

# INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2024

Short Term and Income Fund  
**NBI Floating Rate 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, 800 Saint-Jacques Street, Transit 44331, Montreal, Quebec, H3C 1A3, by visiting our website at [www.nbinvestments.ca](http://www.nbinvestments.ca), by visiting SEDAR+'s website at [www.sedarplus.ca](http://www.sedarplus.ca), 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, 2024, the NBI Floating Rate Income Fund's Investor Series units returned 5.25% compared to 2.55% for the Fund's benchmark, the FTSE Canada 91 Day T-Bill 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.

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 1.25% over the period, from \$106.50 million as at December 31, 2023 to \$107.84 million as at June 30, 2024.

North American bond yields adjusted higher, and the yield curve steepened over the first half of the year 2024. The theme in the U.S. was a resilient economy and continued elevated inflation, and the Federal Reserve would have to keep rates higher for longer. Then economic data finally started to fade showing signs that restrictive monetary policy was working to cool the economy. Later in the quarter, the probability of a soft landing increased, requiring interest rate cuts before the end of the year. The Fed still needs to see further evidence that inflation is moving lower before it will start loosening policy.

The Canadian preferred share market strongly performed in the first half of the year but was volatile. The asset class was mostly supported by bank redemptions of fixed reset issues with low reset levels and by continuous strong credit tone on Hybrids and LRCNs. Flows of funds into the ETFs were negative towards the end of the first half of the year and explained most of the volatility, particularly in June. The financial sector, including financial services and banks, outperformed while the telecommunication and utility sectors underperformed. Fixed reset issues continued to outperform while floating rate issues (mostly) and fixed rate perpetual issues underperformed.

In this context, the Fund outperformed the benchmark for the period. Spread management and carry were the major contributors to the fund's performance over the period, with duration positioning also proving to be a driver for the strong performance. Security selection helped and came from our positions within the Financial, Real Estate, and Energy sectors. Preferred shares were also key contributors to the fund's absolute performance for the first half of the year.

### Recent Developments

During the first half of the year, the portfolio manager took profits on several expensive corporates that had performed well. The primary corporate market was highly active, but we remained very selective. Over the last quarter, the portfolio manager reduced the overweight position in banks and in 2024 reset issues mostly with redemptions and redeployed it in banks that will reset in 2025.

The Bank of Canada began the process of loosening monetary policy, and we expect this to continue in 2024 and 2025. It will not be a straightforward exercise where the Bank cuts at every meeting until they get to a neutral level. We expect stops and starts as the economy is not falling off a cliff and there are still risks to the inflation outlook. The U.S. economy has been more resilient than Canada, but it is also starting to show signs of weakening which will eventually lead to an interest rate cut from the Federal Reserve. Restrictive policy is working in both countries but there are long and variable lags. The portfolio manager expects a heightened level of interest rate volatility as the market transitions to lower rates, which will provide us with trading opportunities.

## 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.

## 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<br>June 30, 2024 |
|--|-------------------------------|
| Total brokerage fees                           | 447.79                        |
| Brokerage fees paid to National Bank Financial | -                             |

## Holdings

As at June 30, 2024, National Bank Investments Inc. held 377.12 Fund securities for a value of \$3,675.38, which represented close to 0.0034% 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.

## 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. Under the *Distribution* heading, expenses include the broker's compensation consisting of the maximum annual trailer fees and sales commissions paid to brokers. Under the *Other* heading, the fees relate mainly to investment management, investment advisory services, general administration and profit. 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              | 1.05%           | 47.62%       | 52.38%              |
| Investor-2 Series            | 1.05%           | 47.62%       | 52.38%              |
| Advisor Series and Series T* |                 |              |                     |
| Front-end load**             | 1.05%           | 47.62%       | 52.38%              |
| Advisor-2 Series*            |                 |              |                     |
| Front-end load***            | 1.05%           | 47.62%       | 58.33%              |
| Series F and Series FT       | 0.55%           | —            | 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, Advisor-2 Series and Series T with low sales charges option and deferred sales charge option, which are not paid for out of the management fees.

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

<sup>(\*\*\*)</sup> Rate applicable for all investments, systematic investment programs, reinvested distributions and switches.

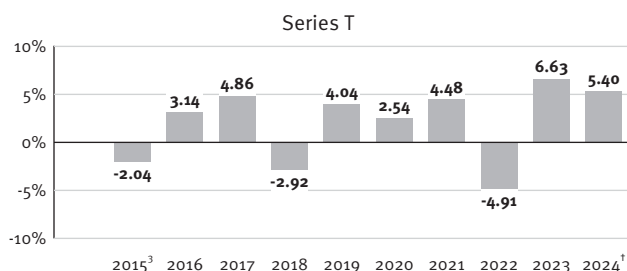
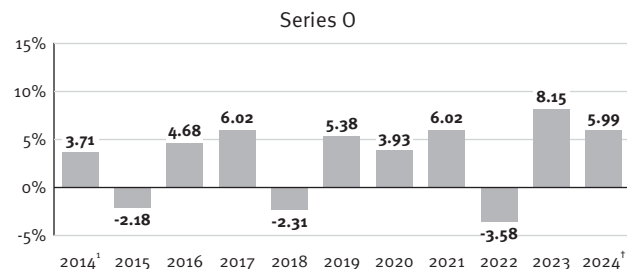
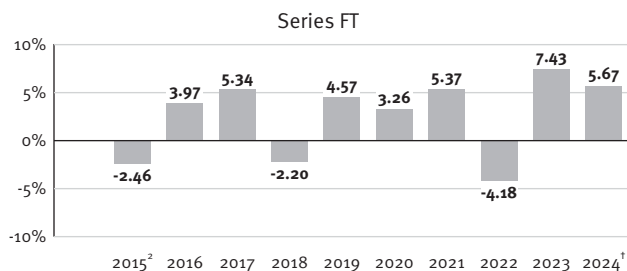
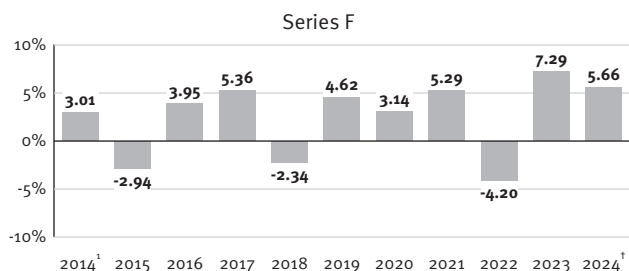
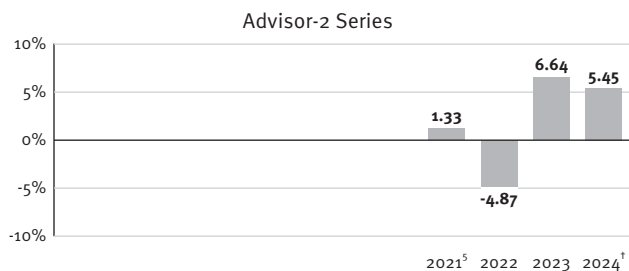
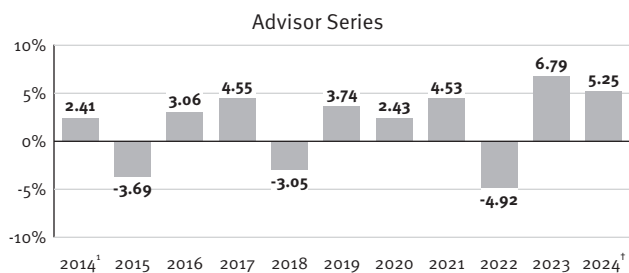
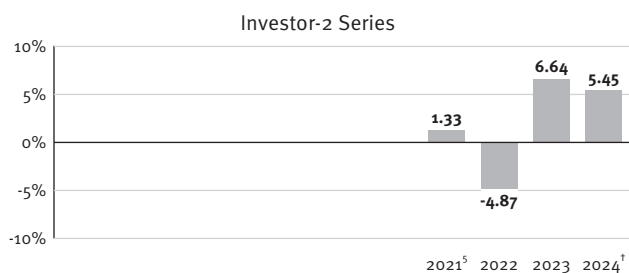
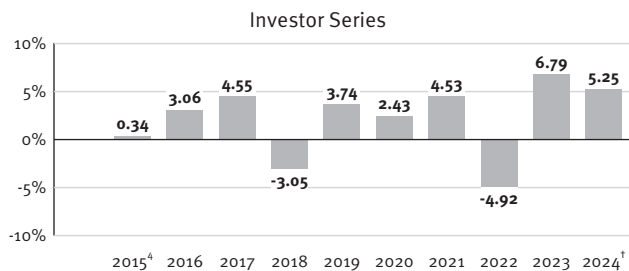
<sup>(\*\*\*\*)</sup> The Series O is only available to selected investors that have been approved and have entered into an O Series units account agreement with National Bank Investments Inc. The criteria for approval may include the size of the investment, the expected level of account activity and the investor's total investments with NBII. No management fees are charged to the Fund with respect to the O Series units. Management fees are negotiated with and paid directly by investors and are in addition to the fixed-rate administration fee. NBII does not pay any commissions or service fees to dealers who sell O Series units. There are no sales charges payable by investors who purchase O Series units.

## 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.



<sup>(1)</sup> Returns for the period from January 8, 2014 (commencement of operations) to December 31, 2014.

<sup>(2)</sup> Returns for the period from May 21, 2015 (commencement of operations) to December 31, 2015.

<sup>(3)</sup> Returns for the period from January 14, 2015 (commencement of operations) to December 31, 2015.

<sup>(4)</sup> Returns for the period from October 30, 2015 (commencement of operations) to December 31, 2015.

<sup>(5)</sup> Returns for the period from May 13, 2021 (commencement of operations) to December 31, 2021.

<sup>(†)</sup> Returns for the period from January 1, 2024 to June 30, 2024.

## 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

<sup>(1)</sup> The Investor Series was created on October 30, 2015.

| Net Assets per Unit <sup>(1)</sup>                                    |                 | Commencement of operations: January 8, 2014 |                     |                     |                     |                     |
|---|-----------------|---|---------------------|---------------------|---------------------|---------------------|
| Accounting Period Ended   | 2024<br>June 30 | 2023<br>December 31                         | 2022<br>December 31 | 2021<br>December 31 | 2020<br>December 31 | 2019<br>December 31 |
| <b>Net Assets, Beginning of Accounting Period Shown<sup>(4)</sup></b> | 9.14            | 9.08  | 9.83                | 9.59                | 9.56                | 9.47                |
| <b>Increase (Decrease) from Operations (\$)</b>                       |                 |   |                     |                     |                     |                     |
| Total revenue   | 0.30            | 0.61  | 0.39                | 0.07                | 0.20                | 0.39                |
| Total expenses  | (0.06)          | (0.12)                                      | (0.13)              | (0.14)              | (0.14)              | (0.14)              |
| Realized gains (losses)   | (0.05)          | (0.19)                                      | (0.26)              | 0.21                | (0.19)              | 0.09                |
| Unrealized gains (losses)   | 0.29            | 0.30  | (0.54)              | 0.53                | 0.28                | 0.02                |
| <b>Total Increase (Decrease) from Operations (\$)<sup>(2)</sup></b>   | 0.48            | 0.60  | (0.54)              | 0.67                | 0.15                | 0.36                |
| <b>Distributions (\$)</b>   |                 |   |                     |                     |                     |                     |
| From net investment income (excluding dividends)                      | 0.12            | 0.47  | 0.18                | —                   | —                   | 0.15                |
| From dividends  | 0.02            | 0.08  | 0.07                | 0.02                | 0.08                | 0.11                |
| From capital gains  | —               | —   | —                   | —                   | —                   | —                   |
| Return of capital   | —               | —   | 0.01                | 0.17                | 0.11                | —                   |
| <b>Total Annual Distributions (\$)<sup>(3)</sup></b>                  | 0.14            | 0.55  | 0.26                | 0.19                | 0.19                | 0.26                |
| <b>Net Assets, End of Accounting Period Shown<sup>(4)</sup></b>       | 9.48            | 9.14  | 9.08                | 9.83                | 9.59                | 9.56                |

### Ratios and Supplemental Data

| Accounting Period Ended                                    | 2024<br>June 30 | 2023<br>December 31 | 2022<br>December 31 | 2021<br>December 31 | 2020<br>December 31 | 2019<br>December 31 |
|--|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total net asset value (ooo's of \$) <sup>(5)</sup>         | 16,725          | 14,476              | 17,989              | 26,061              | 108,364             | 147,292             |
| Number of units outstanding <sup>(5)</sup>                 | 1,763,333       | 1,584,441           | 1,980,678           | 2,650,757           | 11,296,547          | 15,400,375          |
| Management expense ratio (%) <sup>(6)</sup>                | 1.31            | 1.31                | 1.44                | 1.47                | 1.48                | 1.49                |
| Management expense ratio before waivers or absorptions (%) | 1.33            | 1.34                | 1.47                | 1.49                | 1.50                | 1.50                |
| Trading expense ratio (%) <sup>(7)</sup>                   | —               | 0.01                | —                   | 0.02                | 0.01                | 0.01                |
| Portfolio turnover rate (%) <sup>(8)</sup>                 | 12.45           | 11.66               | 36.18               | 93.13               | 12.95               | 17.03               |
| Net asset value per unit (\$)                              | 9.48            | 9.14                | 9.08                | 9.83                | 9.59                | 9.56                |

### Investor-2 / Advisor-2 Series

Net Assets per Unit<sup>(1)</sup> Commencement of operations: May 13, 2021

| Accounting Period Ended   | 2024<br>June 30 | 2023<br>December 31 | 2022<br>December 31 | 2021<br>December 31 |
|---|-----------------|---------------------|---------------------|---------------------|
| <b>Net Assets, Beginning of Accounting Period Shown<sup>(4)</sup></b> | 9.44            | 9.36                | 10.11               | 10.00               |
| <b>Increase (Decrease) from Operations (\$)</b>                       |                 |                     |                     |                     |
| Total revenue   | 0.31            | 0.62                | 0.40                | 0.16                |
| Total expenses  | (0.06)          | (0.12)              | (0.14)              | (0.10)              |
| Realized gains (losses)   | (0.05)          | (0.19)              | (0.26)              | 0.01                |
| Unrealized gains (losses)   | 0.31            | 0.29                | (0.57)              | (0.04)              |
| <b>Total Increase (Decrease) from Operations (\$)<sup>(2)</sup></b>   | 0.51            | 0.60                | (0.57)              | 0.03                |
| <b>Distributions (\$)</b>   |                 |                     |                     |                     |
| From net investment income (excluding dividends)                      | 0.22            | 0.45                | 0.19                | —                   |
| From dividends  | 0.03            | 0.07                | 0.07                | 0.02                |
| From capital gains  | —               | —                   | —                   | —                   |
| Return of capital   | —               | —                   | —                   | —                   |
| <b>Total Annual Distributions (\$)<sup>(3)</sup></b>                  | 0.25            | 0.52                | 0.26                | 0.02                |
| <b>Net Assets, End of Accounting Period Shown<sup>(4)</sup></b>       | 9.70            | 9.44                | 9.36                | 10.11               |

### Ratios and Supplemental Data

| Accounting Period Ended                                    | 2024<br>June 30 | 2023<br>December 31 | 2022<br>December 31 | 2021<br>December 31 |
|--|-----------------|---------------------|---------------------|---------------------|
| Total net asset value (ooo's of \$) <sup>(5)</sup>         | 20,498          | 23,189              | 27,760              | 44,298              |
| Number of units outstanding <sup>(5)</sup>                 | 2,114,273       | 2,455,501           | 2,966,943           | 4,381,500           |
| Management expense ratio (%) <sup>(6)</sup>                | 1.30            | 1.30                | 1.42                | 1.49                |
| Management expense ratio before waivers or absorptions (%) | 1.31            | 1.31                | 1.43                | 1.50                |
| Trading expense ratio (%) <sup>(7)</sup>                   | —               | 0.01                | —                   | 0.02                |
| Portfolio turnover rate (%) <sup>(8)</sup>                 | 12.45           | 11.66               | 36.18               | 93.13               |
| Net asset value per unit (\$)                              | 9.70            | 9.44                | 9.36                | 10.11               |

## Series F

Net Assets per Unit<sup>(4)</sup>

Commencement of operations: January 8, 2014

| Accounting Period Ended   | 2024<br>June 30 | 2023<br>December 31 | 2022<br>December 31 | 2021<br>December 31 | 2020<br>December 31 | 2019<br>December 31 |
|---|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Net Assets, Beginning of Accounting Period Shown<sup>(4)</sup></b> | 9.61            | 9.54                | 10.29               | 9.83                | 9.71                | 9.61                |
| <b>Increase (Decrease) from Operations (\$)</b>                       |                 |                     |                     |                     |                     |                     |
| Total revenue   | 0.32            | 0.63                | 0.41                | 0.24                | 0.21                | 0.39                |
| Total expenses  | (0.03)          | (0.07)              | (0.07)              | (0.08)              | (0.07)              | (0.07)              |
| Realized gains (losses)   | (0.05)          | (0.19)              | (0.27)              | 0.02                | (0.17)              | 0.11                |
| Unrealized gains (losses)   | 0.30            | 0.30                | (0.52)              | 0.10                | 0.15                | (0.01)              |
| <b>Total Increase (Decrease) from Operations (\$)<sup>(2)</sup></b>   | 0.54            | 0.67                | (0.45)              | 0.28                | 0.12                | 0.42                |
| <b>Distributions (\$)</b>   |                 |                     |                     |                     |                     |                     |
| From net investment income (excluding dividends)                      | 0.24            | 0.52                | 0.26                | —                   | —                   | 0.23                |
| From dividends  | 0.04            | 0.08                | 0.06                | 0.06                | 0.18                | 0.11                |
| From capital gains  | —               | —                   | —                   | —                   | —                   | —                   |
| Return of capital   | —               | —                   | —                   | —                   | —                   | —                   |
| <b>Total Annual Distributions (\$)<sup>(3)</sup></b>                  | 0.28            | 0.60                | 0.32                | 0.06                | 0.18                | 0.34                |
| <b>Net Assets, End of Accounting Period Shown (\$)<sup>(4)</sup></b>  | 9.87            | 9.61                | 9.54                | 10.29               | 9.83                | 9.71                |

### Ratios and Supplemental Data

| Accounting Period Ended                                    | 2024<br>June 30 | 2023<br>December 31 | 2022<br>December 31 | 2021<br>December 31 | 2020<br>December 31 | 2019<br>December 31 |
|--|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total net asset value (ooo's of \$) <sup>(5)</sup>         | 31,771          | 33,264              | 47,626              | 71,516              | 5,117               | 10,259              |
| Number of units outstanding <sup>(5)</sup>                 | 3,218,926       | 3,461,130           | 4,993,364           | 6,948,841           | 520,481             | 1,056,530           |
| Management expense ratio (%) <sup>(6)</sup>                | 0.74            | 0.74                | 0.74                | 0.75                | 0.76                | 0.71                |
| Management expense ratio before waivers or absorptions (%) | 0.77            | 0.77                | 0.78                | 0.79                | 0.79                | 0.74                |
| Trading expense ratio (%) <sup>(7)</sup>                   | —               | 0.01                | —                   | 0.02                | 0.01                | 0.01                |
| Portfolio turnover rate (%) <sup>(8)</sup>                 | 12.45           | 11.66               | 36.18               | 93.13               | 12.95               | 17.03               |
| Net asset value per unit (\$)                              | 9.87            | 9.61                | 9.54                | 10.29               | 9.83                | 9.71                |

## Series FT

Net Assets per Unit<sup>(4)</sup>

Commencement of operations: May 21, 2015

| Accounting Period Ended   | 2024<br>June 30 | 2023<br>December 31 | 2022<br>December 31 | 2021<br>December 31 | 2020<br>December 31 | 2019<br>December 31 |
|---|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Net Assets, Beginning of Accounting Period Shown<sup>(4)</sup></b> | 9.18            | 9.08                | 9.80                | 9.50                | 9.41                | 9.60                |
| <b>Increase (Decrease) from Operations (\$)</b>                       |                 |                     |                     |                     |                     |                     |
| Total revenue   | 0.30            | 0.62                | 0.39                | 0.17                | 0.21                | 0.40                |
| Total expenses  | (0.03)          | (0.06)              | (0.06)              | (0.06)              | (0.06)              | (0.06)              |
| Realized gains (losses)   | (0.04)          | (0.18)              | (0.29)              | 0.09                | (0.20)              | 0.07                |
| Unrealized gains (losses)   | 0.23            | 0.29                | (0.45)              | 0.31                | 0.36                | 0.03                |
| <b>Total Increase (Decrease) from Operations (\$)<sup>(2)</sup></b>   | 0.46            | 0.67                | (0.41)              | 0.51                | 0.31                | 0.44                |
| <b>Distributions (\$)</b>   |                 |                     |                     |                     |                     |                     |
| From net investment income (excluding dividends)                      | 0.12            | 0.50                | 0.25                | —                   | —                   | 0.33                |
| From dividends  | 0.02            | 0.07                | 0.06                | 0.06                | 0.14                | 0.30                |
| From capital gains  | —               | —                   | —                   | —                   | —                   | —                   |
| Return of capital   | —               | —                   | —                   | 0.15                | 0.06                | —                   |
| <b>Total Annual Distributions (\$)<sup>(3)</sup></b>                  | 0.14            | 0.57                | 0.31                | 0.21                | 0.20                | 0.63                |
| <b>Net Assets, End of Accounting Period Shown (\$)<sup>(4)</sup></b>  | 9.56            | 9.18                | 9.08                | 9.80                | 9.50                | 9.41                |

### Ratios and Supplemental Data

| Accounting Period Ended                                    | 2024<br>June 30 | 2023<br>December 31 | 2022<br>December 31 | 2021<br>December 31 | 2020<br>December 31 | 2019<br>December 31 |
|--|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total net asset value (ooo's of \$) <sup>(5)</sup>         | 7               | 1                   | 1                   | 1                   | 1                   | 1                   |
| Number of units outstanding <sup>(5)</sup>                 | 743             | 133                 | 125                 | 121                 | 119                 | 116                 |
| Management expense ratio (%) <sup>(6)</sup>                | 0.73            | 0.62                | 0.64                | 0.63                | 0.67                | 0.68                |
| Management expense ratio before waivers or absorptions (%) | 0.73            | 0.77                | 0.64                | 0.63                | 1.53                | 1.34                |
| Trading expense ratio (%) <sup>(7)</sup>                   | —               | 0.01                | —                   | 0.02                | 0.01                | 0.01                |
| Portfolio turnover rate (%) <sup>(8)</sup>                 | 12.45           | 11.66               | 36.18               | 93.13               | 12.95               | 17.03               |
| Net asset value per unit (\$)                              | 9.56            | 9.18                | 9.08                | 9.80                | 9.50                | 9.41                |

## Series O

Net Assets per Unit<sup>(4)</sup>

Commencement of operations: January 8, 2014

| Accounting Period Ended   | 2024<br>June 30 | 2023<br>December 31 | 2022<br>December 31 | 2021<br>December 31 | 2020<br>December 31 | 2019<br>December 31 |
|---|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Net Assets, Beginning of Accounting Period Shown<sup>(4)</sup></b> | 9.43            | 9.34                | 10.10               | 9.76                | 9.65                | 9.53                |
| <b>Increase (Decrease) from Operations (\$)</b>                       |                 |                     |                     |                     |                     |                     |
| Total revenue   | 0.31            | 0.63                | 0.41                | 0.24                | 0.21                | 0.40                |
| Total expenses  | —               | —                   | —                   | —                   | —                   | —                   |
| Realized gains (losses)   | (0.05)          | (0.19)              | (0.29)              | 0.01                | (0.20)              | 0.08                |
| Unrealized gains (losses)   | 0.30            | 0.30                | (0.50)              | 0.11                | 0.37                | 0.02                |
| <b>Total Increase (Decrease) from Operations (\$)<sup>(4)</sup></b>   | 0.56            | 0.74                | (0.38)              | 0.36                | 0.38                | 0.50                |
| <b>Distributions (\$)</b>   |                 |                     |                     |                     |                     |                     |
| From net investment income (excluding dividends)                      | 0.12            | 0.59                | 0.33                | —                   | —                   | 0.29                |
| From dividends  | 0.02            | 0.07                | 0.07                | 0.10                | 0.19                | 0.10                |
| From capital gains  | —               | —                   | —                   | —                   | —                   | —                   |
| Return of capital   | —               | —                   | —                   | 0.15                | 0.07                | —                   |
| <b>Total Annual Distributions (\$)<sup>(5)</sup></b>                  | 0.14            | 0.66                | 0.40                | 0.25                | 0.26                | 0.39                |
| <b>Net Assets, End of Accounting Period Shown (\$)<sup>(4)</sup></b>  | 9.85            | 9.43                | 9.34                | 10.10               | 9.76                | 9.65                |

### Ratios and Supplemental Data

| Accounting Period Ended                                    | 2024<br>June 30 | 2023<br>December 31 | 2022<br>December 31 | 2021<br>December 31 | 2020<br>December 31 | 2019<br>December 31 |
|--|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total net asset value (ooo's of \$) <sup>(5)</sup>         | 38,775          | 35,513              | 34,314              | 39,555              | 2                   | 2                   |
| Number of units outstanding <sup>(5)</sup>                 | 3,936,846       | 3,767,463           | 3,673,587           | 3,916,645           | 208                 | 203                 |
| Management expense ratio (%) <sup>(6)</sup>                | 0.02            | 0.02                | 0.02                | 0.02                | —                   | —                   |
| Management expense ratio before waivers or absorptions (%) | 0.02            | 0.02                | 0.02                | 0.02                | 0.48                | 0.37                |
| Trading expense ratio (%) <sup>(7)</sup>                   | —               | 0.01                | —                   | 0.02                | 0.01                | 0.01                |
| Portfolio turnover rate (%) <sup>(8)</sup>                 | 12.45           | 11.66               | 36.18               | 93.13               | 12.95               | 17.03               |
| Net asset value per unit (\$)                              | 9.85            | 9.43                | 9.34                | 10.10               | 9.76                | 9.65                |

## Series T

Net Assets per Unit<sup>(4)</sup>

Commencement of operations: January 14, 2015

| Accounting Period Ended   | 2024<br>June 30 | 2023<br>December 31 | 2022<br>December 31 | 2021<br>December 31 | 2020<br>December 31 | 2019<br>December 31 |
|---|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Net Assets, Beginning of Accounting Period Shown<sup>(4)</sup></b> | 8.78            | 8.72                | 9.43                | 9.21                | 9.44                | 9.33                |
| <b>Increase (Decrease) from Operations (\$)</b>                       |                 |                     |                     |                     |                     |                     |
| Total revenue   | 0.29            | 0.31                | 0.38                | 0.23                | 0.20                | 0.51                |
| Total expenses  | (0.06)          | (0.12)              | (0.13)              | (0.14)              | (0.12)              | (0.12)              |
| Realized gains (losses)   | (0.05)          | (0.19)              | (0.27)              | 0.01                | (0.19)              | 0.05                |
| Unrealized gains (losses)   | 0.29            | 0.56                | (0.44)              | 0.11                | 0.35                | 0.25                |
| <b>Total Increase (Decrease) from Operations (\$)<sup>(4)</sup></b>   | 0.47            | 0.56                | (0.46)              | 0.21                | 0.24                | 0.69                |
| <b>Distributions (\$)</b>   |                 |                     |                     |                     |                     |                     |
| From net investment income (excluding dividends)                      | 0.11            | 0.41                | 0.18                | —                   | —                   | 0.16                |
| From dividends  | 0.02            | 0.09                | 0.06                | 0.04                | 0.40                | 0.10                |
| From capital gains  | —               | —                   | —                   | —                   | —                   | —                   |
| Return of capital   | —               | 0.01                | 0.01                | 0.15                | 0.06                | —                   |
| <b>Total Annual Distributions (\$)<sup>(5)</sup></b>                  | 0.13            | 0.51                | 0.25                | 0.19                | 0.46                | 0.26                |
| <b>Net Assets, End of Accounting Period Shown (\$)<sup>(4)</sup></b>  | 9.12            | 8.78                | 8.72                | 9.43                | 9.21                | 9.44                |

### Ratios and Supplemental Data

| Accounting Period Ended                                    | 2024<br>June 30 | 2023<br>December 31 | 2022<br>December 31 | 2021<br>December 31 | 2020<br>December 31 | 2019<br>December 31 |
|--|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total net asset value (ooo's of \$) <sup>(5)</sup>         | 63              | 60                  | 443                 | 548                 | 1                   | 1                   |
| Number of units outstanding <sup>(5)</sup>                 | 6,952           | 6,851               | 50,777              | 58,101              | 119                 | 113                 |
| Management expense ratio (%) <sup>(6)</sup>                | 1.32            | 1.32                | 1.45                | 1.49                | 1.33                | 1.32                |
| Management expense ratio before waivers or absorptions (%) | 1.32            | 1.33                | 1.47                | 1.51                | 2.21                | 1.83                |
| Trading expense ratio (%) <sup>(7)</sup>                   | —               | 0.01                | —                   | 0.02                | 0.01                | 0.01                |
| Portfolio turnover rate (%) <sup>(8)</sup>                 | 12.45           | 11.66               | 36.18               | 93.13               | 12.95               | 17.03               |
| Net asset value per unit (\$)                              | 9.12            | 8.78                | 8.72                | 9.43                | 9.21                | 9.44                |

- <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. The management expense ratio includes, if necessary, the management expenses from its underlying funds, as described in Article 15.2 of Regulation 81-106.
- <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, 2024

### Portfolio Top Holdings

|  | % of Net<br>Asset Value |
|--|-------------------------|
| Cash, Money Market and Other Net Assets                                      | 3.8                     |
| Fédération des caisses Desjardins, Floating,<br>due May 26, 2030             | 2.4                     |
| Rogers Communications Inc., 3.65%, due March 31, 2027                        | 2.0                     |
| Bank of America Corp., Floating, due March 16, 2028                          | 1.9                     |
| Canadian Imperial Bank of Commerce, Floating,<br>due July 21, 2030           | 1.8                     |
| TransCanada Pipelines Ltd., 3.80%, due April 5, 2027                         | 1.4                     |
| Wells Fargo & Co., 2.98%, due May 19, 2026                                   | 1.4                     |
| Bank of Montreal, 4.71%, due December 7, 2027                                | 1.2                     |
| Bank of Montreal, 7.06%, due December 31, 2099                               | 1.2                     |
| Sun Life Financial Inc., Floating, due May 10, 2032                          | 1.2                     |
| Sun Life Financial Inc., Floating, due November 21, 2033                     | 1.1                     |
| Inter Pipeline Ltd., 3.48%, due December 16, 2026                            | 1.1                     |
| Rogers Communications Inc., Floating, due December 17, 2081                  | 1.1                     |
| Bank of America Corp., Floating, due September 15, 2027                      | 1.0                     |
| Bank of Montreal, 4.31%, due June 1, 2027                                    | 0.9                     |
| Royal Bank of Canada, 3.60%, Series BF                                       | 0.9                     |
| Toronto-Dominion Bank, Floating, due January 26, 2032                        | 0.9                     |
| Fédération des caisses Desjardins, 4.41%, due May 19, 2027                   | 0.9                     |
| Morgan Stanley, Floating, due August 4, 2027                                 | 0.9                     |
| Allied Properties Real Estate Investment Trust, 3.64%,<br>due April 21, 2025 | 0.8                     |
| Canadian Imperial Bank of Commerce, 3.60%, Series 43                         | 0.8                     |
| Royal Bank of Canada, 2.33%, due January 28, 2027                            | 0.8                     |
| Fédération des caisses Desjardins, Floating,<br>due August 23, 2024          | 0.8                     |
| Goldman Sachs Group Inc./The, 2.60%,<br>due November 30, 2027                | 0.8                     |
| Toronto-Dominion Bank/The, 7.23%, due June 1, 2027                           | 0.8                     |
|  | 31.9                    |

Net asset value ..... \$107,838,873

### Asset Mix

|   | % of Net<br>Asset Value |
|---|-------------------------|
| Canadian Corporate Bonds                | 72.7                    |
| Preferred Shares                        | 14.0                    |
| US Bonds                                | 7.4                     |
| Asset Backed Securities                 | 1.3                     |
| Foreign Bonds                           | 0.4                     |
| Municipal Bonds                         | 0.2                     |
| Mortgage Backed Securities              | 0.2                     |
| Derivative Products                     | (3.1)                   |
| Cash, Money Market and Other Net Assets | 6.9                     |

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 website at [www.nbinvestments.ca](http://www.nbinvestments.ca).

If this investment Fund invests in other investment funds, please consult the prospectus and other information about the underlying investment funds on the website indicated above or on SEDAR+'s website at [www.sedarplus.ca](http://www.sedarplus.ca).