

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2023

Meritage Equity Portfolio
Meritage American Equity Portfolio

Notes on forward-looking statements

This report may contain forward-looking statements concerning the Portfolio, 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 1-866-603-3601, by writing to us at investments@nbc.ca, 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 Portfolio’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 Meritage American Equity Portfolio's Advisor Series units returned 9.94% compared to 14.16% for the Portfolio's benchmark, the S&P 500 Index (CAD). Unlike the benchmark, the Portfolio's performance is calculated after fees and expenses. Please see the *Past Performance* section for the returns of all of the Portfolio's series, which may vary mainly because of fees and expenses.

Certain series of the Portfolio, 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 Portfolio have a meaningful impact on the Portfolio's ability to implement its investment strategy or to fulfill its investment objective.

The Portfolio's net asset value rose by 0.69% over the period, from \$57.68 million as at December 31, 2022 to \$58.08 million as at June 30, 2023.

A relative calm settled over the markets in the second quarter of 2023, offering investors some respite after a prolonged period of elevated volatility. Indeed, despite a few jolts caused by the failure of certain U.S. regional banks, the combination of slowing inflation and the resilience of the U.S. economy was enough to inspire optimism in the markets. Apart from the strong performance of the U.S. equity market and especially its technology giants, the main asset classes ended the period little changed, with bonds slightly underperforming equities.

On the economic front, data continues to send out often contradictory signals, underlining the uniqueness of the current cycle. Specifically, the weakness of indicators linked to the manufacturing sector and the significant contraction in the price of several commodities point to a deterioration in economic activity. However, the service sector remains resilient thanks to relatively upbeat consumers, which are supported by excess savings and a strong labour market. The end result is an economy that, for the time being, continues to show weak but positive growth, putting off fears of recession until later.

Finally, the majority of commodities declined during the first half of 2023, illustrating deflationary pressures against a background of restrictive monetary policies. Nevertheless, the price of gold managed to record gains, supported by an increasingly tense geopolitical context and a marginally weaker U.S. dollar. Meanwhile, the Canadian dollar appreciated against the greenback, benefitting notably from the Bank of Canada's preference for additional interest rate hikes.

Meanwhile, even though the Federal Reserve took a break in June, it hinted that there could still be two more rate hikes this year, starting with the July meeting. Clearly, the prospects of rate cuts before the end of the year seem increasingly unlikely, as the return to more accommodative policies will have to wait.

Given this context, the Meritage American Equity Portfolio underperformed its benchmark over the period. The NBI U.S. Equity Private Portfolio provided the most value to the Portfolio while the Beutel Goodman American Equity Fund contributed the least to the overall performance of the Portfolio during the period.

Recent Developments

As the current economic climate remains highly uncertain, the manager continues to anticipate significant market volatility. In the best-case scenario, a better balance in the labour market would lead to a deceleration in wage growth and core inflation, thus opening the door to less restrictive monetary policies. Yet, while not impossible, this scenario seems unlikely at this stage, as the cautionary signals continue to mount.

As such, although the manager still expects a sustained decline in inflation and an imminent pause in interest rate hikes, the combination of restrictive monetary policies, a vulnerable job market, and weak corporate earnings prospects calls for a more defensive investment strategy. What's more, several early signs of an economic slowdown are pointing towards the second half of the year, when the impact of previous rate hikes should become more tangible.

Against this background, the manager maintains a defensive asset allocation.

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 Portfolio are as follows:

Trustee, Custodian and Registrar

Natcan Trust Company ("NTC"), a direct or indirect wholly-owned subsidiary of the Bank, is the Portfolio's trustee. In this capacity, it is the legal owner of the Portfolio's investments.

NTC also acts as the Portfolio's custodian, registrar and transfer agent. The Manager pays NTC for its services as custodian based on the assets held by the Portfolio. In addition, a flat fee per transaction is paid to NTC. With respect to the registrar and transfer agent services for the Portfolio, a fixed annual amount is paid to NTC by the Manager.

Agent for securities lending transactions

NTC acts as the agent for securities lending transactions acts on behalf of the Portfolio in administering securities lending transactions entered into by the Portfolio. NTC is an affiliate of the Manager.

Manager

As described in the *Management Fees* section, the Portfolio pays annual management fees to National Bank Investments Inc. (the "Manager") in consideration for management services. The management fees cover mainly the Manager's costs of managing the Portfolio's investments. The Manager is an indirect wholly-owned subsidiary of National Bank of Canada (the "Bank").

Since October 29, 2013, the Manager pays the operating expenses of the Portfolio other than its "portfolio costs" (defined below) (the "variable operating expenses"), in exchange for the Portfolio's payment to the Manager of annual fixed-rate administration fees with respect to each series of the Portfolio.

The administration fees are equal to a specified percentage of the net asset value of each series of the Portfolio, calculated and paid in the same manner as the Portfolio'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 Portfolio shall also pay certain portfolio 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 Meritage Portfolios.

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 Portfolio costs.

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 Portfolio. A flat fee is payable annually to NBT for its management services.

Distribution and Dealer Compensation

Portfolio 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 National Bank Investments Inc.), 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. In addition, when Advisor Series securities are purchased, brokers usually receive a commission, which varies depending on the sales charge option chosen at the time of investment.

Holdings

As at June 30, 2023, National Bank Investments Inc. held 253.50 Portfolio securities for a value of \$2,403.14, which represented close to than 0.0077% of the net asset value of the Portfolio at that date. Transactions between National Bank Investments Inc. and the Portfolio were carried out in the normal course of business and at the Portfolio's net asset value as at the transaction date.

Administrative and Operating Services

NBT provides the Portfolio with certain services, including accounting, reporting and portfolio valuation services. The costs incurred for these services are paid by the Manager to NBT.

Management Fees

The Portfolio pays annual management fees to the Manager in consideration for management, portfolio advisory and administrative services and facilities required by the Portfolio in its day-to-day operations. As the Portfolio invests in underlying funds, the fees and expenses payable in connection with the management of the underlying funds are in addition to those payable by the Portfolio. However, the Manager makes sure that the Portfolio does not pay any management (or operating) fees that, to a reasonable person, would duplicate a fee payable by the underlying fund for the same service.

The management fees are calculated as a fixed percentage of the Portfolio's daily net asset value, are accrued on a daily basis and are paid monthly. The Portfolio is required to pay applicable taxes on the management fees.

Under the heading *Distribution*, expenses include the broker's compensation consisting of the maximum annual trailer fees and sales commissions paid to brokers. Under the heading *Other*, the fees relate mainly to investment management, investment advisory services, general administration and profit. The breakdown of the main services received in consideration for the management fees, as a percentage of the management fees collected from the Portfolio, is as follows:

Series	Management Fees	Distribution	Others [†]
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%
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	1.00%	—	100.00%

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

^(**) Excluding sales commissions paid on the Advisor Series and Series T5 with the low sales charge option and deferred sales charge option, which are not included in the management fees.

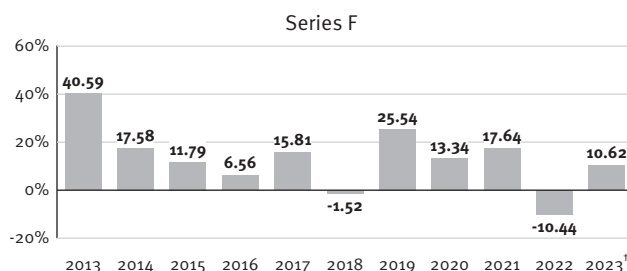
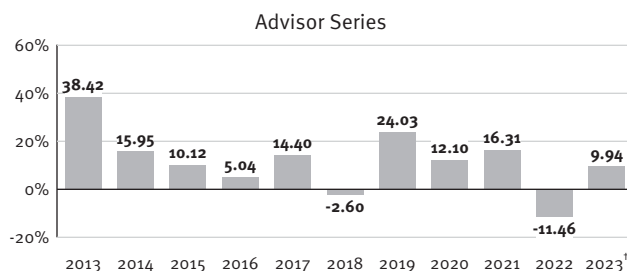
^(†) Rate applicable for all investments, including Advisor Series existing before May 14, 2015, systematic investment programs, reinvested distributions and switches.

Past Performance

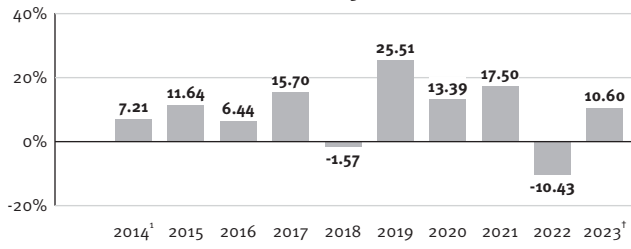
The performance of each series of the Portfolio presented below is calculated as of December 31 of each year. It assumes that all distributions made in the periods shown were reinvested in additional securities and does not take into account sales, redemption charges, distributions, or optional charges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

Annual Returns

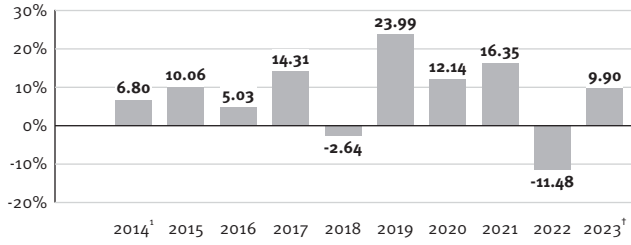
The bar charts indicate the performance for each the Portfolio's series in existence greater than one year during the years shown, and illustrate how the performance has changed from year to year. They show, in percentage terms, how much an investment made on January 1 (or made commencing from the start 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.



Series F5



Series T5



⁽¹⁾ Returns for the period of September 5, 2014 (commencement of operations) to December 31, 2014.

⁽²⁾ Returns for the period from January 1, 2023 to June 30, 2023.

Financial Highlights

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

Advisor Series

Net Assets per Unit⁽¹⁾ Commencement of operations: September 25, 2007

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⁾	15.69	22.92	19.78	18.63	15.02	16.21
Increase (Decrease) from Operations (\$)						
Total revenue	—	0.18	0.18	0.40	0.19	0.20
Total expenses	(0.20)	(0.50)	(0.52)	(0.45)	(0.42)	(0.41)
Realized gains (losses)	0.26	5.32	1.69	2.26	0.92	2.24
Unrealized gains (losses)	1.49	(7.75)	1.88	(0.10)	2.97	(2.36)
Total Increase (Decrease) from Operations (\$) ⁽²⁾	1.55	(2.75)	3.23	2.11	3.66	(0.33)
Distributions (\$)						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	—	—	—	—	—	—
From capital gains	—	4.56	0.09	1.10	—	0.76
Return of capital	—	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	—	4.56	0.09	1.10	—	0.76
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	17.22	15.69	22.92	19.78	18.63	15.02

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⁾	39,113	38,923	48,512	43,670	42,431	38,048
Number of units outstanding ⁽⁶⁾	2,266,881	2,480,521	2,116,759	2,207,837	2,276,999	2,533,864
Management expense ratio (%) ⁽⁴⁾	2.49	2.48	2.45	2.46	2.47	2.46
Management expense ratio before waivers or absorptions (%)	2.50	2.51	2.50	2.51	2.51	2.50
Trading expense ratio (%) ⁽⁷⁾	0.04	0.02	0.03	0.04	0.03	0.10
Portfolio turnover rate (%) ⁽⁸⁾	—	66.85	—	18.58	3.66	32.86
Net asset value per unit (\$) ⁽¹⁾	17.25	15.69	22.92	19.78	18.63	15.02

Series F

Net Assets per Unit⁽¹⁾ Commencement of operations: September 25, 2007

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⁾	17.23	25.67	22.38	21.33	16.99	18.61
Increase (Decrease) from Operations (\$)						
Total revenue	—	0.21	0.21	0.48	0.22	0.23
Total expenses	(0.12)	(0.30)	(0.31)	(0.27)	(0.25)	(0.25)
Realized gains (losses)	0.28	6.06	1.95	2.64	1.06	2.56
Unrealized gains (losses)	1.64	(8.69)	2.09	(0.04)	3.30	(2.82)
Total Increase (Decrease) from Operations (\$) ⁽²⁾	1.80	(2.72)	3.94	2.81	4.33	(0.28)
Distributions (\$)						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	—	—	—	—	—	—
From capital gains	—	5.71	0.67	1.80	—	1.32
Return of capital	—	—	—	—	—	—
Total Annual Distributions (\$) ⁽³⁾	—	5.71	0.67	1.80	—	1.32
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	19.02	17.23	25.67	22.38	21.33	16.99

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⁾	18,670	18,455	22,149	19,009	18,195	15,328
Number of units outstanding ⁽⁶⁾	979,657	1,070,957	862,888	849,216	853,080	902,251
Management expense ratio (%) ⁽⁴⁾	1.35	1.33	1.32	1.31	1.30	1.30
Management expense ratio before waivers or absorptions (%)	1.36	1.36	1.37	1.36	1.35	1.34
Trading expense ratio (%) ⁽⁷⁾	0.04	0.02	0.03	0.04	0.03	0.10
Portfolio turnover rate (%) ⁽⁸⁾	—	66.85	—	18.58	3.66	32.86
Net asset value per unit (\$) ⁽¹⁾	19.06	17.23	25.67	22.38	21.33	16.99

Series F5

Net Assets per Unit⁽⁴⁾

Commencement of operations: September 5, 2014

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⁾	8.78	13.84	12.66	12.68	10.56	12.19
Increase (Decrease) from Operations (\$)						
Total revenue	—	0.11	0.12	0.29	0.13	0.14
Total expenses	(0.06)	(0.16)	(0.18)	(0.16)	(0.16)	(0.17)
Realized gains (losses)	0.14	3.18	1.11	1.54	0.64	1.65
Unrealized gains (losses)	0.82	(4.56)	1.03	(0.09)	2.09	(1.66)
Total Increase (Decrease) from Operations (\$)⁽²⁾	0.90	(1.43)	2.08	1.58	2.70	(0.04)
Distributions (\$)						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	—	—	—	—	—	—
From capital gains	—	2.90	0.37	0.99	—	0.86
Return of capital	0.22	0.69	0.63	0.64	0.53	0.61
Total Annual Distributions (\$)⁽³⁾	0.22	3.59	1.00	1.63	0.53	1.47
Net Assets, End of Accounting Period Shown (\$)⁽⁴⁾	9.46	8.78	13.84	12.66	12.68	10.56

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 (ooo's of \$) ⁽⁵⁾	156	143	167	116	104	96
Number of units outstanding ⁽⁵⁾	16,456	16,319	12,061	9,174	8,232	9,100
Management expense ratio (%) ⁽⁶⁾	1.37	1.36	1.34	1.34	1.34	1.34
Management expense ratio before waivers or absorptions (%)	1.38	1.39	1.39	1.39	1.39	1.39
Trading expense ratio (%) ⁽⁷⁾	0.04	0.02	0.03	0.04	0.03	0.10
Portfolio turnover rate (%) ⁽⁸⁾	—	66.85	—	18.58	3.66	32.86
Net asset value per unit (\$) ⁽¹⁾	9.48	8.78	13.84	12.66	12.68	10.56

Series T5

Net Assets per Unit⁽⁴⁾

Commencement of operations: September 5, 2014

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⁾	8.79	13.61	12.30	12.25	10.33	11.67
Increase (Decrease) from Operations (\$)						
Total revenue	—	0.10	0.11	0.22	0.13	0.15
Total expenses	(0.11)	(0.29)	(0.31)	(0.28)	(0.29)	(0.29)
Realized gains (losses)	0.14	2.98	1.01	1.44	0.63	1.58
Unrealized gains (losses)	0.88	(4.45)	1.12	(0.20)	1.97	(1.87)
Total Increase (Decrease) from Operations (\$)⁽²⁾	0.91	(1.66)	1.93	1.18	2.44	(0.43)
Distributions (\$)						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	—	—	—	—	—	—
From capital gains	—	2.56	0.05	0.73	—	0.48
Return of capital	0.22	0.68	0.62	0.62	0.52	0.58
Total Annual Distributions (\$)⁽³⁾	0.22	3.24	0.67	1.35	0.52	1.06
Net Assets, End of Accounting Period Shown (\$)⁽⁴⁾	9.42	8.79	13.61	12.30	12.25	10.33

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 (ooo's of \$) ⁽⁵⁾	138	159	212	169	202	163
Number of units outstanding ⁽⁵⁾	14,634	18,144	15,561	13,711	16,453	15,802
Management expense ratio (%) ⁽⁶⁾	2.50	2.48	2.43	2.40	2.51	2.48
Management expense ratio before waivers or absorptions (%)	2.52	2.51	2.48	2.46	2.56	2.53
Trading expense ratio (%) ⁽⁷⁾	0.04	0.02	0.03	0.04	0.03	0.10
Portfolio turnover rate (%) ⁽⁸⁾	—	66.85	—	18.58	3.66	32.86
Net asset value per unit (\$) ⁽¹⁾	9.43	8.79	13.61	12.30	12.25	10.33

- ⁽¹⁾ This information is derived from the Portfolio'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 Portfolio, 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 portfolio's turnover rate indicates how actively the Portfolio's manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Portfolio buying and selling all of the securities in its portfolio once in the course of the accounting period. The higher a portfolio's turnover rate in an accounting period, the greater the trading costs payable by the Portfolio 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 Portfolio.

Summary of Investment Portfolio

As of June 30, 2023

Portfolio Top Holdings

	% of Net Asset Value
AGF American Growth Fund, Series O	35.2
NBI U.S. Equity Private Portfolio, SERIES O	34.9
Beutel Goodman American Equity Fund, Series I	20.0
TD US Mid-Cap Growth Fund , Series O	10.1
Cash, Money Market and Other Net Assets	(0.2)
	100.0
Net asset value	\$58,076,312

Sector Allocation

	% of Net Asset Value
Information Technology	25.0
Health Care	15.3
Financials	12.7
Consumer Discretionary	12.7
Industrials	10.9
Communication Services	9.0
Consumer Staples	7.8
Energy	2.4
Materials	2.0
Real Estate	1.5
Cash, Money Market and Other Net Assets	0.7

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

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Portfolio. A quarterly update is available. Please consult the website www.nbinvestments.ca, or contact your advisor.

The prospectus and other information on the underlying investment funds are available on the website indicated above or on SEDAR's website at www.sedar.com.