If the aggregate amount of distributions in such series exceeds the portion of net income and net realized capital gains allocated to such series, the excess will constitute a return of capital. The manager does not believe that the return of capital distributions made by such series of the Fund have a meaningful impact on the Fund's ability to implement its investment strategy or to fulfill its investment objective.

The Fund's net asset value rose by 21.28% over the period, from \$1.889 billion as at December 31, 2020, to \$2.290 billion as at June 30, 2021. The increase stands, among other things, from investments in the Fund by other NBI Funds and the merger of the NBI Strategic U.S. Income and Growth Fund with this Fund.

The stage was set at the beginning of the year for strong growth, given the Democrat election victory (and thus the prospect of further U.S. fiscal stimulus which was delivered in March), the vaccine rollout, and the reopening of economies across the globe. GDP has bounced back significantly, and both manufacturing and services have progressed well into expansion territory across multiple regions.

In this context, 10-Year U.S. government bond yields ended the semester higher after having risen significantly from 0.91% to 1.74% in Q1, as the market began to anticipate higher inflation – a view justified by the upside surprise in inflation data in late Q2. Rates have settled down somewhat in Q2 ending the period around the 1.5% mark, although the Federal Reserve (Fed) has acknowledged that it is more likely to tighten policy over the coming months, in the event of sustained higher inflation. Given the strong growth backdrop, it has been a good semester for high yield bonds which have been the standout fixed income asset over the first half of the year – especially given its lower duration and thus its ability to perform well during periods of rising rates.

In such circumstances, the ETF outperformed its benchmark for the first half of the year. Government bonds positioning has been the largest contributor, with the portfolio's short Treasury exposure adding value as rates rose over Q1. This positioning hasn't been as successful as expected when rates fell in the second quarter, but on a net basis the contribution has been positive. High yield has also contributed significantly: it was the sector least impacted by rising rates in Q1 due to its shorter duration, and fundamentals for corporates have been strong as economies have reopened. Securitized products have also added to the Fund. As for investment grade corporate bonds, the rebound in Q2 recouped the losses experienced in Q1 as core rates rose. Emerging market debt and currencies were the key detractors from performance, as EM currencies have broadly underperformed and EM sovereigns were impacted by higher rates.

### Recent Developments

The Fed's recent hawkish shift has reduced the prospect of runaway inflation, meaning that further moves higher in Treasury bond yields will likely be driven by the real-yield component of rates. Real yields (nominal rates minus the rate of inflation) could rise if growth accelerates faster than expected and the Fed is forced to act sooner than signaled. This narrative is also likely to spill over to economies capable of generating sustained inflation. In the meantime, vaccinations have reduced the number of cases and mortality rates (though investors need to consider the tail risks associated with the spread of the Covid-19 Delta variant), and the economic recovery should continue at pace over the next few months. With the Fed seemingly on top of the inflation data for now, this should remain a stable environment for credit assets.

Over the first half of the year, duration has been reduced from 3.7 years to 2.8 years by increasing the short treasury positioning in expectation of higher rates. Position in high yield bonds (including convertible bonds) has been increased substantially from 26% to 35%, given the portfolio manager renewed conviction in the asset class. Exposure to emerging USD currency sovereign bonds has also been trimmed, bringing overall EMD exposure from 21% to 18%. Exposure to securitized products has also been reduced from 16% to 11%. The current positioning of the portfolio could be readjusted in the coming months depending on market and economic conditions.

On April 30, 2021, the Fund's independent review committee (the "IRC") was reduced to three members when Yves Julien resigned as IRC member. On May 1, 2021, the Fund's IRC was increased to four members when Paul Béland was appointed as IRC member.

On May 17, 2021, National Bank Investments Inc. ("NBI") announced the results of the proposals voted upon at the special meetings of securityholders of certain NBI Funds held on that day. The proposed fund mergers were part of a series of initiatives that seek to ensure a more streamlined NBI Fund line-up to provide investors with a comprehensive, more clearly defined range of investment products.

Therefore, the NBI Strategic U.S. Income and Growth Fund merged with the NBI Unconstrained Fixed Income Fund on or about June 4, 2021.

### Related Party Transactions

National Bank of Canada ("the Bank") and its affiliated companies' roles and responsibilities related to the Fund are as follows:

#### Trustee, Custodian, and Registrar

Natcan Trust Company ("NTC"), a direct or indirect wholly-owned subsidiary of the Bank, is the Fund's trustee. In this capacity, it is the legal owner of the Fund's investments.

NTC acts as registrar for the Fund's securities and the names of securityholders. NTC also acts as the Fund's custodian. The fees for NTC's custodial services are based on the standard rates in effect at NTC.

#### Agent for securities lending transactions

NTC acts as the agent for securities lending transactions acts on behalf of the Fund in administering securities lending transactions entered into by the Fund. NTC is an affiliate of the Manager.

#### Fund Manager

The Fund is managed by National Bank Investments Inc. ("NBII"), which is a wholly-owned subsidiary of the Bank. Therefore, NBII provides or ensures the provision of all general management and administrative services required by the Fund's current operations, including investment consulting, the arrangement of brokerage contracts for the purchase and sale of the investment portfolio, bookkeeping and other administrative services required by the Fund.

The Manager pays the operating expenses of the Fund other than its "Fund costs" (defined below) (the "variable operating expenses"), in exchange for the Fund's payment to the Manager of annual fixed-rate administration fees with respect to each series of the Fund.

The administration fees are equal to a specified percentage of the net asset value of each series of the Fund, calculated and paid in the same manner as the Fund's management fees. The variable operating expenses payable by the Manager include, but are not limited to: transfer agency and recordkeeping costs; custodial costs; accounting and valuation fees; audit fees and legal fees; costs of preparing and distributing financial reports, simplified prospectuses, annual information forms, Fund Facts, continuous disclosure material and other securityholder communications; and costs of trustee services relating to registered tax plans, as applicable.

In addition to administration fees, the Fund shall also pay certain Fund costs, namely: taxes (including, but not limited to, GST/HST and income taxes); costs of compliance with any changes to existing governmental or regulatory requirements introduced after August 1, 2013; costs of compliance with any new governmental or regulatory requirements, including any new fees introduced after August 1, 2013; interest and borrowing costs; costs related to external services that were not commonly charged in the Canadian mutual fund industry as at August 1, 2013; Independent Review Committee costs, including compensation paid to IRC members, travel expenses, insurance premiums and costs associated with their continuing education; and variable operating expenses incurred outside of the normal course of business of the Fund.

The Manager may, from time to time and at its sole discretion, decide to absorb a portion of a series' management fees, administration fees or Fund costs.

As described under the heading *Management Fees*, the Fund pays annual management fees to NBII as consideration for its services.

#### Portfolio Manager

The Manager has appointed National Bank Trust Inc. ("NBT"), an indirect wholly-owned subsidiary of the Bank, as the portfolio manager for the Fund. A flat fee is payable annually to NBT for its management services.

#### Distribution and Dealer Compensation

NBII acts as principal distributor for the Fund. In this capacity, NBII buys, sells and swaps securities through Bank branches and the National Bank Investments Advisory Service in Canadian provinces and territories, and through external registered representatives. Fund securities are also offered by National Bank Financial Inc. (including its division National Bank Direct Brokerage), CABN Investments (a division of NBII) and other affiliated entities. Brokers may receive, depending on the distributed series, a monthly commission representing a percentage of the average daily value of the securities held by their clients.

#### Holdings

As at June 30, 2021, National Bank Investments Inc. held 979.15 Fund securities for a value of \$9,796.39, which represented close to 0.0004% of the net asset value of the Fund at that date. Transactions between National Bank Investments Inc. and the Fund were carried out in the normal course of business and at the Fund's net asset value as at the transaction date.

As at June 30, 2021, National Bank Trust Inc. held 1.12 Fund securities for a value of \$11.21, which represented close to 0.0000% of the net asset value of the Fund at that date. Transactions between National Bank Trust Inc. and the Fund were carried out in the normal course of business and at the Fund's net asset value as at the transaction date.

#### Registered Plan Trust Services

NTC receives a fixed amount per registered account for services provided as trustee for registered plans.

#### Administrative and Operating Services

The provision of certain services was delegated by the Fund Manager, NBII, to National Bank Trust Inc. ("NBT"), a wholly-owned indirect subsidiary of the Bank. These include accounting, reporting and portfolio valuation services. The fees incurred for these services are paid to NBT by the Fund manager.

#### Management Fees

The Fund pays annual management fees to the Fund manager for its management services. The fees are calculated based on a percentage of the Fund's daily net asset value before applicable taxes and are paid on a monthly basis. A portion of the management fees paid by the Fund covers maximum annual trailer fees and sales commissions paid to brokers. The remainder of the management fees primarily covers investment management and general administration services. The breakdown of major services provided in consideration of the management fees, expressed as an approximate percentage of the management fees is as follows:

Series	Management Fees	Distribution	Others <sup>†</sup>
Investor Series	1.25%	40.00%	60.00%
Advisor Series and Series T5*			
Front-end load	1.25%	40.00%	60.00%
Back-end load - 1 to 6 years	1.25%	20.00%	80.00%
Back-end load - 7 years and more	1.25%	40.00%	60.00%
Low load - 1 to 3 years	1.25%	20.00%	80.00%
Low load - 4 years and more	1.25%	40.00%	60.00%
Series F and Series F5	0.75%	—	100.00%
Series O	N/A**	—	100.00%

<sup>(†)</sup> Includes all costs related to management, investment advisory services, general administration and profit.

<sup>(\*)</sup> Excluding sales commissions paid on the Advisor Series and Series T5 with low sales charges option and deferred sales charge option, which are not paid for out of the management fees.

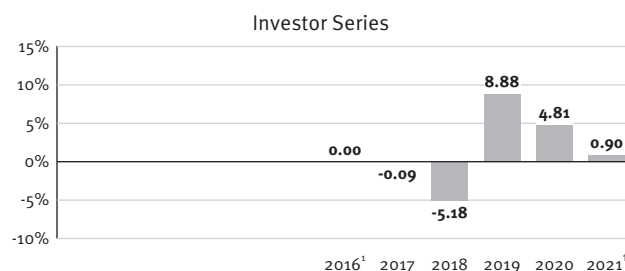
<sup>(\*\*)</sup> There are no management fees paid by the Fund with respect to the Series O. Instead, Series O securityholders pay a negotiated administration fee directly to National Bank Investments.

#### Past Performance

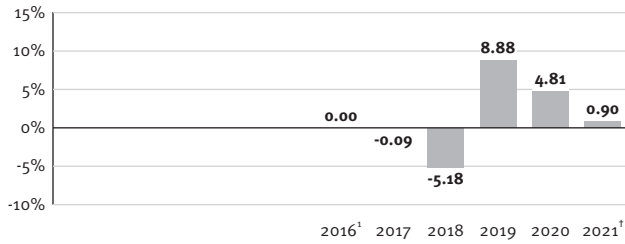
The performance of each series of the Fund is presented below and calculated as at December 31 of each year. It assumes that all distributions made in the periods shown were reinvested in additional securities and does not take into account sales, redemption charges, distributions, or optional charges that would have reduced returns. Past performance of a series of a Fund does not necessarily indicate how it will perform in the future.

#### Annual Returns

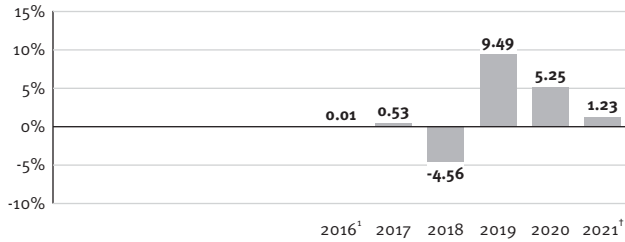
The bar charts indicate the performance for each the Fund's series in existence greater than one year during the years shown, and illustrate how the performance has changed from year to year. They show, in percentage terms, how much an investment made on January 1 (or made commencing from the start of the series) would have grown or decreased by December 31 of that year, or by June 30, as applicable.



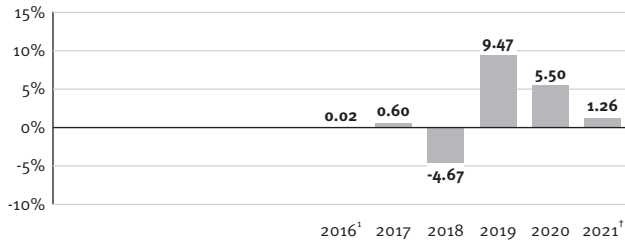
Advisor Series



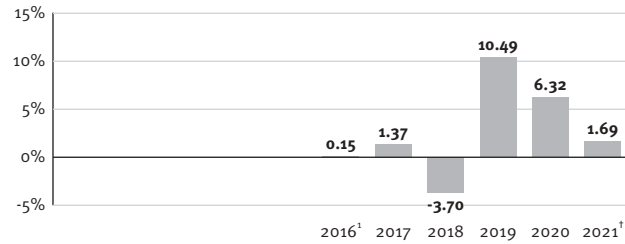
Series F



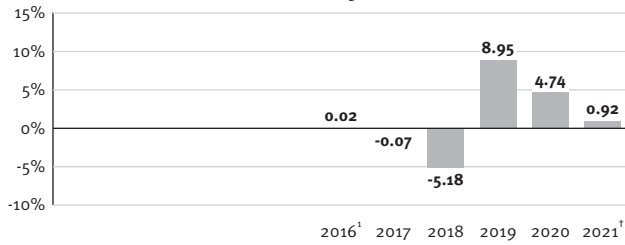
Series F5



Series O



Series T5



<sup>(1)</sup> Returns for the period from November 28, 2016 (commencement of operations) to December 31, 2016.

<sup>(†)</sup> Returns for the period from January 1, 2021 to June 30, 2021.

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the accounting periods shown.

### Investor / Advisor Series

Net Assets per Unit<sup>(1)</sup>

Commencement of operations: November 28, 2016

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(a)</sup>	9.91	9.89	9.34	9.85	10.00	10.00
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.11	0.30	0.38	(0.61)	0.05	0.01
Total expenses	(0.04)	(0.12)	(0.15)	(0.16)	(0.16)	(0.01)
Realized gains (losses)	0.23	(0.02)	0.19	0.16	0.29	(0.03)
Unrealized gains (losses)	(0.20)	0.16	0.39	0.09	(0.17)	0.03
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(a)</sup>	0.10	0.32	0.81	(0.52)	0.01	—
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	0.06	0.21	0.14	—	0.14	—
From dividends	—	—	—	—	—	—
From capital gains	—	0.23	0.14	—	—	—
Return of capital	—	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.06	0.44	0.28	—	0.14	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	9.94	9.91	9.89	9.34	9.85	10.00

#### Ratios and Supplemental Data

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (ooo's of \$) <sup>(5)</sup>	21,898	14,644	18,368	16,885	22,913	4,906
Number of units outstanding <sup>(5)</sup>	2,202,839	1,478,015	1,857,138	1,807,372	2,326,006	490,567
Management expense ratio (%) <sup>(6)</sup>	1.55	1.45	1.54	1.53	1.54	1.55
Management expense ratio before waivers or absorptions (%)	2.37	1.76	1.55	1.54	1.55	1.57
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.02	0.01	0.14	0.10	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	3.66	170.78	88.12	238.88	156.98	20.40
Net asset value per unit (\$)	9.94	9.91	9.89	9.34	9.85	10.00

### Series F

Net Assets per Unit<sup>(1)</sup>

Commencement of operations: November 28, 2016

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(a)</sup>	10.04	10.02	9.41	9.86	10.00	10.00
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.11	0.29	0.39	(0.63)	0.06	0.01
Total expenses	(0.01)	(0.07)	(0.09)	(0.10)	(0.10)	(0.01)
Realized gains (losses)	0.22	(0.03)	0.20	0.13	0.26	(0.05)
Unrealized gains (losses)	(0.19)	0.19	0.34	0.13	(0.14)	0.06
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(a)</sup>	0.13	0.38	0.84	(0.47)	0.08	0.01
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	0.08	0.26	0.17	—	0.19	—
From dividends	—	—	—	—	—	—
From capital gains	—	0.23	0.11	—	—	—
Return of capital	—	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.08	0.49	0.28	—	0.19	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	10.08	10.04	10.02	9.41	9.86	10.00

#### Ratios and Supplemental Data

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (ooo's of \$) <sup>(5)</sup>	97,367	70,528	74,459	51,951	96,263	6,873
Number of units outstanding <sup>(5)</sup>	9,655,254	7,021,417	7,432,129	5,522,846	9,762,967	687,049
Management expense ratio (%) <sup>(6)</sup>	0.98	0.94	0.93	0.94	0.95	0.98
Management expense ratio before waivers or absorptions (%)	1.81	1.25	0.94	0.95	0.96	0.99
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.02	0.01	0.14	0.10	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	3.66	170.78	88.12	238.88	156.98	20.40
Net asset value per unit (\$)	10.08	10.04	10.02	9.41	9.86	10.00

## Series F5

Net Assets per Unit<sup>(1)</sup>

Commencement of operations: November 28, 2016

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	8.65	8.84	8.61	9.52	9.96	10.00
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.10	0.26	0.34	(0.49)	(0.01)	0.01
Total expenses	(0.01)	(0.04)	(0.09)	(0.10)	(0.10)	(0.01)
Realized gains (losses)	0.20	0.02	0.20	0.18	0.39	(0.09)
Unrealized gains (losses)	(0.17)	0.21	0.37	(0.03)	(0.25)	0.10
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	0.12	0.45	0.82	(0.44)	0.03	0.01
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	0.07	0.24	0.15	—	0.01	—
From dividends	—	—	—	—	—	—
From capital gains	—	0.21	0.14	—	—	—
Return of capital	0.18	0.21	0.28	0.48	0.49	0.04
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.25	0.66	0.57	0.48	0.50	0.04
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	8.51	8.65	8.84	8.61	9.52	9.96

### Ratios and Supplemental Data

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	1,268	929	727	850	337	1,914
Number of units outstanding <sup>(5)</sup>	149,095	107,365	82,232	98,653	35,451	192,115
Management expense ratio (%) <sup>(6)</sup>	0.98	0.76	1.03	0.94	0.97	0.98
Management expense ratio before waivers or absorptions (%)	1.80	1.06	1.03	0.95	0.97	1.00
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.02	0.01	0.14	0.10	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	3.66	170.78	88.12	238.88	156.98	20.40
Net asset value per unit (\$)	8.51	8.65	8.84	8.61	9.52	9.96

## Series O

Net Assets per Unit<sup>(1)</sup>

Commencement of operations: November 28, 2016

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	9.93	9.97	9.38	9.74	10.01	10.00
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.11	0.29	0.38	(0.54)	0.05	0.01
Total expenses	0.04	0.03	—	(0.02)	(0.01)	—
Realized gains (losses)	0.23	0.05	0.29	0.13	0.38	(0.09)
Unrealized gains (losses)	(0.21)	0.25	0.16	0.05	(0.28)	0.09
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	0.17	0.62	0.83	(0.38)	0.14	0.01
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	0.13	0.34	0.24	—	0.30	—
From dividends	—	—	—	—	—	—
From capital gains	—	0.30	0.14	—	0.11	—
Return of capital	—	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.13	0.64	0.38	—	0.41	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	9.97	9.93	9.97	9.38	9.74	10.01

### Ratios and Supplemental Data

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	2,169,079	1,801,846	1,561,512	440,771	227,933	270,595
Number of units outstanding <sup>(5)</sup>	217,577,044	181,489,315	156,585,125	46,988,417	23,392,905	27,037,757
Management expense ratio (%) <sup>(6)</sup>	0.03	0.04	0.02	0.02	0.02	0.02
Management expense ratio before waivers or absorptions (%)	0.85	0.34	0.02	0.02	0.02	0.02
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.02	0.01	0.14	0.10	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	3.66	170.78	88.12	238.88	156.98	20.40
Net asset value per unit (\$)	9.97	9.93	9.97	9.38	9.74	10.01

## Series T5

Net Assets per Unit<sup>(1)</sup>

Commencement of operations: November 28, 2016

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	8.34	8.61	8.41	9.35	9.96	10.00
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.09	0.25	0.33	(0.39)	0.05	0.01
Total expenses	(0.03)	(0.10)	(0.13)	(0.15)	(0.16)	(0.01)
Realized gains (losses)	0.20	0.01	0.19	0.21	0.27	(0.01)
Unrealized gains (losses)	(0.18)	0.20	0.29	(0.09)	(0.15)	0.02
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	0.08	0.36	0.68	(0.42)	0.01	0.01
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	0.05	0.17	0.12	—	0.15	—
From dividends	—	—	—	—	—	—
From capital gains	—	0.22	0.12	—	—	—
Return of capital	0.19	0.26	0.30	0.47	0.45	0.04
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.24	0.65	0.54	0.47	0.60	0.04
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	8.18	8.34	8.61	8.41	9.35	9.96

### Ratios and Supplemental Data

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	744	562	606	421	285	60
Number of units outstanding <sup>(5)</sup>	91,000	67,346	70,382	50,053	30,491	5,992
Management expense ratio (%) <sup>(6)</sup>	1.55	1.45	1.53	1.52	1.53	1.53
Management expense ratio before waivers or absorptions (%)	2.37	1.76	1.54	1.52	1.54	2.77
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.02	0.01	0.14	0.10	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	3.66	170.78	88.12	238.88	156.98	20.40
Net asset value per unit (\$)	8.18	8.34	8.61	8.41	9.35	9.96

## Private Series\*

<sup>(1)</sup> Please note that this Series is offered by way of private placement.

Net Assets per Unit<sup>(1)</sup>

Commencement of operations: November 28, 2016

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	10.08	10.12	9.54	9.99	10.01	10.00
<b>Increase (Decrease) from Operations (\$)</b>						
Total revenue	0.12	0.29	0.38	(0.72)	—	0.01
Total expenses	—	(0.05)	(0.08)	(0.10)	(0.09)	(0.01)
Realized gains (losses)	0.22	0.04	0.22	0.27	0.43	(0.09)
Unrealized gains (losses)	(0.19)	0.27	0.40	0.20	(0.22)	0.10
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	0.15	0.55	0.92	(0.35)	0.12	0.01
<b>Distributions (\$)</b>						
From net investment income (excluding dividends)	0.09	0.27	0.18	—	0.07	—
From dividends	—	—	—	—	—	—
From capital gains	—	0.30	0.16	—	—	—
Return of capital	—	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.09	0.57	0.34	—	0.07	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	10.11	10.08	10.12	9.54	9.99	10.01

### Ratios and Supplemental Data

Accounting Period Ended	2021 June 30	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	2	1	1	1	148	1
Number of units outstanding <sup>(5)</sup>	244	110	104	101	14,846	100
Management expense ratio (%) <sup>(6)</sup>	0.87	0.77	0.79	0.85	0.85	0.83
Management expense ratio before waivers or absorptions (%)	2.45	1.82	1.38	0.85	0.86	14.52
Trading expense ratio (%) <sup>(7)</sup>	0.01	0.02	0.01	0.14	0.10	0.02
Portfolio turnover rate (%) <sup>(8)</sup>	3.66	170.78	88.12	238.88	156.98	20.40
Net asset value per unit (\$)	10.11	10.08	10.12	9.54	9.99	10.00

- <sup>(1)</sup> This information is derived from the Fund's Annual Audited Financial Statements and Interim Unaudited Financial Statements. The net assets per unit presented in the financial statements might differ from the net asset value calculated for fund pricing purposes. The differences are explained in the notes to the financial statements.
- <sup>(2)</sup> 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.
- <sup>(3)</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both.
- <sup>(4)</sup> The net assets are calculated in accordance with IFRS.
- <sup>(5)</sup> This information is provided as at the last day of the accounting period shown.
- <sup>(6)</sup> 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.
- <sup>(7)</sup> 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.
- <sup>(8)</sup> The Fund's portfolio turnover rate indicates how actively the Fund portfolio's manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the accounting period. The higher a Fund's portfolio turnover rate in an accounting period, the greater the trading costs payable by the Fund 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 a Fund.



## Summary of Investment Portfolio

As of June 30, 2021

### Portfolio Top Holdings

	% of Net Asset Value
NBI Unconstrained Fixed Income ETF.....	95.9
Cash, Money Market and Other Net Assets.....	4.1
	<u>100.0</u>
Net asset value.....	\$2,290,359,735

### Asset Mix

	% of Net Asset Value
Government bonds.....	12.7
Asset backed securities.....	10.6
Corporate bonds.....	23.6
High yield bonds.....	29.6
Emerging markets bonds.....	17.8
Other.....	5.7

### Term Allocation

	% of Net Asset Value
Under one year.....	2.2
From 1 year to 5 years.....	26.2
From 5 years to 10 years.....	43.2
More than 10 years.....	28.4

The above table shows the top 25 positions held by the Fund. In the case of a Fund with fewer than 25 positions, all positions are indicated.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the investment Fund. A quarterly update is available. Please consult our Web site at [www.nbinvestments.ca](http://www.nbinvestments.ca).