

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2023

Specialized Fund

NBI Innovators Fund (formerly NBI Science and Technology 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 Innovators Fund's Investor Series units returned 17.47% compared to 14.19% for the Fund's benchmark, the Morningstar® U.S. Large-Mid Index™. 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 rose by 14.81% over the period, from \$137.95 million as at December 31, 2022 to \$158.39 million as at June 30, 2023.

The increase stemmed mainly from market fluctuations.

The S&P 500 Index® returned +16.89% year-to-date 2023. Information technology and communication services were the best performers, returning +42.78% and +36.24% respectively. Utilities and energy were laggards, returning -5.69% and -5.52% respectively.

Despite economic headwinds, equity markets have had a solid year so far, supported by a better-than-expected 1Q23 earnings season. The economy witnessed the second-largest banking failure in the first quarter but markets remained resilient. Energy prices have been declining since the second half of 2022 while a combination of improved supply chains and lower consumer demand has allowed inflation to ease across core goods categories. Shelter inflation, which has been the stickier part until now has also started to ease. Since the beginning of 2022, the Fed has raised rates by a cumulative 5.00% in an attempt to combat persistently high inflation; at the June meeting, they voted to leave the federal funds rate unchanged at 5.00%-5.25%. While the U.S. economy is placed to continue to grow at a tempered pace, a slower-moving economy and its sensitivity to shocks is a challenge that remains.

Large cap stocks as represented by the S&P 500 Index® outperformed the small cap Russell 2000 Index®, as they returned +16.89% vs. +8.09%, respectively over the period. Value underperformed growth as the Russell 3000 Value Index® returned +4.98% and the Russell 3000 Growth Index® returned +28.05%.

Under these circumstances, the Fund outperformed its benchmark.

Stock selection within Health Care, Communication Services and Industrials contributed most towards results. Alternatively, stock selection within Information Technology, Materials and Utilities detracted most.

Recent Developments

- **Eli Lilly (LLY)** — We reduced LLY after recent price appreciation. We added to the position during 1Q23 after the stock underperformed to start the year (along with most pharma stocks). We trimmed LLY in April and May after the stock rose roughly 30% off the March lows. We continue to be excited about the prospects for Mounjaro (it's leading diabetes drug) and LLY's drug pipeline.
- **Intuitive Surgical (ISRG)** — We reduced ISRG following strong performance. We continue to like ISRG and believe that numbers are likely to move higher on higher procedures and better than expected box placements. That said, we felt it prudent to reduce the position size given increasing valuation.
- **Stryker (SYK)** — SYK is a core holding and we have been actively trading the position. We trimmed in April and we added back in May following some weakness in the stock. We continue to expect strength in MedTech volumes as surgical volumes recover and patient backlog burns off. We maintain an overweight position and will look to add on further weakness.
- **Nvidia (NVDA)** — We added to our NVDA position following strong results. Investments centred around generative AI have been ramping faster than we expected.

- The largest overweights in the portfolio are Amazon, Meta Platforms and L3Harris Technologies. The largest underweights in the portfolio are Apple, Berkshire Hathaway and Alphabet.

We've reached the halfway point in the year — while the macro was lacklustre, better than feared results in the technology sector and excitement around "Generative AI" (GAI) in 2Q23 pushed technology stocks and the broader market higher. The explosive growth in GAI has brought a level of enthusiasm to the technology sector that we haven't seen for some time.

Better than feared revenue trends from a broader set of tech companies supported the momentum of megacap tech (outperformance since April) with solid share price performance continuing into May. Additionally, the explosive growth in Generative AI has captured everyone's imagination and is further propelling the tech sector's rally. It is evident from 1Q23 earnings reports that the decline in the tech sector's earnings is showing signs of normalization after few quarters of significant downgrade revisions.

Our broader views have not materially changed — we continue to expect gradual improvement across macro indicators as we lap easy comps in 2H23, but negative earnings revisions are likely to continue, especially in non-technology stocks. That said, should the economy deteriorate, it's possible to see further downside to the non-generative AI technology stocks because corporate IT budgets are correlated to corporate profitability.

We remain excited about innovation across all sectors; the pipeline for future advancement is great as industries leverage GAI technology to create new opportunities and efficiencies. That said, the equity market is reflecting the GAI excitement and valuation at 18.2x 2024 suggests a more balanced 2H23.

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

Portfolio Manager

The Manager has appointed National Bank Trust Inc. ("NBT"), an indirect wholly-owned subsidiary of the Bank, as the portfolio manager for the Fund. A flat fee is payable annually to NBT for its management services.

Distribution and Dealer Compensation

NBII acts as principal distributor for the Fund. In this capacity, NBII buys, sells and swaps securities through Bank branches and the National Bank Investments Advisory Service in Canadian provinces and territories, and through external registered representatives. Fund securities are also offered by National Bank Financial Inc. (including its division National Bank Direct Brokerage), CABN Investments (a division of NBII) and other affiliated entities. Brokers may receive, depending on the distributed series, a monthly commission representing a percentage of the average daily value of the securities held by their clients.

Registered Plan Trust Services

NTC receives a fixed amount per registered account for services provided as trustee for registered plans.

Administrative and Operating Services

The provision of certain services was delegated by the Fund Manager, NBII, to National Bank Trust Inc. ("NBT"), a wholly-owned indirect subsidiary of the Bank. These include accounting, reporting and portfolio valuation services. The fees incurred for these services are paid to NBT by the Fund manager.

Management Fees

The Fund pays annual management fees to the Fund manager for its management services. The fees are calculated based on a percentage of the Fund's daily net asset value before applicable taxes and are paid on a monthly basis. Under the *Distribution* heading, expenses include the broker's compensation consisting of the maximum annual trailer fees and sales commissions paid to brokers. Under the *Other* heading, the fees relate mainly to investment management, investment advisory services, general administration and profit. The breakdown of major services provided in consideration of the management fees, expressed as an approximate percentage of the management fees is as follows:

Series	Management Fees	Distribution	Others [†]
Investor Series	1.75%	57.14%	42.86%
Advisor Series*			
Front-end load**	1.75%	57.14%	42.86%
Back-end load - 1 to 6 years	1.75%	28.57%	71.43%
Low load - 1 to 3 years	1.75%	28.57%	71.43%
Low load - 4 years and more	1.75%	57.14%	42.86%
Series F	0.75%	—	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 and deferred sales charge option, which are not paid for out of the management fees.

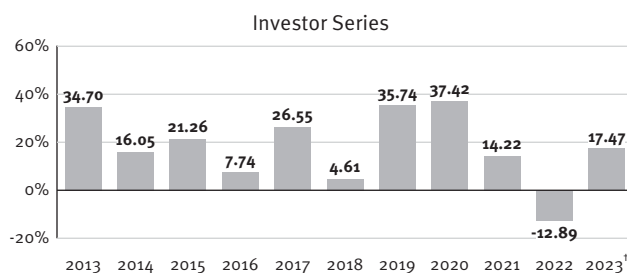
^(**) Rate applicable for all investments, including Advisor Series existing before May 14, 2015, systematic investment programs, reinvested distributions and switches.

Past Performance

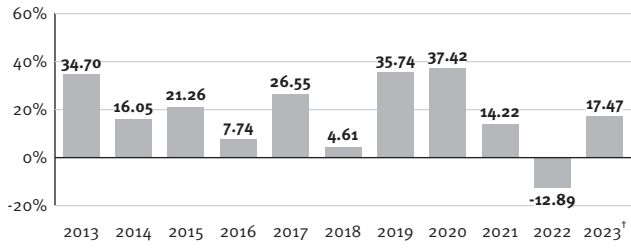
The performance of each series of the Fund is presented below and calculated as at December 31 of each year. It assumes that all distributions made in the periods shown were reinvested in additional securities and does not take into account sales, redemption charges, distributions, or optional charges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

Annual Returns

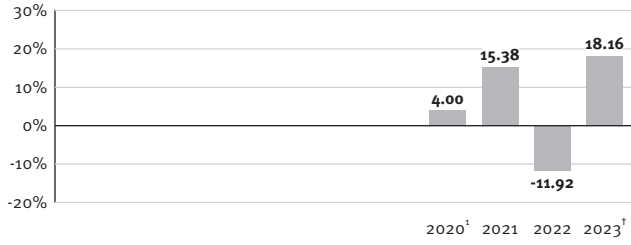
The bar charts indicate the performance for each the Fund's series in existence greater than one year during the years shown, and illustrate how the performance has changed from year to year. They show, in percentage terms, how much an investment made on January 1 (or made commencing from the start of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



Advisor Series



Series F



⁽¹⁾ Returns for the period from December 3, 2020 (commencement of operations) to December 31, 2020.

⁽¹⁾ 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.

Investor / Advisor* Series

⁽¹⁾ The Advisor Series was created on June 12, 2009.

Accounting Period Ended	Commencement of operations: August 3, 1995					
	2023 June 30	2022 December 31	2021 December 31	2020 December 31	2019 December 31	2018 December 31
Net Assets per Unit ⁽¹⁾						
Net Assets, Beginning of Accounting Period Shown⁽⁴⁾	47.56	54.62	47.78	34.78	25.66	24.52
Increase (Decrease) from Operations (\$)						
Total revenue	0.19	0.75	1.41	0.36	0.36	0.34
Total expenses	(0.59)	(1.12)	(1.14)	(1.03)	(0.77)	(0.67)
Realized gains (losses)	(0.36)	4.82	4.26	19.57	1.97	2.43
Unrealized gains (losses)	9.04	(13.13)	2.19	(6.09)	7.48	(1.05)
Total Increase (Decrease) from Operations (\$)⁽²⁾	8.28	(8.68)	6.72	12.81	9.04	1.05
Distributions (\$)						
From net investment income (excluding dividends)	—	—	—	—	—	—
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—
Total Annual Distributions (\$)⁽³⁾	—	—	—	—	—	—
Net Assets, End of Accounting Period Shown (\$)⁽⁴⁾	55.86	47.56	54.62	47.78	34.78	25.66

Ratios and Supplemental Data

Accounting Period Ended	Commencement of operations: August 3, 1995					
	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⁾	107,070	94,177	160,800	147,989	102,331	75,987
Number of units outstanding ⁽⁵⁾	1,916,154	1,979,940	2,944,653	3,095,687	2,941,786	2,964,297
Management expense ratio (%) ⁽⁶⁾	2.23	2.23	2.23	2.50	2.54	2.54
Management expense ratio before waivers or absorptions (%)	2.23	2.23	2.23	2.50	2.54	2.54
Trading expense ratio (%) ⁽⁷⁾	0.03	0.10	0.05	0.05	0.02	0.02
Portfolio turnover rate (%) ⁽⁸⁾	47.78	204.85	81.02	105.62	18.48	31.73
Net asset value per unit (\$)	55.88	47.57	54.61	47.81	34.79	25.63

Series F

Accounting Period Ended	Commencement of operations: December 3, 2020			
	2023 June 30	2022 December 31	2021 December 31	2020 December 31
Net Assets per Unit ⁽¹⁾				
Net Assets, Beginning of Accounting Period Shown⁽⁴⁾	10.57	12.00	10.40	10.00
Increase (Decrease) from Operations (\$)				
Total revenue	0.04	0.17	0.40	—
Total expenses	(0.07)	(0.13)	(0.13)	(0.01)
Realized gains (losses)	(0.08)	2.06	0.59	—
Unrealized gains (losses)	2.01	(2.44)	1.29	(0.28)
Total Increase (Decrease) from Operations (\$)⁽²⁾	1.90	(0.34)	2.15	(0.29)
Distributions (\$)				
From net investment income (excluding dividends)	—	—	—	—
From dividends	—	—	—	—
From capital gains	—	—	—	—
Return of capital	—	—	—	—
Total Annual Distributions (\$)⁽³⁾	—	—	—	—
Net Assets, End of Accounting Period Shown (\$)⁽⁴⁾	12.48	10.57	12.00	10.40

Ratios and Supplemental Data

Accounting Period Ended	Commencement of operations: December 3, 2020			
	2023 June 30	2022 December 31	2021 December 31	2020 December 31
Total net asset value (ooo's of \$) ⁽⁵⁾	51,317	43,775	4,351	51
Number of units outstanding ⁽⁵⁾	4,110,184	4,141,913	362,569	4,919
Management expense ratio (%) ⁽⁶⁾	1.11	1.12	1.11	1.13
Management expense ratio before waivers or absorptions (%)	1.11	1.12	1.11	6.37
Trading expense ratio (%) ⁽⁷⁾	0.03	0.10	0.05	0.05
Portfolio turnover rate (%) ⁽⁸⁾	47.78	204.85	81.02	105.62
Net asset value per unit (\$)	12.49	10.57	12.00	10.40

- ⁽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. The trading expense ratio history has been adjusted to include the trading expenses from its underlying funds. The calculation method described above has been used.
- ⁽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
Microsoft Corp.	8.2
Amazon.com Inc.	6.2
Cash, Money Market and Other Net Assets	5.7
Meta Platforms, Inc., Class A	4.6
Nvidia Corporation	4.4
Apple Inc.	4.2
Tesla Motors Inc.	3.0
L3Harris Technologies Inc.	2.8
Stryker Corp.	2.7
S&P Global Inc.	2.5
MasterCard Inc., Class A	2.4
Netflix Inc.	2.4
Uber Technologies Inc.	2.4
Honeywell International Inc.	2.3
Taiwan Semiconductor Manufacturing Co. Ltd., ADR	2.2
NextEra Energy Inc.	2.1
UnitedHealth Group Inc.	2.1
Eli Lilly & Co.	2.0
Progressive Corp.	1.9
Alphabet Inc., Class A	1.8
DexCom Inc.	1.7
Schlumberger Ltd.	1.7
Arista Networks Inc.	1.6
Nike Inc., Class B	1.5
NXP Semiconductors NV	1.5
	73.9
Net asset value	\$158,386,919

Regional Allocation

	% of Net Asset Value
United States	87.9
Taiwan	2.1
China	1.5
Netherlands	1.5
Ireland	1.3
Cash, Money Market and Other Net Assets	5.7

Sector Allocation

	% of Net Asset Value
Software	11.7
Interactive Media & Services	10.0
Semiconductors & Equipment	9.1
Internet & Catalog Retail	8.5
Health Care Equipment & Supplies	7.3
Financial Services	4.5
Computer & Peripherals	4.2
Pharmaceuticals	3.3
IT Services	3.3
Automotive	3.0
Aerospace & Defense	2.8
Hotels, Restaurants & Leisure	2.4
Road & Rail	2.4
Industrial Conglomerates	2.3
Electric Utilities	2.1
Chemicals	2.1
Health Care Providers & Services	2.1
Insurance	1.9
Energy Equipment & Services	1.7
Communication Equipment	1.6
Health Care Technology	1.5
Textiles, Apparel & Luxury Goods	1.5
Building Products	1.3
Machinery	1.0
Biotechnology	0.8
Oil Gas & Consumable Fuels	0.7
Electrical Equipment	0.6
Professional Services	0.6
Cash, Money Market and Other Net Assets	5.7

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.