

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2023

Short-Term and Income Fund

NBI Jarislowsky Fraser Select 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.

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

Management Discussion of Fund Performance

Results of Operations

For the six-month period ended June 30, 2023, the NBI Jarislowsky Fraser Select Income Fund's Advisor Series units returned 3.82% compared to 3.33% for the Fund's blended benchmark. The broad-based index, the Morningstar Canada Liquid Bond Index (CAD), returned 2.48%. Unlike the indices, the Fund's performance is calculated after fees and expenses. Please see the *Past Performance* section for the returns of all of the Fund's series, which may vary mainly because of fees and expenses.

The Fund's net asset value dropped by 5.39% over the period, from \$159.61 million as at December 31, 2022 to \$151.00 million as at June 30, 2023.

Financial markets put aside concerns over growth, inflation, and US regional banks in the semester, generating strong returns in most equity markets.

Canadian GDP was flat in April, but it is expected to reach an annualized pace of 1.4% for the second quarter, while inflation slowed to its weakest pace in two years, rising to 3.4% in May, year-over-year, to match expectations.

In Canada, the provincial and corporate sectors broadly outperformed federal bonds, due in part to somewhat attractive valuations and a growing sense that inflation could moderate without the need for a recession.

In this context, the fund outperformed the benchmark for the period with the help of the Fund's stock selection and an overweight position in the Consumer Discretionary and Financials sector. Stock selection in the Technology sector with our overweight position in the Health Care sector also contributed positively. The top individual contributors to performance for the period were Restaurant Brands, Microsoft Corp, and Stantec Inc. The top individual detractors of performance for the period were TC Energy Corp, Bank of Nova Scotia, and TELUS Corporation.

Recent Developments

For the past year, the portfolio manager exited the funds positions in Boyd Group Services Inc., Alimentation Couche-Tard, CAE Inc., LifeWorks Inc, and initiated new positions in Bank of Montreal and Tourmaline Oil Corporation.

Compared to the index, the Fund is most notably overweight in Consumer Staples, Health Care, and Consumer Discretionary sectors. The Fund is most underweight in the Materials and Financials.

The persistence of recession calls from financial indicators stands in contrast to the real economic indicators which have been slowing but remain at relatively strong levels.

Financial markets may be faced with a weaker economic growth environment, which would negatively impact earnings growth, but the portfolio expects the positive influence of declining inflation to outweigh the negative influence of slower growth.

Given the anticipated slower economic backdrop, the importance of careful security selection is paramount to a successful investment portfolio.

On May 1, 2023, the Fund's independent review committee (the "IRC") was increased to four members when Stéphanie Raymond-Bougie 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:

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

Fund securities are offered by National Bank Direct Brokerage (a division of National Bank Financial Inc., an indirect wholly owned subsidiary of the Bank), CABN Investments (a division of NBII), National Bank Financial Inc. and other affiliated entities. Each month, brokers receive a commission representing a percentage of the average daily value of the securities held by their clients.

Brokerage Fees

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

	Period ended June 30, 2023
Total brokerage fees	5,085.35
Brokerage fees paid to National Bank Financial	290.07

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, NBI, 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 [†]
Advisor Series*			
Front-end load	1.40%	53.57%	46.43%
Low load - 1 to 3 years	1.40%	17.86%	82.14%
Low load - 4 years and more	1.40%	53.57%	46.43%
Series E	0.65%	-	100.00%
Series F	0.65%	-	100.00%

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

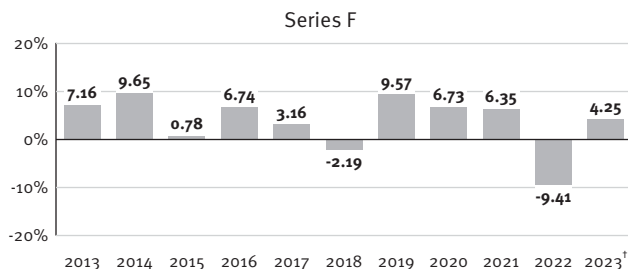
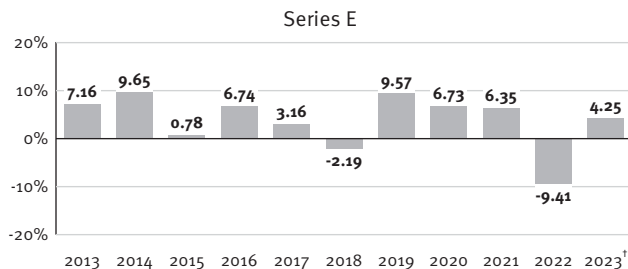
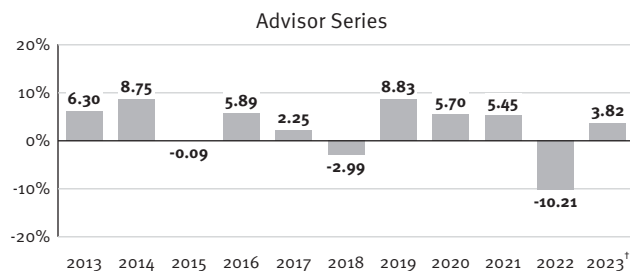
^(†) Excluding sales commissions paid on the Advisor Series with the low sales charge option, which are not included in the management fees.

Past Performance

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

Annual Returns

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



^(†) Returns for the period from January 1, 2023 to June 30, 2023.

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.

Advisor Series

Net Assets per Unit ⁽¹⁾		Commencement of operations: October 7, 2010				
Accounting Period Ended	2023 June 30	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31
Net Assets, Beginning of Accounting Period Shown⁽⁴⁾	8.87	10.33	10.31	10.15	9.70	10.42
Increase (Decrease) from Operations (\$)						
Total revenue	0.16	0.28	0.28	0.31	0.33	0.32
Total expenses	(0.08)	(0.16)	(0.18)	(0.17)	(0.16)	(0.16)
Realized gains (losses)	0.01	(0.07)	0.36	0.10	0.15	0.11
Unrealized gains (losses)	0.27	(1.14)	0.09	0.32	0.53	(0.57)
Total Increase (Decrease) from Operations (\$)⁽²⁾	0.36	(1.09)	0.55	0.56	0.85	(0.30)
Distributions (\$)						
From net investment income (excluding dividends)	0.03	0.04	0.01	0.01	0.03	0.03
From dividends	0.05	0.08	0.10	0.12	0.14	0.13
From capital gains	—	—	0.12	—	—	—
Return of capital	0.10	0.29	0.31	0.27	0.22	0.26
Total Annual Distributions (\$)⁽³⁾	0.18	0.41	0.54	0.40	0.39	0.42
Net Assets, End of Accounting Period Shown (\$)⁽⁴⁾	9.03	8.87	10.33	10.31	10.15	9.70

Ratios and Supplemental Data

Accounting Period Ended	2023 June 30	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31
Total net asset value (000's of \$) ⁽⁵⁾	84,951	95,732	126,844	113,393	112,167	111,412
Number of units outstanding ⁽⁶⁾	9,402,835	10,792,453	12,277,253	10,993,341	11,045,325	11,483,126
Management expense ratio (%) ⁽⁴⁾	1.69	1.69	1.71	1.70	1.63	1.61
Management expense ratio before waivers or absorptions (%)	1.71	1.71	1.73	1.71	1.64	1.62
Trading expense ratio (%) ⁽⁷⁾	0.01	0.01	0.02	0.01	0.01	0.01
Portfolio turnover rate (%) ⁽⁸⁾	20.30	60.63	54.06	47.42	50.21	42.51
Net asset value per unit (\$)	9.03	8.87	10.33	10.31	10.16	9.70

Series F/E

Net Assets per Unit ⁽¹⁾		Commencement of operations: October 7, 2010				
Accounting Period Ended	2023 June 30	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31
Net Assets, Beginning of Accounting Period Shown⁽⁴⁾	9.86	11.38	11.26	10.99	10.41	11.10
Increase (Decrease) from Operations (\$)						
Total revenue	0.17	0.31	0.31	0.34	0.35	0.35
Total expenses	(0.04)	(0.09)	(0.10)	(0.09)	(0.09)	(0.08)
Realized gains (losses)	0.01	(0.09)	0.39	0.11	0.16	0.12
Unrealized gains (losses)	0.29	(1.25)	0.10	0.32	0.59	(0.62)
Total Increase (Decrease) from Operations (\$)⁽²⁾	0.43	(1.12)	0.70	0.68	1.01	(0.23)
Distributions (\$)						
From net investment income (excluding dividends)	0.08	0.14	0.10	0.10	0.12	0.12
From dividends	0.05	0.08	0.12	0.14	0.15	0.14
From capital gains	—	—	0.13	—	—	—
Return of capital	0.07	0.23	0.23	0.20	0.15	0.18
Total Annual Distributions (\$)⁽³⁾	0.20	0.45	0.58	0.44	0.42	0.44
Net Assets, End of Accounting Period Shown (\$)⁽⁴⁾	10.08	9.86	11.38	11.26	10.99	10.41

Ratios and Supplemental Data

Accounting Period Ended	2023 June 30	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31
Total net asset value (000's of \$) ⁽⁵⁾	66,052	63,883	81,890	77,128	83,432	81,647
Number of units outstanding ⁽⁶⁾	6,551,967	6,481,973	7,196,149	6,848,850	7,589,768	7,839,208
Management expense ratio (%) ⁽⁴⁾	0.84	0.84	0.84	0.85	0.80	0.78
Management expense ratio before waivers or absorptions (%)	0.85	0.85	0.85	0.86	0.81	0.79
Trading expense ratio (%) ⁽⁷⁾	0.01	0.01	0.02	0.01	0.01	0.01
Portfolio turnover rate (%) ⁽⁸⁾	20.30	60.63	54.06	47.42	50.21	42.51
Net asset value per unit (\$)	10.08	9.86	11.38	11.26	10.99	10.42

- ⁽¹⁾ This information is derived from the Fund's Annual Audited Financial Statements and Interim Unaudited Financial Statements. The net assets per unit presented in the financial statements might differ from the net asset value calculated for fund pricing purposes. The differences are explained in the notes to the financial statements.
- ⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the average number of units outstanding over the accounting period.
- ⁽³⁾ Distributions were paid in cash or reinvested in additional units of the Fund, or both.
- ⁽⁴⁾ The net assets are calculated in accordance with IFRS.
- ⁽⁵⁾ This information is provided as at the last day of the accounting period shown.
- ⁽⁶⁾ Management expense ratio is based on total expenses including sales taxes for the accounting period indicated (excluding commission, other portfolio transaction costs and withholding taxes) and is expressed as an annualized percentage of daily average net value during the accounting period.
- ⁽⁷⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the accounting period. The trading expense ratio includes, if necessary, the trading expenses from its underlying funds, as described in Article 15.2 of Regulation 81-106.
- ⁽⁸⁾ The Fund's portfolio turnover rate indicates how actively the Fund portfolio's manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the accounting period. The higher a Fund's portfolio turnover rate in an accounting period, the greater the trading costs payable by the Fund in the accounting period, and the greater the chance of an investor receiving taxable capital gains in the accounting period. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

Summary of Investment Portfolio

As of June 30, 2023

Portfolio Top Holdings

	% of Net Asset Value
Province of Ontario, 2.80%, due June 2, 2048	3.0
Canada Housing Trust, 2.55%, due December 15, 2023	2.9
National Bank of Canada, 1.53%, due June 15, 2026	2.1
Bank of Montreal, 4.71%, due December 7, 2027	1.9
Province of Quebec, 5.00%, due December 1, 2041	1.7
Royal Bank of Canada, 4.61%, due July 26, 2027	1.5
Government of Canada, 1.25%, due March 1, 2025	1.5
Cash, Money Market and Other Net Assets	1.5
Microsoft Corp.	1.4
Province of Quebec, 2.85%, due December 1, 2053	1.4
TC Energy Corp.	1.4
Walt Disney Co./The, 3.06%, due March 30, 2027	1.4
Government of Canada, 2.00%, due December 1, 2051	1.3
Province of Ontario, 2.90%, due June 2, 2028	1.3
Unilever PLC, ADR	1.3
Wells Fargo & Co., 3.87%, due May 21, 2025	1.3
Canadian Imperial Bank of Commerce, 4.95%, due June 29, 2027	1.2
LCI Industries	1.2
TELUS Corp.	1.2
Abbott Laboratories	1.1
Royal Bank of Canada, 2.35%, due July 2, 2024	1.1
Brookfield Corp.	1.1
Fédération des caisses Desjardins, Floating, due May 26, 2030	1.1
Government of Canada, 2.25%, due June 1, 2029	1.1
Open Text Corp.	1.0
	37.0
Net asset value	\$151,002,926

Asset Mix

	% of Net Asset Value
Corporate Bonds	28.3
Canadian Equity	20.8
Provincial Bonds	18.6
Federal Bonds	15.1
US Bonds	4.9
US Equity	4.6
International Equity	3.4
Foreign Bonds	2.1
Municipal Bonds	0.7
Cash, Money Market and Other Net Assets	1.5

Sector Allocation

	% of Net Asset Value
Corporate Bonds	28.3
Provincial Bonds	18.6
Federal Bonds	15.1
Financials	7.4
US Bonds	4.9
Industrials	3.9
Consumer Discretionary	3.4
Energy	3.4
Consumer Staples	3.1
Information Technology	2.7
Health Care	2.4
Foreign Bonds	2.1
Materials	1.3
Communication Services	1.2
Municipal Bonds	0.7
Cash, Money Market and Other Net Assets	1.5

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.

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.sedar.com.