

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2020

Canadian Equity Fund

## **NBI Canadian All Cap 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.

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

## Management Discussion of Fund Performance

### Investment Objective and Strategies

The NBI Canadian All Cap Equity Fund's investment objective is to ensure long-term capital growth. The Fund invests directly, or through investments in securities of other mutual funds, in a portfolio comprised mainly of equity securities of Canadian companies.

The portfolio sub-advisor analyzes each company's potential for success in light of its current financial condition, its industry positioning, and economic and market conditions. The portfolio sub-advisor considers factors like growth potential, earning estimates, quality of management and current market value of the securities. It is expected that investments in foreign securities will not exceed approximately 30% of the Fund's assets.

### Risks

The Fund's risk level was modified from "low to medium" to "medium" during the year. This change aims to more accurately reflect the Fund's actual risk level.

### Results of Operations

For the twelve-month period ended December 31, 2020, the NBI Canadian All Cap Equity Fund's Investor Series units returned -3.37% compared to 5.60% for the Fund's benchmark, the S&P/TSX Composite 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 9.00% over the period, from \$645.78 million as at December 31, 2019 to \$703.88 million as at December 31, 2020.

After a start marked by the emergence of a global pandemic and the fastest stock market plunge in history, 2020 ended with a third consecutive quarter of strong gains for risk assets. Overall, these twelve months have witnessed extreme variations between asset classes - especially in the first quarter. Nonetheless, both the stock and bond markets generally ended 2020 in positive territory, as lower interest rates led to significant gains for fixed income securities while supporting the economic and stock market recovery.

Within equity regions, divergences were also quite spectacular, with the U.S. stock market dominating its peers throughout the first three quarters of the year thanks to its heavy allocation to more defensive sectors. That said, emerging markets rallied strongly later in 2020, lifted by a weaker U.S. dollar and the spectacular performance of Asian countries, most of which have managed to quickly contain the pandemic.

In this context, the S&P/TSX Index ended the year with a solid gain, after having rebounded sharply from a decline of more than 20% in March. Performance in 2020 was driven mainly by the Information Technology and Materials sectors while Real estate and Energy posted the lowest returns. During the last few weeks of the year, a sector rotation took place in favour of the cyclical sectors that were lagging at the beginning of the year.

Meanwhile, Canadian Small Caps outperformed their large-cap peers. The Materials and Consumer Staples sectors were the best performers while the Energy and Health Care sectors lagged.

Under these circumstances, the NBI Canadian All Cap Equity Fund underperformed its benchmark in 2020. Security selection detracted from the Fund's performance, particularly in the Energy sector. The Fund's underweight position in gold companies also weighed on performance. A lack of exposure to Information Technology companies, notably Shopify Inc., significantly detracted from the Fund's relative performance.

Other notable individual detractors from performance included holdings in Vermilion Energy Inc. and Fairfax Financial Holdings Ltd.

### Recent Developments

The portfolio manager initiated new positions in Manulife Financial Corp., CGI Group Inc. and TC Energy Corp., and eliminated the Fund's holdings in Vermilion Energy Inc. and Gilead Sciences.

Compared to the benchmark, the Fund is overweight in the Consumer Staples and Consumer Discretionary sectors; and underweight in the Information Technology sector and gold companies.

The portfolio manager expects the Canadian economy to improve in 2021 as vaccines are distributed, but economic challenges are likely to include some reduction in government stimulus as normalcy begins to return. Canadian equities, as measured by the S&P/TSX Composite Index, had by the end of the year, erased all declines from early 2020 and topped new highs, meaning that the quick "recovery trade" is likely behind us. Looking a bit below the surface, the portfolio manager believes there continues to be attractive opportunities as some sectors are trading at excessively high valuations while others are well positioned for future gains.

In terms of leadership within the stock market, he does not expect 2020 outperformers such as large technology companies to do poorly, but they should nonetheless yield their place at the top of the podium to stocks more exposed to global growth. Geographically, he continues to expect emerging markets to be the main beneficiaries of a cyclical recovery environment featuring depreciation of the U.S. dollar. As for the loonie, it is reasonable to assume that it will appreciate modestly over the next 12 months.

On April 30, 2020, the Fund's independent review committee (the "IRC") was reduced to three members when Jacques Valotaire and Jean-François Bernier resigned as IRC members. On July 1, 2020, the Fund's IRC was increased to four members when Marie Desroches was appointed as IRC member.

### 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:

	<b>Period ended December 31, 2020</b>
<b>Total brokerage fees</b>	548,917.59
<b>Brokerage fees paid to National Bank Financial</b>	39,222.45

#### **Holdings**

As at December 31, 2020, National Bank Investments Inc. held 271.69 Fund securities for a value of \$2,926.52, which represented close to 0.0005% 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:

- a) Purchasing or holding the securities of a related issuer, in particular, those of National Bank of Canada;
- b) 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;
- c) Purchasing or selling securities to another investment Fund managed by the manager or a company in the same group;
- d) 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);
- e) 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 <sup>†</sup>
Investor Series and Series R	2.00%	50.00%	50.00%
Advisor Series and Series T5*			
Front-end load	2.00%	50.00%	50.00%
Back-end load - 1 to 6 years	2.00%	25.00%	75.00%
Back-end load - 7 years and more	2.00%	50.00%	50.00%
Low load - 1 to 3 years	2.00%	25.00%	75.00%
Low load - 4 years and more	2.00%	50.00%	50.00%
Series F and Series F5	0.85%	—	100.00%
Series O	N/A**	—	100.00%

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

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

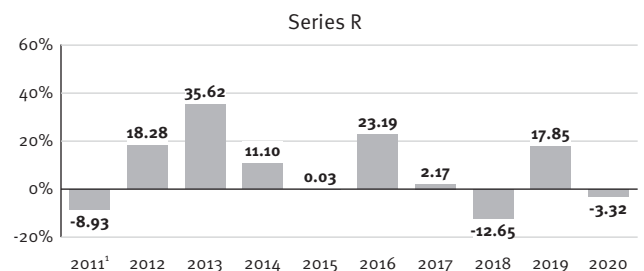
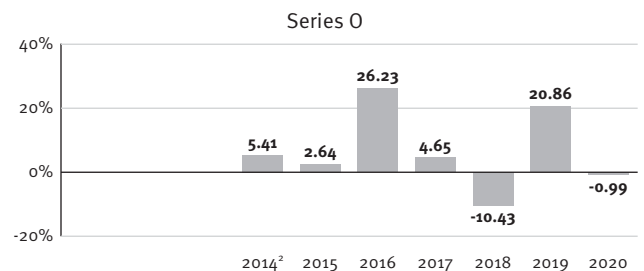
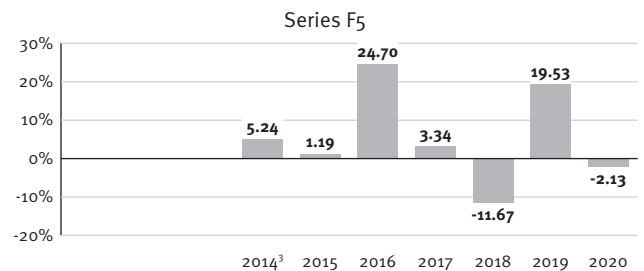
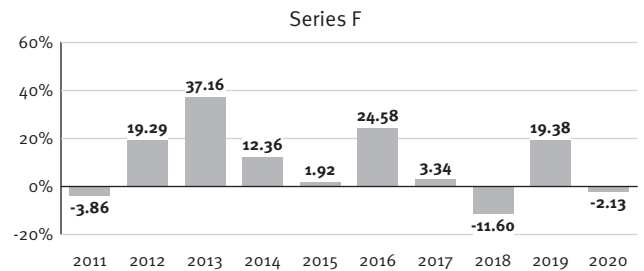
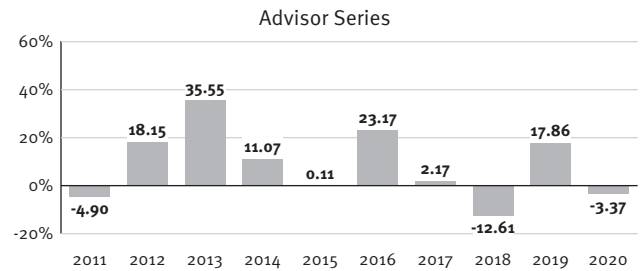
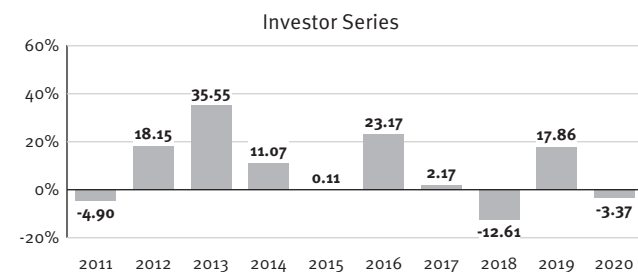
<sup>(\*\*)</sup> There are no management fees paid by the Fund with respect to the Series O. Instead, Series O securityholders pay a negotiated administration fee directly to National Bank Investments.

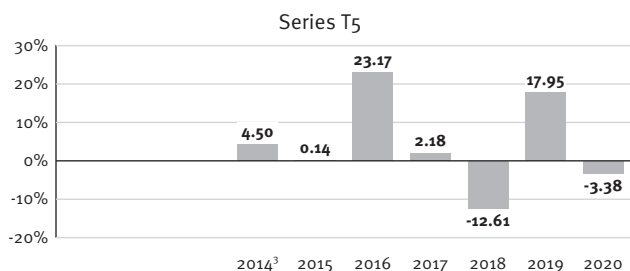
## Past Performance

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

## Annual Returns

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





<sup>(1)</sup> Returns for the period from May 27, 2011 (commencement of operations) to December 31, 2011.

<sup>(2)</sup> Returns for the period from April 17, 2014 (commencement of operations) to December 31, 2014.

<sup>(3)</sup> Returns for the period from May 21, 2014 (commencement of operations) to December 31, 2014.

## Annual Compounded Performance

The following table shows the Fund's annual compound returns for each series in existence greater than one year and for each of the periods ended on December 31, 2020, compared with the following benchmark:

- S&P/TSX Composite Index (CAD)

### NBI Canadian All Cap Equity Fund

	1 year	3 years	5 years	10 years	Since inception
<b>Investor Series<sup>1</sup></b>	(3.37)%	(0.16)%	4.60%	7.81%	–
Benchmark	5.60%	5.74%	9.33%	5.76%	–
<b>Advisor Series<sup>2</sup></b>	(3.37)%	(0.16)%	4.60%	7.81%	–
Benchmark	5.60%	5.74%	9.33%	5.76%	–
<b>Series F<sup>2</sup></b>	(2.13)%	1.09%	5.87%	9.13%	–
Benchmark	5.60%	5.74%	9.33%	5.76%	–
<b>Series F5<sup>3</sup></b>	(2.13)%	1.10%	5.90%	–	5.42%
Benchmark	5.60%	5.74%	9.33%	–	6.46%
<b>Series O<sup>4</sup></b>	(0.99)%	2.34%	7.20%	–	6.56%
Benchmark	5.60%	5.74%	9.33%	–	6.68%
<b>Series R<sup>5</sup></b>	(3.32)%	(0.16)%	4.61%	–	7.67%
Benchmark	5.60%	5.74%	9.33%	–	6.00%
<b>Series T5<sup>3</sup></b>	(3.38)%	(0.14)%	4.62%	–	4.18%
Benchmark	5.60%	5.74%	9.33%	–	6.46%

<sup>1</sup>Commencement of operations: October 15, 2001

<sup>2</sup>Commencement of operations: June 12, 2009

<sup>3</sup>Commencement of operations: May 21, 2014

<sup>4</sup>Commencement of operations: April 17, 2014

<sup>5</sup>Commencement of operations: May 27, 2011

A discussion of the Fund's relative performance in comparison to the index (or indices) can be found in the *Results of Operations* Section of this report.

### Index Description

The **S&P/TSX Composite Index** is a subset of the S&P/TSX and reflects share price fluctuations of a group of companies listed on the Toronto Stock Exchange (TSX) and weighted by market capitalization.

## 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>(\*)</sup> The Advisor Series was created on June 12, 2009.

Net Assets per Unit<sup>(1)</sup> Commencement of operations: October 15, 2001

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	25.08	23.14	26.49	26.69	21.67
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.79	0.69	0.38	0.27	0.30
Total expenses	(0.57)	(0.69)	(0.68)	(0.70)	(0.62)
Realized gains (losses)	(1.21)	2.19	0.58	1.93	1.77
Unrealized gains (losses)	0.14	2.21	(3.23)	(0.96)	3.48
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(0.85)	4.40	(2.95)	0.54	4.93
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.31	—	—	—	—
From capital gains	—	2.20	—	0.79	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.31	2.20	—	0.79	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	23.93	25.08	23.14	26.49	26.69

### Ratios and Supplemental Data

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	211,785	293,245	332,739	629,897	697,368
Number of units outstanding <sup>(5)</sup>	8,851,474	11,691,620	14,380,142	23,789,360	26,126,915
Management expense ratio (%) <sup>(6)</sup>	2.49	2.50	2.50	2.50	2.50
Management expense ratio before waivers or absorptions (%)	2.49	2.50	2.50	2.50	2.50
Trading expense ratio (%) <sup>(7)</sup>	0.09	0.14	0.11	0.10	0.17
Portfolio turnover rate (%) <sup>(8)</sup>	44.92	103.38	49.35	52.89	93.05
Net asset value per unit (\$)	23.93	25.08	23.14	26.48	26.69

### Series F

Net Assets per Unit<sup>(1)</sup> Commencement of operations: June 12, 2009

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	18.02	16.89	19.26	19.37	15.54
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.58	0.50	0.28	0.21	0.22
Total expenses	(0.21)	(0.26)	(0.28)	(0.28)	(0.26)
Realized gains (losses)	(0.82)	1.65	0.40	1.39	1.45
Unrealized gains (losses)	(1.00)	1.45	(2.48)	(0.57)	2.77
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(1.45)	3.34	(2.08)	0.75	4.18
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.66	0.20	—	—	—
From capital gains	—	1.94	0.12	0.76	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.66	2.14	0.12	0.76	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	16.99	18.02	16.89	19.26	19.37

### Ratios and Supplemental Data

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	11,515	25,888	34,272	44,195	23,177
Number of units outstanding <sup>(5)</sup>	677,836	1,436,156	2,029,385	2,295,460	1,196,854
Management expense ratio (%) <sup>(6)</sup>	1.18	1.25	1.35	1.35	1.34
Management expense ratio before waivers or absorptions (%)	1.19	1.26	1.36	1.36	1.35
Trading expense ratio (%) <sup>(7)</sup>	0.09	0.14	0.11	0.10	0.17
Portfolio turnover rate (%) <sup>(8)</sup>	44.92	103.38	49.35	52.89	93.05
Net asset value per unit (\$)	16.99	18.03	16.89	19.25	19.36

## Series F5

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

Commencement of operations: May 21, 2014

Accounting Period Ended	2020	2019	2018	2017	2016
	December 31	December 31	December 31	December 31	December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(a)</sup>	9.12	8.70	10.47	10.93	9.19
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.28	0.26	0.16	0.12	0.12
Total expenses	(0.11)	(0.13)	(0.14)	(0.15)	(0.15)
Realized gains (losses)	(0.42)	0.78	0.25	0.78	0.73
Unrealized gains (losses)	(0.39)	0.72	(2.32)	0.04	1.48
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(a)</sup>	(0.64)	1.63	(2.05)	0.79	2.18
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.19	0.11	—	—	—
From capital gains	—	0.81	0.09	0.27	—
Return of capital	0.26	0.33	0.52	0.55	0.46
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.45	1.25	0.61	0.82	0.46
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(a)</sup>	8.41	9.12	8.70	10.47	10.93

### Ratios and Supplemental Data

Accounting Period Ended	2020	2019	2018	2017	2016
	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) <sup>(5)</sup>	542	855	907	390	89
Number of units outstanding <sup>(5)</sup>	64,371	93,798	104,353	37,247	8,125
Management expense ratio (%) <sup>(6)</sup>	1.24	1.22	1.34	1.34	1.33
Management expense ratio before waivers or absorptions (%)	1.24	1.22	1.35	1.35	1.34
Trading expense ratio (%) <sup>(7)</sup>	0.09	0.14	0.11	0.10	0.17
Portfolio turnover rate (%) <sup>(8)</sup>	44.92	103.38	49.35	52.89	93.05
Net asset value per unit (\$)	8.42	9.12	8.69	10.47	10.93

## Series O

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

Commencement of operations: April 17, 2014

Accounting Period Ended	2020	2019	2018	2017	2016
	December 31	December 31	December 31	December 31	December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(a)</sup>	10.72	9.60	10.91	10.78	8.54
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.35	0.31	0.17	0.12	0.12
Total expenses	(0.01)	(0.02)	(0.01)	(0.01)	(0.02)
Realized gains (losses)	(0.49)	0.86	0.23	0.73	0.87
Unrealized gains (losses)	0.60	0.78	(1.70)	(0.18)	1.32
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(a)</sup>	0.45	1.93	(1.31)	0.66	2.29
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.26	0.16	—	—	—
From capital gains	—	0.72	0.16	0.38	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.26	0.88	0.16	0.38	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(a)</sup>	10.35	10.72	9.60	10.91	10.78

### Ratios and Supplemental Data

Accounting Period Ended	2020	2019	2018	2017	2016
	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) <sup>(5)</sup>	477,634	321,837	226,406	114,553	23,971
Number of units outstanding <sup>(5)</sup>	46,153,170	30,028,248	23,583,492	10,505,941	2,224,309
Management expense ratio (%) <sup>(6)</sup>	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
Trading expense ratio (%) <sup>(7)</sup>	0.09	0.14	0.11	0.10	0.17
Portfolio turnover rate (%) <sup>(8)</sup>	44.92	103.38	49.35	52.89	93.05
Net asset value per unit (\$)	10.35	10.72	9.60	10.90	10.78



## Series R

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

Commencement of operations: May 27, 2011

Accounting Period Ended	2020	2019	2018	2017	2016
	December 31	December 31	December 31	December 31	December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(a)</sup>	8.06	7.83	9.55	10.20	8.77
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.25	0.23	0.13	0.10	0.12
Total expenses	(0.18)	(0.23)	(0.24)	(0.26)	(0.25)
Realized gains (losses)	(0.38)	0.72	0.21	0.73	0.68
Unrealized gains (losses)	(0.15)	0.75	(1.15)	(0.33)	1.31
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(a)</sup>	(0.46)	1.47	(1.05)	0.24	1.86
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.08	—	—	—	—
From capital gains	—	0.68	—	0.25	—
Return of capital	0.41	0.47	0.57	0.61	0.53
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.49	1.15	0.57	0.86	0.53
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(a)</sup>	7.25	8.06	7.83	9.55	10.20

### Ratios and Supplemental Data

Accounting Period Ended	2020	2019	2018	2017	2016
	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) <sup>(5)</sup>	1,716	2,894	3,359	6,229	4,765
Number of units outstanding <sup>(5)</sup>	236,764	358,943	428,962	652,355	467,107
Management expense ratio (%) <sup>(6)</sup>	2.52	2.51	2.51	2.51	2.51
Management expense ratio before waivers or absorptions (%)	2.52	2.51	2.51	2.51	2.51
Trading expense ratio (%) <sup>(7)</sup>	0.09	0.14	0.11	0.10	0.17
Portfolio turnover rate (%) <sup>(8)</sup>	44.92	103.38	49.35	52.89	93.05
Net asset value per unit (\$)	7.25	8.06	7.83	9.55	10.20

## Series T5

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

Commencement of operations: May 21, 2014

Accounting Period Ended	2020	2019	2018	2017	2016
	December 31	December 31	December 31	December 31	December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(a)</sup>	8.18	7.96	9.60	10.17	8.66
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.25	0.24	0.14	0.10	0.12
Total expenses	(0.18)	(0.23)	(0.24)	(0.26)	(0.24)
Realized gains (losses)	(0.39)	0.73	0.21	0.71	0.77
Unrealized gains (losses)	(0.16)	0.67	(1.25)	(0.38)	1.43
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(a)</sup>	(0.48)	1.41	(1.14)	0.17	2.08
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.08	—	—	—	—
From capital gains	—	0.78	—	0.27	—
Return of capital	0.34	0.40	0.48	0.51	0.43
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.42	1.18	0.48	0.78	0.43
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(a)</sup>	7.44	8.18	7.96	9.60	10.17

### Ratios and Supplemental Data

Accounting Period Ended	2020	2019	2018	2017	2016
	December 31	December 31	December 31	December 31	December 31
Total net asset value (000's of \$) <sup>(5)</sup>	688	1,056	1,218	1,189	1,128
Number of units outstanding <sup>(5)</sup>	92,380	129,054	153,062	123,841	110,925
Management expense ratio (%) <sup>(6)</sup>	2.49	2.48	2.47	2.47	2.47
Management expense ratio before waivers or absorptions (%)	2.50	2.49	2.48	2.48	2.48
Trading expense ratio (%) <sup>(7)</sup>	0.09	0.14	0.11	0.10	0.17
Portfolio turnover rate (%) <sup>(8)</sup>	44.92	103.38	49.35	52.89	93.05
Net asset value per unit (\$)	7.45	8.19	7.96	9.60	10.17



## Private Series\*

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

Net Assets per Unit<sup>(1)</sup> Commencement of operations: December 1, 2015

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
<b>Net Assets, Beginning of Accounting Period Shown</b> <sup>(4)</sup>	11.82	10.69	12.17	12.24	9.79
<b>Increase (Decrease) from Operations (\$)</b>					
Total revenue	0.38	0.33	0.17	0.13	0.14
Total expenses	(0.11)	(0.12)	(0.13)	(0.13)	(0.14)
Realized gains (losses)	(0.57)	0.98	0.08	0.88	1.30
Unrealized gains (losses)	0.08	0.92	0.58	(0.35)	1.92
<b>Total Increase (Decrease) from Operations (\$)</b> <sup>(2)</sup>	(0.22)	2.11	0.70	0.53	3.22
<b>Distributions (\$)</b>					
From net investment income (excluding dividends)	—	—	—	—	—
From dividends	0.27	0.12	—	—	—
From capital gains	—	0.87	0.10	0.53	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions (\$)</b> <sup>(3)</sup>	0.27	0.99	0.10	0.53	—
<b>Net Assets, End of Accounting Period Shown (\$)</b> <sup>(4)</sup>	11.33	11.82	10.69	12.17	12.24

## Ratios and Supplemental Data

Accounting Period Ended	2020 December 31	2019 December 31	2018 December 31	2017 December 31	2016 December 31
Total net asset value (000's of \$) <sup>(5)</sup>	1	1	1	37,207	19,722
Number of units outstanding <sup>(5)</sup>	117	114	105	3,057,836	1,610,724
Management expense ratio (%) <sup>(6)</sup>	0.89	0.90	0.96	0.96	1.03
Management expense ratio before waivers or absorptions (%)	1.55	1.37	0.96	0.96	1.04
Trading expense ratio (%) <sup>(7)</sup>	0.09	0.14	0.11	0.10	0.17
Portfolio turnover rate (%) <sup>(8)</sup>	44.92	103.38	49.35	52.89	93.05
Net asset value per unit (\$)	11.33	11.82	10.69	12.17	12.24

<sup>(4)</sup> This information is derived from the Fund's Annual Audited Financial Statements. The net assets per unit presented in the financial statements might differ from the net asset value calculated for fund pricing purposes. The differences are explained in the notes to the financial statements.

<sup>(2)</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the average number of units outstanding over the accounting period.

<sup>(3)</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both.

<sup>(4)</sup> The net assets are calculated in accordance with IFRS.

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

<sup>(6)</sup> Management expense ratio is based on total expenses including sales taxes for the accounting period indicated (excluding commission, other portfolio transaction costs and withholding taxes) and is expressed as an annualized percentage of daily average net value during the accounting period.

<sup>(7)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the accounting period. The trading expense ratio includes, if necessary, the trading expenses from its underlying funds, as described in Article 15.2 of Regulation 81-106.

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

## Summary of Investment Portfolio

As of December 31, 2020

### Portfolio Top Holdings

	% of Net Asset Value
Power Corporation of Canada .....	5.9
Fairfax Financial Holdings Ltd. ....	5.8
Manulife Financial Corp. ....	4.3
Empire Company Ltd., Class A .....	4.2
Enbridge Inc. ....	4.1
Imperial Tobacco Group PLC .....	3.9
Fortis Inc. ....	3.8
TC Energy Corp. ....	3.3
Great Canadian Gaming Corp. ....	3.2
Keyera Corp. ....	3.2
Anthem Inc. ....	3.1
Franco-Nevada Corp. ....	3.1
Brookfield Asset Management Inc., Class A .....	3.0
Alimentation Couche-Tard Inc., Class B .....	2.9
Canadian Natural Resources Ltd. ....	2.9
CGI Group Inc., Class A .....	2.8
Canadian Pacific Railway Co. ....	2.5
McKesson Corp. ....	2.5
Topaz Energy Corp. ....	2.5
TFI International Inc. ....	2.4
Tourmaline Oil Corp. ....	2.4
Cash, Money Market and Other Net Assets .....	2.3
Finning International Inc. ....	2.2
Magna International Inc. ....	2.2
CCL Industries Inc., Class B .....	2.1
	80.6

Net asset value ..... \$703,881,057

### Asset Mix

	% of Net Asset Value
Canadian Equity .....	86.7
US Equity .....	7.1
International Equity .....	3.9
Cash, Money Market and Other Net Assets .....	2.3

### Sector Allocation

	% of Net Asset Value
Financials .....	22.5
Energy .....	18.4
Consumer Staples .....	12.8
Consumer Discretionary .....	8.9
Materials .....	7.3
Industrials .....	7.0
Utilities .....	6.7
Health Care .....	5.6
Information Technology .....	5.0
Real Estate .....	2.0
Communication Services .....	1.5
Cash, Money Market and Other Net Assets .....	2.3

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

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