

Interim Management Report of Fund Performance

For the period ended June 30, 2023

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2023

NBI Exchange-Traded Funds
NBI Global Private Equity ETF

Notes on forward-looking statements

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

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

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

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

Management Discussion of Fund Performance

Results of Operations

For the six-month period ended June 30, 2023, the NBI Global Private Equity ETF's units returned 11.01% compared to 12.40% for the ETF's benchmark, the MSCI World Index (CAD). Unlike the benchmark, the ETF's performance is calculated after fees and expenses. Please see the *Past Performance* section for the ETF's returns, which may vary mainly because of fees and expenses.

The Fund's net asset value rose by 26.87% over the period, from \$237.97 million as at December 31, 2022 to \$302 million as at June 30, 2023.

The increase stemmed mainly from investments in the Fund by other NBI Funds.

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.

Abroad, the EAFE developed countries also performed well, buoyed by an economic situation in Europe that proved less dire than expected, as well as renewed enthusiasm for Japanese equities. Although lower, the Canadian stock market also posted gains that were slightly higher than those of emerging markets, a region undermined by a lacklustre economic recovery in China.

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.

However, the flip side of a stronger-than-expected economy is the recent persistence of inflation, much to the dismay of central banks. The Bank of Canada is a case in point; after announcing a pause in its monetary tightening cycle in January, it finally decided to raise its policy rate again in June, taking the markets by surprise. 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.

Under these circumstances, the Fund underperformed its benchmark.

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.

On May 1, 2023, the ETF'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 Investments Inc. (the "manager") is the manager and promoter of the ETF. Accordingly, it is entitled to receive, in exchange for the services that it provides to the ETF, management fees paid to it by the ETF (see "Management Fees" below).

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

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

Trustee

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

Designated Broker

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

Brokerage Fees

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

	Period ended June 30, 2023
Total brokerage fees	18,157.58
Brokerage fees paid to National Bank Financial	6,824.91

Holdings

As at June 30, 2023, the NBI Private Equity Master Pooled Fund held approximately 98.03% ownership of the redeemable units outstanding of the ETF. Transactions between the NBI Private Equity Master Pooled Fund and the ETF were carried out in the normal course of business. The portfolio manager for this Fund is National Bank Trust Inc.

Management Fees

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

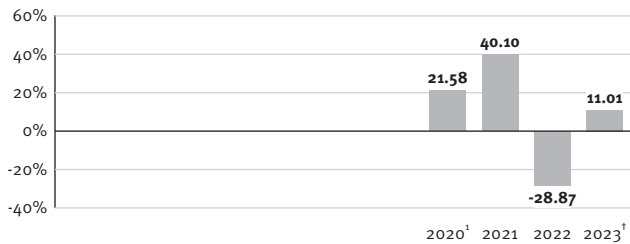
The ETF pays an annual management fee of 0.55% to the ETF manager for its management services. The fees are calculated based on a percentage of the ETF's daily net asset value before applicable taxes and are paid on a monthly basis. The management fees primarily covers investment management and general administration services.

Past Performance

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

Year-by-Year Returns

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



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

⁽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 ETF and are intended to help you understand the ETF's financial performance for the accounting periods shown.

Net Assets per Unit⁽¹⁾ Commencement of operations: March 4, 2020

Accounting Period Ended	2023 June 30	2022 December 31	2021 December 31	2020 December 31
Net Assets, Beginning of Accounting Period Shown ⁽²⁾	30.22	43.27	31.27	25.00
Increase (Decrease) from Operations (\$)				
Total revenue	0.60	0.90	2.34	0.65
Total expenses	(0.10)	(0.21)	(0.24)	(0.23)
Realized gains (losses)	0.35	0.73	4.36	2.77
Unrealized gains (losses)	2.17	(13.25)	6.12	8.35
Total Increase (Decrease) from Operations ⁽³⁾	3.02	(11.83)	12.58	11.54
Distributions (\$)				
From net investment income (excluding dividends)	—	0.54	2.06	0.32
From dividends	—	0.02	—	0.01
From capital gains	—	1.51	4.69	0.55
Return of capital	—	—	—	—
Total Annual Distributions ⁽⁴⁾	—	2.07	6.75	0.88
Net Assets, End of Accounting Period Shown ⁽²⁾	33.55	30.22	43.27	31.27

Ratios and Supplemental Data

Accounting Period Ended	2023 June 30	2022 December 31	2021 December 31	2020 December 31
Total net asset value (000's of \$) ⁽⁵⁾	301,908	237,972	296,415	197,761
Number of units outstanding ⁽⁵⁾	9,000,000	7,875,000	6,850,000	6,325,000
Management expense ratio (%) ⁽⁶⁾	0.63	0.63	0.63	0.63
Management expense ratio before waivers or absorptions (%)	0.63	0.63	0.63	0.63
Trading expense ratio (%) ⁽⁷⁾	—	—	—	—
Portfolio turnover rate (%) ⁽⁸⁾	11.03	26.75	55.50	39.19
Net asset value per unit (\$)	33.55	30.22	43.27	31.27
Closing market price ⁽⁹⁾	33.66	30.26	43.30	31.27

⁽¹⁾ This information is derived from the ETF's Annual Audited Financial Statements and Interim Unaudited Financial Statements. The net assets per unit presented in the financial statements might differ from the net asset value calculated for ETF pricing purposes. The differences are explained in the notes to the financial statements.

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

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

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

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

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

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

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

Summary of Investment Portfolio

As of June 30, 2023

Portfolio Top Holdings

	% of Net Asset Value
Blackstone Group Inc.	7.9
KKR & Co. Inc., Class A	7.6
Partners Group Holding AG	7.6
3i Group PLC	7.4
T Rowe Price Group Inc.	5.2
Ares Management Corp.	4.8
Carlyle Group Inc.	4.3
EQT AB	4.3
Intermediate Capital Group PLC	3.9
Onex Corp.	3.5
HG Capital Trust PLC	2.5
Investment AB Latour, Series B	2.5
3i Infrastructure PLC	2.3
Compass Diversified Holdings	2.3
SBI Holdings Inc.	2.3
Wendel SA	2.3
Eurazeo SE	2.0
Ackermans & van Haaren NV	1.9
Hamilton Lane Incorporated	1.9
Jafco Co. Ltd.	1.6
Bure Equity AB	1.5
AURELIUS Equity Opportunities SE	1.4
Lehman Brothers Holdings Inc.	1.4
Patria Investments Ltd	1.4
Ratos AB	1.4
	85.2
Net asset value	\$301,908,124

Regional Allocation

	% of Net Asset Value
United States	40.4
United Kingdom	17.1
Sweden	10.3
Switzerland	7.6
France	4.6
Japan	3.8
Canada	3.5
Belgium	3.3
Germany	2.4
Jersey	2.3
Guernsey	2.2
Cayman Islands	1.4
Australia	0.4
Cash, Money Market and Other Net Assets	0.7

Sector Allocation

	% of Net Asset Value
Financials	86.3
Industrials	7.0
Communication Services	2.4
Utilities	2.3
Health Care	1.3
Cash, Money Market and Other Net Assets	0.7

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

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



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