NBI Exchange-Traded Funds

Interim Management Report of Fund Performance

For the period ended June 30, 2024

NATIONAL BANK INVESTMENTS

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

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NBI Sustainable Global Equity ETF

Notes on forward-looking statements

This report may contain forward-looking statements concerning the ETF, its future performance, its strategies or prospects or about future events or circumstances. Such forward-looking statements include, among others, statements with respect to our beliefs, plans, expectations, estimates and intentions. The use of the expressions "foresee", "intend", "anticipate", "estimate", "assume", "believe" and "expect" and other similar terms and expressions indicate forward-looking statements.

By their very nature, forward-looking statements imply the use of assumptions and necessarily involve inherent risks and uncertainties. Consequently, there is a significant risk that the explicit or implicit forecasts contained in these forward-looking statements might not materialize or that they may not prove to be accurate in the future. A number of factors could cause future results, conditions or events to differ materially from the objectives, expectations, estimates or intentions expressed in such forward-looking statements. Such differences might be caused by several factors, including changes in Canadian and worldwide economic and financial conditions (in particular interest and exchange rates and the prices of other financial instruments), market trends, new regulatory provisions, competition, changes in technology and the potential impact of conflicts and other international events.

The foregoing list of factors is not exhaustive. Before making any investment decision, investors and others relying on our forward-looking statements should carefully consider the foregoing factors and other factors. We caution readers not to rely unduly on these forward-looking statements. We assume no obligation to update forward-looking statements in the light of new information, future events or other circumstances unless applicable legislation so provides.

This interim management report of fund performance contains financial highlights, but does not contain the complete interim financial statements of the ETF. You can get a copy of the interim financial statements of the ETF at your request, and at no cost, by calling 1-866-603-3601, by emailing us at investments@nbc.ca, by visiting our website at www.nbinvestments.ca, by visiting SEDAR+'s website at www.sedarplus.ca, or by contacting your advisor. You may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Results of Operations

For the six-month period ended June 30, 2024, the NBI Sustainable Global Equity ETF's units returned 9.08% compared to 15.96% for the ETF's benchmark, the MSCI World Index. Unlike the benchmark, the ETF's performance is calculated after fees and expenses. Please see the *Past Performance* section for the ETF's returns, which may vary mainly because of fees and expenses.

The Fund's net asset value rose by 7.03% over the period, from $484.73 million as at December 31, 2023 to $518.80 million as at June 30, 2024.

The MSCI All Country World Index (ACWI) demonstrated robust growth in the first half of 2024, returning 11.3% year to date (in U.S.-dollar terms). This performance stands in stark contrast to the MSCI ACWI Equal Weighted Index, which returned a modest 0.9%. The disparity can be attributed to the ongoing market concentration in a select few mega-cap technology and communication-services companies, fuelled by the burgeoning enthusiasm for the artificial intelligence (AI) investment theme. Country-wise, for the period, the tech-heavy U.S. market, as measured by the S&P 500, outperformed, returning 15.3%, while Japan, as measured by the MSCI Japan Index, and Europe, as measured by the MSCI Europe Index, lagged, returning 6.3% and 5.8% respectively. Emerging markets, as measured by the MSCI Emerging Markets Index, posted solid returns and rose 7.5% for the period, led by Taiwan.

The AI-related technology trend is exemplified by NVIDIA's impressive rise during the period. Alphabet Inc. (not held), Amazon (not held), Meta Platforms (not held), and Microsoft also posted strong returns. Collectively, these five companies contributed almost 50% of the MSCI ACWI's gains during the period.

Interestingly, the continued outperformance of a few names intensified in June in response to weakening macroeconomic data. Big Tech was perceived to be the only refuge, with most other sectors posting negative or only modestly positive absolute returns.

The majority of active managers—ourselves included—should benefit from an eventual broadening of market returns beyond these Big Tech names, also referred to as the "Magnificent Seven." Such a broadening, though, will require a fundamental recovery from the other index components that is not yet evident. According to FactSet, while the blended 1Q:24 earnings growth rate for S&P 500 constituents reached its highest point since 1Q:22 at 5.9% year over year (YoY), excluding the Magnificent Seven it would have resulted in an earnings decline of 1.8% YoY.

In this context, the Fund underperformed its benchmark.

Stock selection detracted from overall relative returns while sector selection was positive. Stock selection within technology, financials and healthcare weighed on performance the most. Partially offsetting this was an overweight position in the technology sector, and underweights to consumer discretionary and materials which contributed to performance. Some of the underperformance is attributable to not owning enough of the Magnificent Seven names. However, we participated in the semiconductor rally with NVIDIA and Taiwan Semiconductor Manufacturing (TSMC).

We continue to attribute a large part of the Fund's underperformance to a disconnect between its companies' strong fundamental performance and their price underperformance. On this front, we would highlight Aptiv, part of our Future Transportation theme, which plays a key role as a provider of automotive equipment, systems and software for vehicle electrification, fuel efficiency, emissions reduction, and passenger safety. Shares of Aptiv have been impacted by the currently weak sentiment and backdrop related to the electric vehicle (EV) market. Since 2023 alone, the stock has declined significantly, despite cumulative earnings growth of 48% over the same period. We view this as a very wide and compelling disconnect and took the opportunity to add to the name in 2Q:24. We believe the secular opportunity for growth in content per vehicle driven by electrification/autonomous driving and overall adoption of active safety technologies remains intact. From our perspective, Aptiv has the ability to grow faster than the market due to its competitive advantages.

Adobe is another example from our Computing & Connectivity theme. Its products and services enable the digital transition and help foster creativity and drive efficiency at the individual and enterprise level. The stock declined in 1H:24, despite projected double-digit earnings growth for the full year. The main overhang relates to concerns about increased competition (from OpenAI Sora) to its business model. We view these concerns as unjustified given Adobe's significant competitive differentiation, distribution advantage, and product breadth. In our view, 2H:24 should see better price performance supported by faster monetization of its generative AI initiatives (including Firefly) and product launches. We added to the name in 1Q:24. Recent earnings results demonstrated that the business continues to grow, and AI monetization has started, supporting our thesis.

STERIS, part of our Health theme, is a leading provider of infection prevention and sterilization products and services for hospitals, medical devices, and the drug manufacturing industry. The stock is down since the beginning of 2022 due to macroeconomic-related customer destocking and supply chain pressures, both of which we believe will improve imminently. Despite these macroeconomic pressures and the stock's underperformance, earnings have continued to grow (by 10% over the same period). In our view, shares are attractively valued at current levels given the company's low-teens earnings growth potential. We see a path for the market to look past the recent issues and reflect these fundamentals, leading to the closing of the price-earnings disconnect. We added to the name in 2Q:24 amid weakness.

Taking a more traditional lens to performance attribution for this reporting period, the leading individual stock contributors and detractors included:

TSMC: TSMC benefited from stronger-than-expected contributions from AI chips. The ongoing AI arms race is leading to faster product cycles among its server customers, supporting the company's capacity utilization and pricing power on leading-edge nodes. The next wave of AI deployment is likely to be phone and PC upgrades, which will benefit TSMC as well.

ASML: ASML, a provider of advanced lithography technology for the semiconductor industry, beat earnings expectations amid record booking and some positive commentary surrounding installed base and margin tailwind. The massive order figure suggests increasing confidence for growth re-accelerating in 2025.

Flex: Flex, an outsourced manufacturer of products including communication devices and autonomous driving systems for EVs, posted strong performance during the period. The company is seen as a beneficiary of AI-related data centre spend as it produces servers and full rack systems for customers. Additionally, Flex's operating margins have been stronger than expected, which supports earnings in the face of macro-related headwinds in consumer and industrial segments.

Neste: Neste, the world's leading producer of sustainable fuels and renewable feedstocks, declined over the period. 2024 guidance for renewable fuel margins and volumes came in below expectations on new refinery delays and softer renewable fuels margins. As Neste's two new refineries come online toward the end of 2024, volumes and margins should see some recovery.

MSCI: Index and financial data provider MSCI fell during the period. The digestion of cancelled contracts (due to asset manager consolidation) and budget pressures at mid-size customers influenced the share price decline.

Keysight: Keysight Technologies, a leading electronic test and measurement firm, disappointed investors looking for a more emphatic turn in the fundamentals. Keysight's business is in the midst of bottoming, but it is uneven, with continued delayed purchases in general semiconductor and wireless offset by growth in data centres and autos. Keysight's tools facilitate innovation and new product development by its customers who cannot afford to delay spending forever. For context, this is now the longest industry downturn since its IPO in 2014. Historically, we've seen a strong snap back in order activity after delays (which we have now seen for several quarters), and recent green shoots suggest we may be nearing a turn.

Recent Developments

Our largest buys during the period included:

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

• Bank Mandiri: We initiated a position in this leading Indonesian bank after a positive meeting with management added to our conviction.

• Nu Holdings: Nubank is one of the world's largest digital financial-services platforms, serving 90 million customers across Brazil, Mexico and Colombia. As one of the leading technology companies in the world, Nu leverages proprietary technologies and innovative business practices to create new financial solutions and experiences for individuals and SMEs that are simple, intuitive, convenient, low-cost, empowering and human. Nu is a competitively advantaged, high-growth digital banking franchise in Latin America.

• Arista Networks: Arista Networks' open-based cloud networking architecture will allow it to experience strong and consistent growth in the years ahead, as the dual needs of more compute and more energy-efficient approaches proliferate.

• Halma: Halma manufactures infrastructure safety equipment for industrial facilities, buildings and transportation; medical equipment; and analysis equipment for industrial, life sciences and environmental markets. Halma's business benefits from secular trends including the increasing health and safety regulations in buildings/infrastructure, the growing demand for healthcare, water and energy, along with environmental regulations.

• Monolithic Power Systems: Monolithic Power Systems is a semiconductor firm focused on power. The company designs integrated circuits that govern the power function of a machine (examples include washing machines, 5G base stations or data centre servers). The stock should benefit as recent AI success broadens to auto-industrial end markets.

We added to our existing positions in Keyence, Bruker, NextEra Energy, and Aptiv.

Our largest sales during the period included:

• MSCI: We exited our position in MSCI following a recent disappointing quarter. We believe the stock lacks compelling longer-term growth catalysts.

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

• BYD: We learned of potential tobacco exposure at a BYD-related entity (BYD Electronics, which is 65% owned by BYD Co.) in late September 2023. We did not immediately sell BYD, electing to further investigate the exposure and engage with the company in order to clarify the scale and the exact nature of the tobacco exposure. While we are confident that the revenue exposure is not considered de minimis (we believe it approximates 0.2% of consolidated revenues), we have not been able to determine conclusively whether the company is merely selling a component, which would not violate our exclusion policy, or an end product, which would. The company was largely non-responsive to our repeated engagement attempts, which prevented us from reaching a definitive conclusion.

• Haleon: We sold Haleon to fund more attractive opportunities.

• Johnson & Johnson: We sold Johnson & Johnson and reallocated to higher-conviction healthcare holdings. We continue to have some governance concerns after recent engagements.

• LabCorp: We exited LabCorp in favour of higher-conviction and higher-growth names.

• Bio-Rad Laboratories: We exited our position because of poor execution, management turnover and thesis deterioration.

• ON Semiconductor: We exited our position to raise capital to fund several non-EV-related technology stocks.

• American Water Works: We sold this position and consolidated into another highly correlated utility firm.

We trimmed our existing positions in Partners Group, Deutsche Boerse, TopBuild, and Deere & Co.

Despite robust market returns in 1H:24, bolstered by strong profits and central banks that have clearly signalled their intention to ease monetary policy in the near future, there are factors that suggest we may experience increased volatility in 2H:24.

Most notably, we are approaching an election season in the U.S. and have ongoing elections in France and the UK during which markets will need to adjust and account for potential significant policy shifts. Regarding the U.S. Presidential election, while it features two very familiar candidates (for now), it is unlike any we've ever seen and creates considerable uncertainty for markets.

Moreover, we think that the safety net provided by Big Tech ownership may not be as substantial as many market participants perceive. These stocks, in our view, have reaped disproportionate benefits and are too widely held. High valuations, increasingly challenging YoY earnings growth comparisons and questions about their ability to convert the AI spending surge into profits could potentially restrict their absolute return potential in the future. Apple serves as a prime example. Although its return exceeded 20% in 2Q:24, consensus estimates for the next two years have remained largely static. Arguably, meaningful positive estimate revisions would be required to push the shares much higher from here.

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

ESG

A key focus of our ESG approach is investing in companies whose products and services contribute to the achievement of the UN Sustainable Development Goals (UN SDGs). To be eligible for investment, our companies must obtain a minimum of 20% of their revenues from these SDG-aligned products and services. On that basis, all changes mentioned above are related to fundamental and material ESG considerations. We would emphasize the exits of Johnson & Johnson and BYD as well, which have been linked to social and governance issues and misalignments of revenue exposures.

We are meeting our objectives as the Fund has over 80% weighted SDG revenues exposure.

We utilize third party vendor Impact Cube to help us measure our ESG outcomes. The information is not yet available, but we will present it in our upcoming quarterly materials. We can, however, confirm that we are on track to achieve the stated ESG outcomes.

Related Party Transactions

National Bank Investments Inc. (the "manager") is the manager and promoter of the ETF. Accordingly, it is entitled to receive, in exchange for the services that it provides to the ETF, management fees paid to it by the ETF (see "Management Fees" below).

From time to time, the manager may, on behalf of the ETF, carry out transactions or sign agreements to involve certain persons or companies related to it, to the extent that these transactions or agreements are, in its opinion, in the interest of the ETF. The description of the transactions or agreements between the ETF and a related party is provided in this section.

Members of the manager's group may earn fees or spreads in connection with services provided to, or transactions with, the NBI ETF, including in connection with brokerage and derivatives transactions.

Trustee

The manager has retained the services of Natcan Trust Company to serve as trustee for the ETF and has retained the services of National Bank Trust to serve as portfolio manager.

Designated Broker

The manager has signed an agreement with National Bank Financial Inc. ("NBF"), a company affiliated with NBI, under which NBF will serve as a designated broker for the ETF. The designated broker agreement signed with NBF is in keeping with market conditions.

Brokerage Fees

The ETF may pay broker's commissions at market rates to a corporation affiliated with National Bank Investments Inc. The brokerage fees paid by the ETF for the period are as follows:

	Period ended June 30, 2024
Total brokerage fees	97,898.90
Brokerage fees paid to National Bank Financial	-

Holdings

As at June 30, 2024, ownership of the redeemable units outstanding of the ETF was held by the following NBI Funds as indicated below:

NBI Funds	**Ownership of the redeemable units outstanding of the ETF %**
NBI Secure Portfolio	0.6900
NBI Conservative Portfolio	5.0200
NBI Moderate Portfolio	8.3900
NBI Balanced Portfolio	18.1200
NBI Growth Portfolio	9.7500
NBI Equity Portfolio	5.0900
NBI Sustainable Secure Portfolio	0.0043
NBI Sustainable Conservative Portfolio	0.0067
NBI Sustainable Moderate Portfolio	0.0100
NBI Sustainable Balanced Portfolio	0.0134
NBI Sustainable Growth Portfolio	0.0177
NBI Sustainable Equity Portfolio	0.0223
NBI Sustainable Global Equity Fund	48.8900

Transactions between the NBI Funds and the ETF were carried out in the normal course of business. The portfolio manager for these Funds is National Bank Trust Inc.

Management Fees

The management fee is payable to the ETF manager in consideration of the services that the manager provides to the ETF in its capacity as manager, such as managing the day-to-day business and affairs of the ETF.

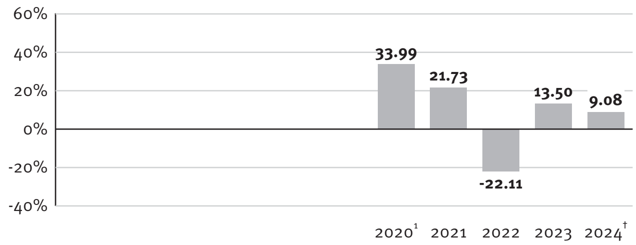
The ETF pays an annual management fee of 0.65% to the ETF manager for its management services. The fees are calculated based on a percentage of the ETF's daily net asset value before applicable taxes and are paid on a monthly basis. The management fees primarily covers investment management and general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

Past Performance

The performance of the ETF, presented below and calculated as at December 31 of each year, is based on the net asset value of the ETF. It assumes that all distributions made in the periods shown were reinvested in additional units of the ETF. These returns do not take into account sales, redemption charges, distributions, or optional charges that would have reduced returns. Past performance of an ETF does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The bar chart indicates the performance of the ETF for each of the years shown and illustrates how the performance has changed from year to year. It shows, in percentage terms, how much an investment made on January 1 (or made commencing from the start of the ETF) would have grown or decreased by December 31 of that year, in the case of the Annual management report of fund performance, or by June 30, in the case of the Interim management report of fund performance.



(1) *Returns for the period from March 4, 2020 (commencement of operations) to December 31, 2020.*

(†) *Returns for the period from January 1, 2024 to June 30, 2024.*

Financial Highlights

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

Net Assets per Unit[1] — Commencement of operations: March 4, 2020

Accounting Period Ended	2024 June 30	2023 December 31	2022 December 31	2021 December 31	2020 December 31
Net Assets, Beginning of Accounting Period Shown [2]	36.51	32.32	41.61	34.24	25.00
Increase (Decrease) from Operations ($)					
Total revenue	0.38	0.39	0.36	0.29	0.18
Total expenses	(0.15)	(0.26)	(0.25)	(0.28)	(0.22)
Realized gains (losses)	0.77	(0.56)	(1.57)	0.39	1.03
Unrealized gains (losses)	2.32	4.27	(5.21)	8.08	8.66
Total Increase (Decrease) from Operations [3]	3.32	3.84	(6.67)	8.48	9.65
Distributions ($)					
From net investment income (excluding dividends)	—	0.17	0.09	0.07	—
From dividends	—	—	—	—	—
From capital gains	—	—	—	0.35	0.65
Return of capital	—	—	—	—	—
Total Annual Distributions [4]	—	0.17	0.09	0.42	0.65
Net Assets, End of Accounting Period Shown [2]	39.83	36.51	32.32	41.61	34.24

Ratios and Supplemental Data

Accounting Period Ended	2024 June 30	2023 December 31	2022 December 31	2021 December 31	2020 December 31
Total net asset value (000's of $) [5]	518,804	484,726	481,583	377,624	11,129
Number of units outstanding [5]	13,025,000	13,275,000	14,900,000	9,075,000	325,000
Management expense ratio (%) [6]	0.73	0.75	0.75	0.74	0.74
Management expense ratio before waivers or absorptions (%)	0.73	0.75	0.75	0.74	0.74
Trading expense ratio (%) [7]	0.04	0.06	0.05	0.05	0.05
Portfolio turnover rate (%) [8]	59.34	50.11	35.31	17.23	39.82
Net asset value per unit ($)	39.83	36.51	32.32	41.61	34.24
Closing market price [9]	39.87	36.55	32.30	41.73	34.33

(1) This information is derived from the ETF'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 ETF pricing purposes. The differences are explained in the notes to the financial statements.

(2) The net assets are calculated in accordance with IFRS.

(3) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the average number of units outstanding over the accounting period.

(4) Distributions were paid in cash or reinvested in additional units of the ETF, or both.

(5) This information is provided as at the last day of the accounting period shown.

(6) Management expense ratio is based on total expenses including sales taxes for the accounting period indicated (excluding commission, other portfolio transaction costs and withholding taxes) and is expressed as an annualized percentage of daily average net value during the accounting period. The management expense ratio includes, if necessary, the management expenses from its underlying funds, as described in Article 15.2 of Regulation 81-106.

(7) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the accounting period. The trading expense ratio includes, if necessary, the trading expenses from its underlying funds, as described in Article 15.2 of Regulation 81-106. Data for periods prior to 2023 have been restated.

(8) The ETF's portfolio turnover rate indicates how actively the ETF portfolio's manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the accounting period. The higher an ETF's portfolio turnover rate in an accounting period, the greater the trading costs payable by the ETF in the accounting period, and the greater the chance of an investor receiving taxable capital gains in the accounting period. There is not necessarily a relationship between a high turnover rate and the performance of an ETF.

(9) Closing market price on the last trading day of the year as reported on the TSX.

Summary of Investment Portfolio

As of June 30, 2024

Portfolio Top Holdings

	% of Net Asset Value
Microsoft Corp.	3.5
Nvidia Corporation	3.5
Waste Management Inc.	3.1
Visa Inc., Class A	3.0
Taiwan Semiconductor Manufacturing Co. Ltd.	2.9
NextEra Energy Inc.	2.7
Flextronics International Ltd.	2.6
Adobe Systems Inc.	2.5
ASML Holding NV	2.5
Fair Isaac Inc.	2.4
Veralto Corp.	2.4
Icon PLC	2.3
Intuit Inc.	2.3
London Stock Exchange Group PLC	2.3
NXP Semiconductors NV	2.3
Tetra Tech Inc.	2.3
AFLAC Inc.	2.2
Experian Group Ltd.	2.2
GE HealthCare Technologies Inc.	2.1
Accenture PLC, Class A	2.0
Danaher Corp.	2.0
Keyence Corp.	2.0
Palo Alto Networks Inc.	2.0
Unilever PLC	2.0
Cash, Money Market and Other Net Assets	1.8
	60.9

Net asset value	$518,803,568

Regional Allocation

	% of Net Asset Value
United States	56.0
Ireland	8.3
United Kingdom	7.6
Netherlands	4.7
Switzerland	3.3
Germany	3.0
Taiwan	2.9
Singapore	2.6
Brazil	2.0
Japan	2.0
Indonesia	1.6
Canada	1.4
Hong Kong	1.3
Norway	0.9
Finland	0.6
Cash, Money Market and Other Net Assets	1.8

Sector Allocation

	% of Net Asset Value
Information Technology	42.0
Industrials	15.1
Health Care	14.9
Financials	14.8
Consumer Discretionary	4.2
Consumer Staples	3.9
Utilities	2.7
Energy	0.6
Cash, Money Market and Other Net Assets	1.8

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

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the ETF. A quarterly update is available. Please consult our website at www.nbinvestments.ca.