

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2022

Short Term and Income Fund **NBI Preferred Equity 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.

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, by visiting SEDAR's website at 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, 2022, the NBI Preferred Equity Fund's Investor Series units returned -11.43% compared to -9.86% for the Fund's benchmark, the S&P/TSX Preferred Share Index (CAD). 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.

The Fund's net asset value dropped by 15.04% over the period, from \$460.15 million as at December 31, 2021 to \$390.96 million as at June 30, 2022.

This decline stemmed mainly from net redemptions by unitholders of the Fund and market fluctuations.

Risk assets were hit hard, and bond yields continued their upward movement in the first half of 2022 as markets adjusted to very hawkish central banks who needed to raise rates significantly to try to bring inflation back under control. Up to the point of invasion in Ukraine the market was expecting both the Federal Reserve (Fed) and the Bank of Canada (BoC) to increase rates six times, essentially reversing the emergency stimulus put in place at the beginning of COVID.

However, as the situation in Ukraine evolved, commodity prices spiked even higher and caused more supply chain issues putting further pressure on global inflation. The Fed set the tone by raising rates 125 basis points during second quarter. Higher rates along with geopolitical risks and lockdowns in China fueled fears of a global recession which weighed on investor sentiment. So far, the selloff in equity and credit markets has been orderly in anticipation of very soft growth or a mild recession with no systematic issues. There is currently a tug-of-war underway between runaway inflation today and slower economic growth down the road driven by higher interest rates. The key for investors will be how sensitive inflation is to this upcoming slowdown. In this context, the Fed Funds rate ended the semester at 1.75% and is expected to peak at 3.50% early next year before falling below 3.00% by the end 2023.

For its part, the Bank of Canada increased its key rate by 25 basis points in the first quarter and by 100 basis points in the second quarter to 1.50%. Inflation at 7.7% is significantly above the Banks two percent target, largely caused by higher prices for food and energy. The Bank will move rates materially higher throughout the year to keep inflation expectations anchored. The market has built in an overnight rate of 3.40% by the end of the year, or another 190 basis points of rate hikes.

In this context, the Canadian preferred share market remained volatile and didn't perform as well as expected during the semester. The jump of the 5-year Canada bond yield and redemptions of preferred shares were not enough to compensate from the deterioration of the credit environment, particularly for hybrids and Limited Recourse Capital Notes (LRCN) which credit spread widened 80-90 bps and 200 bps respectively over the first half of the year given market weakness. Negative flow of funds also exacerbated the weakness seen during the second quarter. In this environment, floating rate preferred shares were the best performers, along with fixed-reset issues with high reset level and/or a floor. Fixed rate perpetuals underperformed with longer interest rates increasing.

Under these circumstances, the Fund underperformed its benchmark for the period, mainly due to the Fund's positioning in fixed-reset and LRCN/hybrids. The overweight position in fixed-reset issues with mid/low reset level also detracted performance, but it was partially offset by the selection and underweight in fixed rate perpetuals. Positioning in Utilities, Telecommunications and Energy proved more difficult during the first half, while issues in Real Estate, Insurance and Diversified Financials helped attenuate this impact.

Recent Developments

Inflation will be the key for the direction of bond yields throughout the balance of the year. The Bank of Canada (BoC) and the Federal Reserve were very aggressive in hiking rates in the second quarter, and we expect this to continue again into the third quarter. With inflation well above targets the central banks have no choice but to tighten monetary policy. The BoC said their neutral level for their policy rate is somewhere between 2% and 3% and they need to be slightly above this rate to slow the economy to bring inflation back down towards their 2% target. The portfolio manager expects growth in other countries especially in Europe to be hit harder than North America.

In this context, the preferred share market should continue to be volatile. The higher 5-year Canada rate should be positive for the asset class, particularly for the fixed-reset issues that trade at discount. The portfolio manager is expecting another \$3.5bn of preferred shares redemption (6.7% of the market) for the balance of the year which should help support the asset class. However, the rapid tightening of central banks will put some downside pressure on growth and increase the risk of a recession which could continue to put pressure on credit spreads. The hybrid and LRCN market could continue to be challenging and put more pressure on the preferred share market if new Hybrid/LRCN issuances are launched with important concessions. Flows of funds will continue to be an important driver of daily volatility and net outflows are expected over the coming quarters as investors are now able to buy bonds at more attractive yields. In this challenging environment, the portfolio manager favors banks fixed-reset issues with low or mid reset levels. Outside banks, he thinks fixed-reset issues with mid reset levels offer the best risk reward opportunities.

During the first half of the year, the portfolio manager reduced the Fund's allocation to expensive fixed rate perpetuals and increased the allocation to banks fixed-reset issues with low reset levels. During the first quarter, he bought the new TD Bank institutional preferred share and increased the hybrid and LRCN allocation mainly with the new Altagas, Algonquin Power & Utility and BMO issues. In the second quarter, he bought the latest LRCN issues with attractive reset levels of Industrial Alliance, CIBC, Manulife and Scotiabank and has continued to reduce the fixed rate perpetual position, particularly in May, when they were trading higher despite the higher yield environment.

At the end of the semester the Fund was slightly overweight in floating rate issues compared to the relative positioning at the beginning of 2022. It had also an underweight exposure to fixed rate perpetuals and was slightly overweight in fixed-reset issues. Sector wise, it had an overweight exposure in the Energy, Utilities and Telecommunication Services sectors and an underweight in Banks and insurers.

On April 30, 2022, the Fund's independent review committee (the "IRC") was reduced to three members when Robert Martin resigned as IRC member. On May 1, 2022, the Fund's IRC was increased to four members when Line Deslandes was appointed as IRC member.

On May 20, 2022, NBI discontinued the purchase offering of deferred sales charge and low sales charge purchase options for all new investments, including purchases made through systematic plans in all Canadian jurisdictions. Investors who purchased units under these sales charge options will continue to be subject to the redemption fee schedules under which they were purchased.

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.

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.

Brokerage Fees

The Fund may pay broker's commissions at market rates to a corporation affiliated with NBII. The brokerage fees paid by the Fund for the period are as follows:

	Period ended June 30, 2022
Total brokerage fees	53,601.03
Brokerage fees paid to National Bank Financial	-

Holdings

As at June 30, 2022, National Bank Investments Inc. held 203.45 Fund securities for a value of \$1,716.67, 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, 2022, National Bank Trust Inc. held 1.23 Fund securities for a value of \$10.42, 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.

Independent Review Committee Approvals and Recommendations

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

- Purchasing or holding the securities of a related issuer, in particular, those of National Bank of Canada;
- Investing in the securities of an issuer when an entity related to the manager acts as an underwriter for the placement or at any time during the 60-day period after the end of the placement;
- Purchasing or selling securities to another investment Fund managed by the manager or a company in the same group;
- Purchasing or selling debt securities on the secondary market, through related brokers that are main brokers in the Canadian debt securities market (in accordance with an exemption received from the Canadian Securities Administrators);
- Entering into foreign exchange transactions (including both spot transactions and forward transactions) with National Bank of Canada.

The Manager has implemented policies and procedures to make sure that the conditions applicable to each of the above transactions are met. The applicable standing instructions require that these transactions be carried out in accordance with NBII policies, which specify, in particular, that investment decisions pertaining to these related party transactions must be made free from any influence by an entity related to NBII and without taking into account any consideration relevant to an entity related to NBII. Furthermore, the investment decisions must represent the business judgment of the securities advisor, uninfluenced by considerations other than the best interest of the Fund and must achieve a fair and reasonable result for the Fund.

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 [†]
Investor Series	1.25%	60.00%	40.00%
Advisor Series*			
Front-end load**	1.25%	60.00%	40.00%
Back-end load - 1 to 6 years	1.25%	20.00%	80.00%
Low load - 1 to 3 years	1.25%	20.00%	80.00%
Low load - 4 years and more	1.25%	60.00%	40.00%
Series F	0.50%	—	100.00%
Series O	N/A***	—	100.00%

^(†) Includes all costs related to management, investment advisory services, general administration and profit.

^(*) Excluding sales commissions paid on the Advisor Series with the low sales charge option and deferred sales charge option, which are not paid for out of the management fees.

^(**) Rate applicable for all investments, including Advisor Series existing before May 14, 2015, systematic investment programs, reinvested distributions and switches.

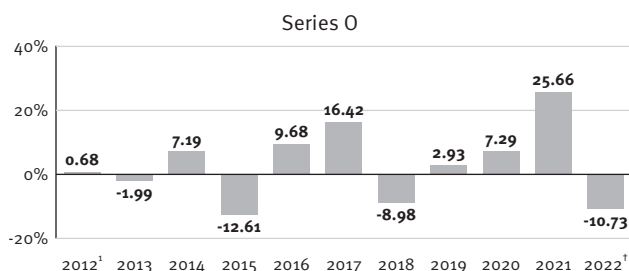
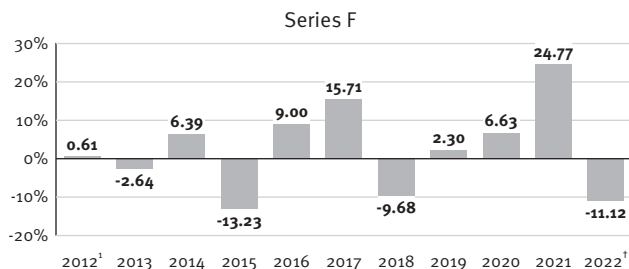
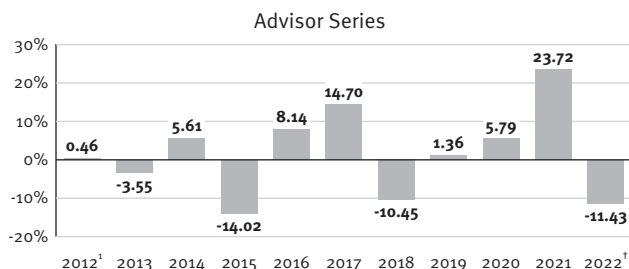
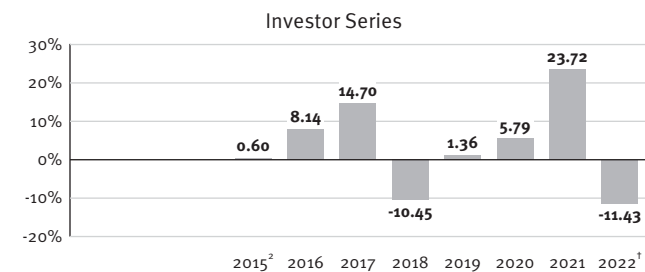
^(***) There are no management fees paid by the Fund with respect to the Series O. Instead, Series O securityholders pay a negotiated administration fee directly to National Bank Investments.

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, 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.



^(†) Returns for the period from October 12, 2012 (commencement of operations) to December 31, 2012.

^(‡) Returns for the period from October 30, 2015 (commencement of operations) to December 31, 2015.

^(§) Returns for the period from January 1, 2022 to June 30, 2022.

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

⁽¹⁾ The Investor Series was created on October 30, 2015.

Net Assets per Unit ⁽¹⁾		Commencement of operations: October 12, 2012					
Accounting Period Ended	2022 June 30	2021 December 31	2020 December 31	2019 December 31	2018 December 31	2017 December 31	
Net Assets, Beginning of Accounting Period Shown⁽⁴⁾	9.57	7.97	7.89	8.11	9.33	8.39	
Increase (Decrease) from Operations (\$)							
Total revenue	0.20	0.42	0.43	0.43	0.41	0.40	
Total expenses	(0.07)	(0.15)	(0.11)	(0.12)	(0.14)	(0.14)	
Realized gains (losses)	0.07	0.09	(0.34)	(0.28)	0.01	—	
Unrealized gains (losses)	(1.30)	1.54	0.27	0.02	(1.22)	1.02	
Total Increase (Decrease) from Operations (\$)⁽²⁾	(1.10)	1.90	0.25	0.05	(0.94)	1.28	
Distributions (\$)							
From net investment income (excluding dividends)	—	—	—	—	—	—	
From dividends	0.14	0.27	0.32	0.32	0.27	0.29	
From capital gains	—	—	—	—	—	—	
Return of capital	—	—	—	—	—	—	
Total Annual Distributions (\$)⁽³⁾	0.14	0.27	0.32	0.32	0.27	0.29	
Net Assets, End of Accounting Period Shown⁽⁴⁾	8.34	9.57	7.97	7.89	8.11	9.33	

Ratios and Supplemental Data

Accounting Period Ended	2022 June 30	2021 December 31	2020 December 31	2019 December 31	2018 December 31	2017 December 31
Total net asset value (ooo's of \$) ⁽⁵⁾	14,180	17,654	15,610	17,549	23,878	27,968
Number of units outstanding ⁽⁵⁾	1,700,514	1,845,156	1,958,627	2,223,819	2,942,535	2,998,335
Management expense ratio (%) ⁽⁶⁾	1.56	1.58	1.54	1.54	1.53	1.53
Management expense ratio before waivers or absorptions (%)	1.57	1.59	1.55	1.55	1.54	1.57
Trading expense ratio (%) ⁽⁷⁾	0.02	0.03	0.03	0.04	0.06	0.07
Portfolio turnover rate (%) ⁽⁸⁾	12.69	23.33	26.31	22.00	6.55	30.50
Net asset value per unit (\$)	8.34	9.57	7.97	7.89	8.11	9.33

Series F

Net Assets per Unit ⁽¹⁾		Commencement of operations: October 12, 2012					
Accounting Period Ended	2022 June 30	2021 December 31	2020 December 31	2019 December 31	2018 December 31	2017 December 31	
Net Assets, Beginning of Accounting Period Shown⁽⁴⁾	9.64	8.04	7.97	8.22	9.38	8.41	
Increase (Decrease) from Operations (\$)							
Total revenue	0.21	0.42	0.43	0.43	0.42	0.40	
Total expenses	(0.03)	(0.07)	(0.05)	(0.06)	(0.07)	(0.07)	
Realized gains (losses)	0.07	0.08	(0.35)	(0.26)	—	—	
Unrealized gains (losses)	(1.25)	1.63	0.08	(0.19)	(1.97)	1.02	
Total Increase (Decrease) from Operations (\$)⁽²⁾	(1.00)	2.06	0.11	(0.08)	(1.62)	1.35	
Distributions (\$)							
From net investment income (excluding dividends)	—	—	—	—	—	—	
From dividends	0.19	0.36	0.40	0.41	0.28	0.34	
From capital gains	—	—	—	—	—	—	
Return of capital	—	—	—	—	—	—	
Total Annual Distributions (\$)⁽³⁾	0.19	0.36	0.40	0.41	0.28	0.34	
Net Assets, End of Accounting Period Shown⁽⁴⁾	8.40	9.64	8.04	7.97	8.22	9.38	

Ratios and Supplemental Data

Accounting Period Ended	2022 June 30	2021 December 31	2020 December 31	2019 December 31	2018 December 31	2017 December 31
Total net asset value (ooo's of \$) ⁽⁵⁾	25,549	35,322	34,633	47,454	94,984	21,161
Number of units outstanding ⁽⁵⁾	3,040,712	3,662,024	4,307,937	5,950,099	11,548,615	2,256,198
Management expense ratio (%) ⁽⁶⁾	0.72	0.74	0.69	0.70	0.70	0.70
Management expense ratio before waivers or absorptions (%)	0.77	0.79	0.75	0.75	0.73	0.73
Trading expense ratio (%) ⁽⁷⁾	0.02	0.03	0.03	0.04	0.06	0.07
Portfolio turnover rate (%) ⁽⁸⁾	12.69	23.33	26.31	22.00	6.55	30.50
Net asset value per unit (\$)	8.40	9.65	8.04	7.98	8.22	9.38

Series O

Net Assets per Unit⁽¹⁾

Commencement of operations: October 12, 2012

Accounting Period Ended	2022 June 30	2021 December 31	2020 December 31	2019 December 31	2018 December 31	2017 December 31
Net Assets, Beginning of Accounting Period Shown⁽⁴⁾	9.68	8.05	7.97	8.17	9.36	8.39
Increase (Decrease) from Operations (\$)						
Total revenue	0.21	0.42	0.43	0.43	0.42	0.40
Total expenses	—	—	—	(0.01)	(0.01)	(0.01)
Realized gains (losses)	0.07	0.09	(0.35)	(0.29)	—	—
Unrealized gains (losses)	(1.30)	1.47	0.38	0.10	(1.59)	0.98
Total Increase (Decrease) from Operations (\$)⁽²⁾	(1.02)	1.98	0.46	0.23	(1.18)	1.37
Distributions (\$)						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	0.21	0.41	0.44	0.42	0.37	0.39
From capital gains	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—
Total Annual Distributions (\$)⁽³⁾	0.21	0.41	0.44	0.42	0.37	0.39
Net Assets, End of Accounting Period Shown (\$)⁽⁴⁾	8.44	9.68	8.05	7.97	8.17	9.36

Ratios and Supplemental Data

Accounting Period Ended	2022 June 30	2021 December 31	2020 December 31	2019 December 31	2018 December 31	2017 December 31
Total net asset value (ooo's of \$) ⁽⁵⁾	285,035	330,978	252,589	286,604	262,045	143,000
Number of units outstanding ⁽⁵⁾	33,772,945	34,189,225	31,367,960	35,937,555	32,035,582	15,273,702
Management expense ratio (%) ⁽⁶⁾	0.02	0.02	0.02	0.02	0.02	0.02
Management expense ratio before waivers or absorptions (%)	0.02	0.02	0.02	0.02	0.02	0.02
Trading expense ratio (%) ⁽⁷⁾	0.02	0.03	0.03	0.04	0.06	0.07
Portfolio turnover rate (%) ⁽⁸⁾	12.69	23.33	26.31	22.00	6.55	30.50
Net asset value per unit (\$)	8.44	9.68	8.05	7.98	8.18	9.36

Private Series*

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

Net Assets per Unit⁽¹⁾

Commencement of operations: July 17, 2017

Accounting Period Ended	2022 June 30	2021 December 31	2020 December 31	2019 December 31	2018 December 31	2017 December 31
Net Assets, Beginning of Accounting Period Shown⁽⁴⁾	9.67	8.04	7.88	8.99	10.33	10.00
Increase (Decrease) from Operations (\$)						
Total revenue	0.21	0.42	0.41	0.47	0.46	0.21
Total expenses	(0.02)	(0.05)	(0.04)	(0.05)	(0.06)	(0.03)
Realized gains (losses)	0.07	0.09	0.07	(0.06)	0.01	0.03
Unrealized gains (losses)	(1.33)	1.42	3.34	(0.11)	(1.62)	0.24
Total Increase (Decrease) from Operations (\$)⁽²⁾	(1.07)	1.88	3.78	0.25	(1.21)	0.45
Distributions (\$)						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	0.18	0.36	0.34	1.24	0.38	0.11
From capital gains	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—
Total Annual Distributions (\$)⁽³⁾	0.18	0.36	0.34	1.24	0.38	0.11
Net Assets, End of Accounting Period Shown (\$)⁽⁴⁾	8.43	9.67	8.04	7.88	8.99	10.33

Ratios and Supplemental Data

Accounting Period Ended	2022 June 30	2021 December 31	2020 December 31	2019 December 31	2018 December 31	2017 December 31
Total net asset value (ooo's of \$) ⁽⁵⁾	66,198	76,196	49,062	0	17,314	18,437
Number of units outstanding ⁽⁵⁾	7,848,315	7,882,016	6,103,478	41	1,923,370	1,784,739
Management expense ratio (%) ⁽⁶⁾	0.49	0.51	0.51	0.51	0.51	0.51
Management expense ratio before waivers or absorptions (%)	0.49	0.51	0.51	0.51	0.51	0.51
Trading expense ratio (%) ⁽⁷⁾	0.02	0.03	0.03	0.04	0.06	0.07
Portfolio turnover rate (%) ⁽⁸⁾	12.69	23.33	26.31	22.00	6.55	30.50
Net asset value per unit (\$)	8.43	9.67	8.04	7.89	9.00	10.33

- ⁽¹⁾ 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.
- ⁽²⁾ 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.
- ⁽³⁾ Distributions were paid in cash or reinvested in additional units of the Fund, or both.
- ⁽⁴⁾ The net assets are calculated in accordance with IFRS.
- ⁽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.
- ⁽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 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, 2022

Portfolio Top Holdings

	% of Net Asset Value
Enbridge Inc., 4.00%, Series 3	2.3
Royal Bank of Canada, 3.60%, Series BD	1.9
Toronto-Dominion Bank, 3.60%, Series 7	1.9
Toronto-Dominion Bank, 3.68%, Series 3	1.9
Canadian Imperial Bank of Commerce, 3.60%, Series 43	1.7
Enbridge Inc., 4.40%, Series 11	1.7
Bank of Montreal, 3.62%, Series 29	1.4
Fortis Inc., 3.91%, Series M	1.4
Pembina Pipeline Corporation, 4.50%, Series 7	1.4
Pembina Pipeline Corporation, 4.75%, Series 9	1.4
Canadian Imperial Bank of Commerce, 3.90%, Series 39	1.3
Toronto-Dominion Bank, 3.75%, Series 5	1.3
BCE Inc., 3.61%, Series AA	1.3
National Bank of Canada, 4.45%, Series 38	1.2
Royal Bank of Canada, 3.60%, Series BF	1.2
Toronto-Dominion Bank, 3.90%, Series 1	1.2
Brookfield Renewable Power Inc., 3.14%, Series 1	1.2
Enbridge Inc., 4.00%, Series R	1.2
TC Energy Corp., 3.80%, Series 11	1.2
Canadian Utilities Ltd., 3.40%, Series Y	1.1
Great-West Lifeco Inc., 4.85%, Series H	1.1
Great-West Lifeco Inc., 5.20%, Series G	1.1
Rogers Communications Inc., Floating, due December 17, 2081	1.1
TC Energy Corp., 3.76%, Series 9	1.1
Cash, Money Market and Other Net Assets	0.7
	34.3

Net asset value \$390,962,440

Asset Mix

	% of Net Asset Value
Preferred Shares	93.4
Corporate Bonds	5.9
Cash, Money Market and Other Net Assets	0.7

Sector Allocation

	% of Net Asset Value
Financials	43.6
Energy	25.1
Utilities	13.5
Communication Services	7.7
Bonds	5.9
Real Estate	2.8
Consumer Staples	0.7
Cash, Money Market and Other Net Assets	0.7

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.