

# Interim Financial Statements

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## Evovest Global Equity ETF

For the period ended June 30, 2025

# Evovest Global Equity ETF

## Financial Statements

### Statements Interim of Financial Position (Unaudited) (In thousands Canadian dollars, except per unit amounts)

	Note	June 30, 2025 \$	December 31, 2024 \$
<b>Assets</b>			
<b>Current assets</b>			
Investments	5	81,522	40,711
Cash		878	391
Proceeds from sale of investments receivable		1,107	1,123
Interest receivable		45	7
Dividends receivable		57	35
<b>Total assets</b>		<b>83,609</b>	<b>42,267</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Unrealized depreciation on foreign exchange contracts		-	1
Distributions payable		-	327
Investments payable		1,746	1,199
Accrued expenses		53	29
<b>Total liabilities (excluding net assets attributable to holders of redeemable units)</b>		<b>1,799</b>	<b>1,556</b>
<b>Net assets attributable to holders of redeemable units</b>	2	<b>81,810</b>	<b>40,711</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	2	<b>25.57</b>	<b>22.31</b>

Approved on behalf of the board of directors of National Bank Investments Inc.  
**Jean-Philippe Cadieux**  
 Director  
**The Giang Diep**  
 Director

### Statements Interim of Comprehensive Income for the Periods Ended June 30 (Unaudited) (In thousands Canadian dollars, except per unit amounts)

	Note	2025 \$	2024 \$
<b>Income</b>	2		
Interest income for distribution purposes		89	10
Dividends income		914	216
Changes in fair value			
Net realized gains (losses) on sale of investments		5,423	220
Net realized gains (losses) on foreign currencies		(70)	(53)
Net realized gains (losses) on forwards currency		13	73
Change in net unrealized appreciation/depreciation on investments		2,115	(253)
Change in unrealized gains/losses on foreign currencies		1	-
<b>Total income</b>		<b>8,485</b>	<b>213</b>
<b>Expenses</b>	7		
Management fees		229	39
Fees paid by the manager		-	(39)
Withholding taxes	2	177	41
Transaction costs on purchase and sale of investments	8	166	30
<b>Total expenses</b>		<b>572</b>	<b>71</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	2	<b>7,913</b>	<b>142</b>
<b>Average number of units</b>	2	<b>2,328,315</b>	<b>860,969</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit</b>	2	<b>3.40</b>	<b>0.17</b>

The accompanying notes are an integral part of these financial statements.

**Statements Interim of Changes in Net Assets Attributable to Holders of Redeemable Units  
for the Periods Ended June 30 (Unaudited)**  
(In thousands Canadian dollars, except per unit amounts)

	Note	2025	2024
		\$	\$
Net assets attributable to holders of redeemable units, beginning of the period		40,711	-
Increase (decrease) in net assets attributable to holders of redeemable units		7,913	142
<b>Redeemable units transactions</b>	6		
Proceeds from redeemable units issued		33,186	23,603
<b>Total redeemable units transactions</b>		33,186	23,603
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>		41,099	23,745
<b>Net assets attributable to holders of redeemable units, end of the period</b>		81,810	23,745
<b>Redeemable unit transactions</b>			
Redeemable units outstanding, beginning of the period		1,825,000	-
Redeemable units issued		1,375,000	1,175,000
<b>Redeemable units outstanding, end of the period</b>		3,200,000	1,175,000

*The accompanying notes are an integral part of these financial statements.*

**Statements Interim of Cash Flows**  
**for the Periods Ended June 30 (Unaudited)**  
(In thousands Canadian dollars)

	Note	2025 \$	2024 \$
<b>Cash flows from (used in) operating activities</b>			
Increase (decrease) in net assets attributable to holders of redeemable units	2	7,913	142
Adjustments for:			
Net realized (gains) losses on sale of investments		(5,423)	(220)
Net realized (gains) losses on foreign currencies		70	53
Net realized (gains) losses on forwards currency		(13)	(73)
Change in net unrealized appreciation/depreciation on investments		(2,115)	253
Change in unrealized gains/losses on foreign currencies		(1)	-
Purchases of investments		(214,234)	(43,071)
Proceeds from sale and maturity of investments		181,536	19,577
Interest receivable		(38)	(10)
Dividends receivable		(22)	(26)
Accrued expenses		24	-
<b>Net cash from (used in) operating activities</b>		<b>(32,303)</b>	<b>(23,375)</b>
<b>Cash flows from (used in) financing activities</b>	2		
Distributions paid to holders of redeemable units, net of reinvested distributions		(327)	-
Proceeds from issuances of redeemable units		33,186	23,603
<b>Net cash from (used in) financing activities</b>		<b>32,859</b>	<b>23,603</b>
Net realized gains (losses) on foreign currencies		(70)	(53)
Change in unrealized gains/losses on foreign currencies		1	-
Net increase (decrease) for the period		556	228
Cash (bank overdraft), beginning of the period		391	-
<b>Cash (bank overdraft), end of the period</b>		<b>878</b>	<b>175</b>
<b>Included in cash flows from operating activities</b>			
Interest received		51	-
Dividends received, net of withholding taxes		715	149

*The accompanying notes are an integral part of these financial statements.*

## Fund Specific Notes

### Investment Objective and Strategies

The Evovest Global Equity ETF's investment objective is to provide long-term capital growth. It invests, directly or indirectly through investments in securities of other investment funds, in a diverse portfolio comprised primarily of common shares of companies located around the world. The ETF may invest, directly or indirectly through investments in securities of other investment funds, up to 15% of its net assets in emerging market securities.

In selecting securities for its portfolio, the portfolio manager relies on its proprietary machine learning models ("ML models"). ML models are quantitative algorithms that generate predictive results based on the historical data it is asked to treat.

### General Information

Date Operations Commenced (Note 1)	Distribution of Net Income (Note 2)	Distribution of Gains (Note 2)	Annual Management Fees (Maximum) (Note 7)
March 28, 2024	A	A	0.73%

### Structured Entities (Note 2)

(in thousands Canadian dollars)

	Fair Value	
	June 30, 2025	December 31, 2024
Trust Unit	\$ 4,637	\$ 1,281

### Currency Risk (Note 5)

Currency	June 30, 2025		December 31, 2024	
	Net exposure	Net assets attributable to holders of redeemable units	Net exposure	Net assets attributable to holders of redeemable units
	\$	%	\$	%
American Dollar	32,353,840	39.5	16,708,685	41.0
Australian Dollar	2,218,080	2.7	2,300,067	5.6
Euro	21,188,110	25.9	10,329,682	25.4
Hong Kong Dollar	1,661,639	2.0	858,342	2.1
Japanese Yen	11,862,058	14.5	6,296,270	15.5
Singapore Dollar	1,861,051	2.3	137,930	0.3
Swedish Krona	2,196,208	2.7	394,760	1.0
Swiss Franc	3,188,251	3.9	848,972	2.1

This fund has no investments in other mutual funds or exchange traded funds.

Numbers shown could include monetary and non-monetary instruments, and derivatives if appropriate.

Based on the assumption that the Canadian Dollar had risen or fallen by 5% in relation to all other currencies, with all other variables held constant, net assets and results of the fund would have varied by approximately \$ 3,826,462 (\$ 1,893,735 as at December 31, 2024).

### Price Risk (Note 5)

The Fund's Benchmark Composition	June 30, 2025		December 31, 2024	
	Impact on Net Assets and Results	Percentage of Net Assets	Impact on Net Assets and Results	Percentage of Net Assets
	\$	%	\$	%
MSCI TR Net World USD (100%) CA				
Londres 11:00	± 5,129,518	6.3 ±	2,625,884	6.5

The impact is presented in the event that the benchmark's performance would rise or fall by 10%, with all variables held constant. This impact is presented on a 16-month (10-month in 2024) historical correlation between the fund's fluctuating performance and the reference index.

### Concentration Risk (Note 5)

Weighting by Sector	Percentage of Net Assets as at	
	June 30, 2025	December 31, 2024
	%	%
Australia	-	5.6
Belgium	-	0.8
Canada	-	6.0
Cash, Money Market and/or Other Net Assets	0.4	-
China	-	0.4
Communication Services	7.9	-
Consumer Discretionary	16.7	-
Consumer Staples	6.1	-
Energy	2.1	-
Financials	14.5	-
France	-	5.5
Germany	-	3.6
Health Care	8.7	-
Hong Kong	-	1.7
Industrials	17.1	-
Information Technology	7.0	-
Italy	-	5.4
Japan	-	15.4
Materials	5.9	-
Netherlands	-	2.6
Real Estate	10.4	-
Singapore	-	0.3
Spain	-	6.7
Sweden	-	1.0
Switzerland	-	3.0
United States	-	42.0
Utilities	3.2	-

### Fair Value of Financial Instruments Table (Note 5)

June 30, 2025	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Common shares	81,521,680	-	-	81,521,680
Derivatives assets	-	21,041	-	21,041
Derivatives liabilities	-	(21,062)	-	(21,062)
<b>Total derivatives instruments</b>	<b>-</b>	<b>(21)</b>	<b>-</b>	<b>(21)</b>

During the period ended June 30, 2025, there were no significant transfers of investments between Level 1, Level 2 and Level 3.

December 31, 2024	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Common shares	40,711,176	-	-	40,711,176
Derivatives assets	-	181	-	181
Derivatives liabilities	-	(676)	-	(676)
<b>Total derivatives instruments</b>	<b>-</b>	<b>(495)</b>	<b>-</b>	<b>(495)</b>

During the year ended December 31, 2024, there were no significant transfers of investments between Level 1, Level 2 and Level 3.

### Brokerage Commissions and Soft Dollars (Note 7)

(in thousands Canadian dollars)

	June 30, 2025	June 30, 2024
	\$	\$
Total Commissions	88	15
Related Entities	51	7

## Schedule of Investments as at June 30, 2025

(In Canadian dollars)

	Number of shares	Average Cost \$	Fair Value \$		Number of shares	Average Cost \$	Fair Value \$
<b>Canadian Equities (5.5%)</b>				<b>Germany (2.1%)</b>			
<b>Communication Services (1.3%)</b>				CTS Eventim AG & Co KGaA			
Cogeco Communications Inc.	5,031	335,811	357,453	SAP SE	3,464	536,729	585,656
Quebecor Inc., Class B	16,735	598,444	693,666	ThyssenKrupp AG	1,064	425,379	440,593
		934,255	1,051,119		50,604	664,347	740,456
						1,626,455	1,766,705
<b>Energy (0.2%)</b>				<b>Italy (7.0%)</b>			
TC Energy Corp.	1,918	128,103	127,509	ACEA SpA	11,065	314,047	364,566
<b>Financials (0.3%)</b>				Assicurazioni Generali SPA	16,144	772,340	782,323
Power Corporation of Canada	4,236	214,342	225,313	Banca Monte dei Paschi di Siena SpA	51,235	640,237	593,538
<b>Health Care (0.3%)</b>				Ferrari NV	890	537,364	594,035
Chartwell Retirement Residences	13,765	236,453	255,891	Intesa Sanpaolo	79,373	483,528	622,786
<b>Materials (2.9%)</b>				Iren SpA	143,866	558,196	604,622
Dundee Precious Metals Inc.	31,461	657,014	688,367	Lottomatica Group Spa	21,289	709,289	804,553
K92 Mining Inc.	44,292	677,106	680,325	Recordati SpA	7,065	534,503	605,170
Kinross Gold Corp.	32,703	654,060	695,920	SOL SpA	2,887	164,379	222,749
Lundin Gold Inc.	1,440	86,731	103,536	Webuild SpA	91,300	495,624	526,641
Torex Gold Resources Inc.	3,786	166,459	168,174			5,209,507	5,720,983
		2,241,370	2,336,322	<b>Japan (14.5%)</b>			
<b>Real Estate (0.4%)</b>				Advance Residence Investment Corp.	371	509,115	524,838
FirstService Corp.	1,417	338,720	336,722	Amada Co. Ltd.	41,200	567,566	613,812
<b>Utilities (0.1%)</b>				Brother Industries Ltd.	2,700	63,571	63,600
Atco Ltd., Class I	2,370	115,696	120,349	CyberAgent Inc.	21,500	305,059	335,461
<b>Total Canadian Equities</b>				GLP J-Reit	444	538,251	544,556
		4,208,939	4,453,225	Hoshizaki Corp.	2,700	127,643	127,047
<b>International Equities (94.1%)</b>				Iyogin Holdings Inc.	4,500	63,885	67,340
<b>Australia (2.7%)</b>				Japan Prime Realty Investment Corp.	63	54,663	55,166
Evolution Mining Ltd.	108,498	575,805	757,498	Japan Retail Fund Investment Corp.	679	634,450	654,922
Qantas Airways Ltd.	30,471	278,512	293,301	Lion Corp.	7,200	102,216	101,447
QBE Insurance Group Ltd.	12,283	234,974	257,488	LIXIL Group Corporation	5,200	83,964	82,020
REA Group Ltd.	3,225	710,531	695,103	Makita Corp.	16,500	666,295	694,794
TPG Telecom Ltd.	44,943	194,073	214,690	MISUMI Group Inc.	37,900	703,564	692,056
		1,993,895	2,218,080	Murata Manufacturing Co. Ltd.	32,300	646,688	657,912
<b>Belgium (1.8%)</b>				NHK Spring Co. Ltd.	12,700	197,540	188,849
Ageas	5,424	391,921	498,973	Nifco Inc./Japan	17,500	583,005	565,957
Anheuser-Busch InBev SA/NV	8,375	786,964	782,403	Nihon Kohden Corp	33,600	555,900	545,226
KBC Ancora	1,621	146,223	151,852	Nippon Prologis REIT Inc.	558	405,168	420,017
Lotus Bakeries NV	4	51,848	52,421	Nippon Yusen Kabushiki Kaisha	12,600	627,971	618,145
		1,376,956	1,485,649	Nomura Real Estate Master Fund Inc.	463	651,926	644,478
<b>China (2.1%)</b>				Obic Co. Ltd.	4,500	219,158	238,766
Geely Automobile Holdings Ltd.	263,000	745,100	728,147	Panasonic Corp.	50,600	715,809	744,286
Giant Biogene Holding Co Ltd	79,400	793,387	794,743	Sankyo Co. Ltd.	7,100	166,724	179,128
Greentown China Holdings Ltd.	105,000	172,122	172,128	Sankyu Inc.	4,400	295,480	321,710
		1,710,609	1,695,018	Seiko Epson Corp.	41,400	758,130	748,919
<b>France (8.0%)</b>				Sekisui House Reit Inc.	146	114,022	104,789
Ayvens SA	13,500	191,204	204,640	Sugi Holdings Co. Ltd.	18,800	546,241	585,778
BioMerieux	2,598	481,610	489,251	Yaskawa Electric Corp.	24,500	734,461	757,357
Bouygues SA	5,733	342,375	353,132			11,638,465	11,878,376
Bureau Veritas SA	12,782	537,912	593,365	<b>Netherlands (3.0%)</b>			
Dassault Aviation SA	1,356	663,247	652,972	ASR Nederland NV	2,063	147,185	186,573
Dassault Systemes SE	3,558	176,407	175,385	Euronext NV	648	146,389	150,823
Essilor International SA	1,347	490,029	503,224	Heineken Holding NV	788	87,970	79,949
Gaztransport Et Technigaz SA	2,945	774,361	794,576	Koninklijke (Royal) KPN NV	91,217	578,864	605,174
Groupe Eurotunnel SA	26,552	690,171	698,072	NN Group NV	7,555	525,489	683,741
Louis Vuitton Moet Hennessy	883	682,559	629,730	SBM OFFSHORE NV	20,986	579,985	757,419
Orange	32,949	649,846	682,592			2,065,882	2,463,679
Société Générale	10,167	769,205	791,783	<b>Singapore (2.3%)</b>			
		6,448,926	6,568,722	Ascendas Real Estate Investment Trust	163,000	432,266	467,847
				Mapletree Industrial Trust	278,900	607,927	609,340
				Singapore Airlines Ltd.	76,000	578,088	567,319
				UOL Group Ltd.	30,800	190,164	203,854
						1,808,445	1,848,360
				<b>Spain (4.2%)</b>			
				Aena SME SA	17,450	591,590	634,278
				Banco de Sabadell SA	68,794	275,219	298,278
				Cia de Distribucion Integral Logista Holdings SA	8,687	375,407	387,381

## Schedule of Investments as at June 30, 2025

(In Canadian dollars)

	Number of shares	Average Cost \$	Fair Value \$		Number of shares	Average Cost \$	Fair Value \$
Grupo Catalana Occidente SA	3,608	278,542	285,034	Procter & Gamble Co.	1,444	323,969	313,223
Inditex SA	8,597	644,996	609,252	Public Service Enterprise Group Inc.	711	77,510	81,503
Mapfre SA	121,578	456,207	676,720	Ralliant Corp.	719	51,895	47,366
Unicaja Banco S.A.	76,000	228,413	244,551	Realty Income Corp.	7,193	563,710	564,294
Viscofan SA	2,896	294,200	280,582	Republic Services Inc.	1,291	435,043	433,387
		<u>3,144,574</u>	<u>3,416,076</u>	Ryan Specialty Holdings Inc.	4,930	437,643	456,580
<b>Sweden (2.7%)</b>				SEI Investments Co.	4,858	467,805	594,458
AddTech AB	7,915	363,485	366,836	T Rowe Price Group Inc.	4,519	521,855	593,652
Lagercrantz Group AB	17,416	600,154	567,030	Target Corp.	4,606	629,838	618,755
Lifco AB	10,707	483,460	589,936	Thermo Fisher Scientific Inc.	1,102	675,715	608,213
Tele2 AB, Class B	33,926	701,225	672,406	T-Mobile US Inc.	2,444	765,366	792,957
		<u>2,148,324</u>	<u>2,196,208</u>	Toast Inc.	11,668	687,416	703,243
<b>Switzerland (4.2%)</b>				Ventas Inc.	2,191	191,754	188,354
Cie Financière Richemont SA, Class A	1,541	395,509	395,254	Verizon Communications Inc.	11,195	660,227	659,337
Flughafen Zuerich AG	283	89,617	109,767	VF Corp.	38,826	725,045	621,238
Schindler Holding AG	181	86,182	89,309	VICI Properties Inc.	14,496	634,968	643,127
SGS SA	4,087	526,054	564,649	Yum! Brands Inc.	2,131	415,074	429,712
St Galler Kantonalbank AG	238	197,538	196,880			<u>32,006,314</u>	<u>32,362,476</u>
Sulzer AG	2,234	549,030	549,040	<b>Total International Equities</b>		<u>74,421,715</u>	<u>77,068,455</u>
Swissquote Group Holding SA	1,000	724,086	771,278				
VZ Holding AG	1,138	317,580	339,055	<b>Total Investments (99.6%)</b>		<u>78,630,654 *</u>	<u>81,521,680</u>
Ypsomed Holding AG	597	357,767	432,891	<b>Unrealized Depreciation on Foreign Exchange Contracts (0.0%)</b>			<u>(21)</u>
		<u>3,243,363</u>	<u>3,448,123</u>	<b>Cash and Other Net Assets (0.4%)</b>			<u>288,829</u>
<b>United States (39.5%)</b>				<b>Net Assets (100%)</b>			<u><u>81,810,488</u></u>
Abbott Laboratories	3,175	570,083	587,744				
AbbVie Inc.	1,079	287,315	272,663				
Acuity Brands Inc.	2,001	728,408	812,935				
Agilent Technologies Inc.	3,909	585,270	627,857				
AGREE REALTY CORP	6,655	700,878	661,740				
Albemarle Corp.	8,826	748,099	753,219				
Allison Transmission Holdings Inc.	3,892	497,183	503,493				
Aurora Innovation, Inc	97,347	732,677	694,626				
Best Buy Co. Inc.	5,962	593,406	544,687				
Bio-Techne Corp.	10,114	669,969	708,607				
Booking Holdings Inc.	100	728,104	786,917				
Bristol-Myers Squibb Co.	2,587	173,782	163,073				
Brown & Brown Inc.	4,985	724,224	752,418				
Carnival Corp.	23,718	766,798	907,573				
Colgate-Palmolive Co.	4,357	549,366	539,145				
Donaldson Company Inc.	745	71,704	70,356				
Dover Corp.	2,291	493,765	571,386				
Duolingo Inc.	1,111	738,794	620,321				
Electronic Arts Inc.	3,423	684,318	744,172				
Equity LifeStyle Properties Inc.	7,742	683,484	649,956				
Exelixis Inc.	1,851	109,922	111,095				
Exelon Corp.	12,711	756,461	751,566				
Fortive Corp.	2,156	238,229	153,050				
Fortune Brands Home & Security Inc.	7,514	537,564	526,446				
Gaming and Leisure Properties Inc.	10,604	680,910	674,059				
Houlihan Lokey Inc., Class A	1,990	443,649	487,562				
IDEX Corp.	2,373	550,996	567,343				
Johnson & Johnson	2,614	564,475	543,304				
Keurig Dr Pepper Inc.	6,359	300,202	286,192				
Kimberly-Clark Corp.	3,109	564,137	545,975				
Lattice Semiconductor Corp.	9,044	624,740	602,729				
Lowe's Companies Inc.	1,755	545,471	530,026				
Masco Corp.	6,254	541,743	548,115				
MasterCard Inc., Class A	1,016	767,681	777,064				
McDonald's Corp.	1,884	775,891	749,522				
Mondelez International Inc.	6,951	637,482	638,355				
Moody's Corp.	534	295,665	364,503				
Nike Inc., Class B	6,932	581,897	670,310				
Nordson Corp.	2,409	672,131	703,231				
Omega Healthcare Investors Inc.	8,463	413,969	422,373				
Penumbra Inc.	1,902	667,365	664,244				
PPL Corp.	15,683	743,274	723,125				

\*Average cost of Investments as of December 31, 2024  
is \$39,934,525.

**Schedule of Investments as at June 30, 2025**

(In Canadian dollars)

**Foreign Exchange Contracts****Unrealized Appreciation on Foreign Exchange Contracts**

Settlement Date	Contract Rates	Currency to be Delivered			Currency to be Received			Unrealized Appreciation (CAD)
		Currency	Par Value	Canadian Value as June 30, 2025	Currency	Par Value	Canadian Value as June 30, 2025	
July 2, 2025	0.1740	HKD	29,898	5,187	CAD	5,203	5,203	16

**Unrealized Depreciation on Foreign Exchange Contracts**

Settlement Date	Contract Rates	Currency to be Delivered			Currency to be Received			Unrealized Depreciation (CAD)
		Currency	Par Value	Canadian Value as June 30, 2025	Currency	Par Value	Canadian Value as June 30, 2025	
July 2, 2025	0.0094	JPY	1,678,626	15,875	CAD	15,838	15,838	(37)

**Net Unrealized Depreciation on Foreign Exchange Contracts**

(21)



# Notes to Financial Statements

## NOTE 1: GENERAL INFORMATION

### 1.1 Articles of Incorporation

The ETF is an exchange-traded fund established as a trust regulated by Ontario legislation. Natcan Trust Company is the trustee of the ETF and National Bank Investments Inc. is the manager of the ETF (hereinafter the "Manager" or "NBI").

The headquarters, which is also the principal place of business of the ETF, is located at 800 Saint Jacques Street, Montreal, Quebec, H3C 1A3, Canada.

The ETF is listed on the Toronto Stock Exchange ("TSX") and was created on the date indicated below.

ETF name	Stock symbol	ETF inception date	Commencement date
Evovest Global Equity ETF	EVO	February 27, 2024	March 28, 2024

More in-depth information on the primary activities is presented in the "Notes to Financial Statements – Specific Information" section regarding the ETF.

### 1.2 Funds management

The Manager has retained the services of Evovest Inc. to act as portfolio manager of the ETF.

National Bank Investments Inc. and Evovest Inc. have taken the initiative in founding and organizing the ETF and are, accordingly, the promoters of the ETF within the meaning of securities legislation of certain provinces and territories of Canada.

Natcan Trust Company acts as the custodian of the assets of the ETF and holds those assets in safekeeping.

The Statement of Financial Position and related notes of the ETF are presented as at June 30, 2025.

The Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Units, Statement of Cash Flows and related notes are presented for the period ended June 30, 2025.

### 1.3 Issue on the financial statements

These financial statements were approved and authorized for issue on August 12, 2025, by the Board of Directors of NBI.

### 1.4 Period

The term "period" used in these financial statements is defined as the periods ended June 30, 2025 and 2024. For ETFs created in 2025 or 2024, the initial period is defined as from the date of beginning of operation (refer to ETF's specific notes) to the period-end date (June 30, 2025 or 2024, as applicable).

The commencement date of operations for the ETF corresponds to the date on which the ETF started its activities on the market, and this date may differ from the

inception date. Consequently, the number of days of activity calculated in the financial statements may also differ from this date, if applicable.

## NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PRESENTATION

### 2.1 Basis of presentation

The financial statements of the ETF were prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (hereafter the "IFRS Accounting Standards", and International Accounting Standard IAS ("IAS").34 – Interim Financial Reporting).

### 2.2 Financial instruments

#### 2.2.1 Classification

The ETF classifies its financial instruments in the following categories in accordance with IFRS 9 – Financial Instruments ("IFRS 9").

#### 2.2.1.1 Financial assets and liabilities at FVTPL

Given that the investments in the ETF are measured on a fair value basis according to the investment strategy defined in its prospectus, these investments and derivative financial instruments are classified in this category when they are initially recognized.

Derivative financial instruments are financial contracts that derive their value from changes in the underlying interest rates, foreign exchange rates, or other financial or commodity prices or indices. They could require a nominal amount and are settled at a future date.

In the Statement of Financial Position, financial assets and liabilities at FVTPL include the following items: "Investments", "Receivable (payable) on futures contracts", "Unrealized appreciation (depreciation) on foreign exchange contracts" and "Unrealized appreciation (depreciation) on interest rate swaps and on options".

In the Statement of Comprehensive Income, gains (losses) and income from these financial instruments are included in the following items: "Income from derivatives", "Net realized gains (losses) on foreign exchange contracts, and on interest rate swaps", "Change in unrealized gains/losses on foreign exchange contracts and on interest rate swaps", "Net realized gains (losses) on the sale of investments", "Net realized gains (losses) on foreign currencies", "Change in net unrealized appreciation/depreciation on investments" and "Change in unrealized gains/losses on foreign currencies".

#### 2.2.1.2 Financial assets at amortized cost

The ETF has included cash, subscriptions receivable, proceeds from sale of investments receivable, dividends receivable, margin deposited on futures contracts and other assets receivable as financial assets at amortized cost which approximates fair value given their short-term nature.

Financial assets at amortized cost must be depreciated by the amount of expected

credit losses. Given the very short maturity of these financial assets, the financial strength of the counterparties involved, and the history of losses incurred, the Manager believes that the risk of loss is very low. For this reason, no impairment was recorded for assets at amortized cost.

#### 2.2.1.3 Financial liabilities at amortized cost

This category includes all financial liabilities, except those classified at fair value through profit or loss.

The ETF has included bank overdraft, redeemed securities payable, accrued expenses, interest payable, dividends payable, investments payable and distributions payable as well as redeemable units outstanding of the ETF redeemed for a cash amount lower than the closing price of the units on the TSX.

#### 2.2.2 Recording

##### 2.2.2.1 Investment transactions

Investment transactions are accounted for on the trade date. Transaction costs, such as brokerage commissions, incurred at the time of purchase and sale of investments by the ETF are recognized as “Transaction costs on purchase and sale of investments” in the Statement of Comprehensive Income.

Realized gains and losses arising from investment transactions and unrealized appreciation or depreciation on investments are determined from the cost using the average cost basis that does not take into account the amortization of premiums or discounts on fixed-income securities and debt securities, apart from zero-coupon bonds.

##### 2.2.2.2 Recording of income and expenses

Income and expenses are recorded using the accrual basis of accounting.

##### Interest income for distribution purposes

The interest income for distribution purposes presented in the Statement of Comprehensive Income is recognized as it is earned. Interest income receivable is shown separately in the Statement of Financial Position based on the debt instruments’ stated rates of interest. Except for zero coupon bonds which are amortized on a straight-line basis, the ETF does not amortize the premiums paid or discounts received upon the purchase of fixed-income securities.

##### Dividend income

Dividend income and distribution income received from investment trusts (which includes underlying funds) are recognized on the ex-dividend date and ex-distribution date, respectively. Income from foreign sources is presented before deduction of taxes withheld at source deducted by foreign countries.

##### Distributions

Distributions are recorded when they are declared.

##### Tax deductions

Withholding taxes deducted by foreign countries are recorded separately in the

Statement of Comprehensive Income under “Tax deductions.”

##### Futures contracts

To gain exposure to different financial markets, the ETF can enter into futures contracts under which they are entitled to receive or required to pay a sum of money based upon increases or decreases in the value of the underlying financial instrument. These payments are either received or made daily through brokers acting as intermediaries. The futures contracts are guaranteed by cash and cash equivalents, such as money market instruments. The ETF has sufficient cash and cash equivalents to entirely cover its obligations with respect to these contracts.

The futures contracts settle daily and are reported in the Statement of Financial Position under “Receivable (payable) on futures contracts” and in the Statement of Comprehensive Income under “Income (losses) from derivatives.”

##### Currency forward contracts

The ETF can also enter into currency forward contracts to gain exposure to international currency markets or to reduce foreign currency risk within its portfolio. The ETF may also use derivatives to hedge the exposure of its investments denominated in foreign currencies and enter into currency hedging contracts, which involve the use of derivatives for hedging transactions by accepting a lower but more predictable return, rather than a potentially higher return that is less predictable.

Gains or losses on these forward contracts are reported in the Statement of Comprehensive Income under “Net realized gains (losses) on foreign exchange contracts.” The fair value of these forward currency contracts is recorded as the difference between the fair value of the contract on the Valuation Date (the “Valuation Date” is each day on which the Toronto Stock Exchange is open for trading) and the fair value on the date the contract originated. The fair value is recognized under “Unrealized appreciation/depreciation of foreign exchange contracts” in the Statement of Financial Position.

##### Bond forward contracts

Bond forward contracts are valued at the gain or loss, if any, that would be realized if the position in the contracts were to be closed out on the valuation date and the resulting unrealized appreciation (depreciation) is presented under “Bond forward contracts, at fair value” in the Statement of financial position. Gains or losses arising from bond forward contracts are recorded as “Net change in unrealized appreciation (depreciation) on bond forward contracts” in the Statement of comprehensive income until the contracts close or are delivered, at which time the gains (losses) are realized and are recorded as “Net realized gain (loss) on bond forward contracts” in the Statement of comprehensive income.

##### Swaps

A swap agreement is a contract between two parties to regularly exchange cash flows based on specified underlying notional amounts. Interest rate swaps are contracts entered into by an ETF with major brokers in which the ETF receives or pays a variable interest rate in exchange for paying or receiving a fixed interest rate. The payment streams are usually offset, with the difference being paid by one party to the other. Gains or losses on these swaps are reported in the Statement of Comprehensive Income under “Change in unrealized gains / losses on interest rate swap”. The fair value is recognized under “Unrealized appreciation/depreciation on interest rate swap” in the Statement of Financial Position.

### 2.2.3 Measurement

According to IFRS 13 - Fair Value Measurement, fair value is defined as the price that would be received on the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the valuation date.

#### 2.2.3.1 Initial Measurement

Upon initial measurement, the ETF's financial instruments are measured at fair value, plus transaction costs for financial instruments measured at amortized cost.

#### 2.2.3.2 Subsequent measurement

Financial assets and liabilities at FVTPL are measured at fair value with changes in fair value recognized in the Statement of Comprehensive Income as "Change in unrealized appreciation (depreciation)". Refer to Note 5 – Financial instruments disclosures for the valuation methods used.

The ETF's obligation regarding net assets attributable to holders of redeemable securities is recorded at the redemption value as at the date of the Statement of Financial Position.

All other financial assets and liabilities are measured at amortized cost. Given the short-term maturity of these financial instruments, their value at amortized cost approximates their fair value.

### 2.2.4 Derecognition

Financial assets are derecognized when the contractual rights to the cash flows from the investments have expired or when the ETF has significantly transferred the risk and financial reward of its participation (ownership). Financial liabilities are derecognized when a contractual arrangement specifies that the obligation to that liability is discharged, cancelled or expired.

The cost of investments represents the amount paid for each security and is determined on an average cost basis, and excludes commissions and other portfolio transaction costs, which are separately reported on the Statement of Comprehensive Income. Realized gains and losses are recognized based on the average cost method and included in Net realized gains (losses) on sale of investments in the Statement of Comprehensive Income for the period in which they occur.

## **2.3 Cash**

Cash includes cash deposits with various financial institutions, Bank overdrafts, if applicable, are indicated in the Statement of Financial Position as current liabilities and as negative cash flow in the Statement of Cash Flows.

## **2.4 Redeemable units**

The outstanding redeemable units of the ETF may be redeemed for cash less than the closing price of the Units on the TSX. This reduced redemption price results in cash flow from redemptions not being significantly based on net asset value. In addition, the ETF has a contractual obligation to distribute any taxable income annually that allows the unitholders to request cash payment for any distributions or dividends declared. These features violate criteria that are required in order for the units to be presented as equity under IAS 32. Consequently, the ETF's

outstanding redeemable units are classified as financial liabilities in accordance with the requirements of IAS 32, Financial Instruments: Presentation.

### 2.4.1 Valuation of units

For the purposes of processing transactions for unitholders in the ETF, in accordance with Regulation 81-106 respecting Investment Fund Continuous Disclosure, the net asset value of the ETF is equivalent to the total market value of the ETF's assets, less its liabilities. The net asset value of the units and the net asset value per unit of the ETF is calculated at the valuation time each business day that the Toronto Stock Exchange is open for trading and any other day designated by the Manager. The ETF issues units on a continuous basis and there is no maximum number of units that may be issued.

Unitholders may buy or sell units of the ETF on an exchange or marketplace through registered brokers and dealers in the province or territory where the unitholder resides. Unitholders may incur customary brokerage commissions in buying or selling units. No fees are paid by a unitholder to the Manager or the ETF in connection with the buying or selling of units on the TSX or another exchange or marketplace. Unitholders may exchange a minimum of a prescribed number of units (and any additional multiple thereof) for cash or, with the consent of the Manager, securities and cash. Refer to the "Redemption of Units" section in the ETF prospectus for more information.

Net assets attributable to holders of redeemable units refers to net assets calculated in accordance with "IFRS Accounting Standards". Net assets attributable to holders of redeemable units per unit is calculated by dividing net assets attributable to holders of redeemable units by the number of outstanding units.

Canadian Securities Administrators ("CSA") regulations allow the ETF to comply with "IFRS Accounting Standards" requirements in the preparation of financial statements, without changing its method of calculating the net asset value for the purpose of processing the transactions of the unitholders of the ETF. In accordance with the CSA requirements, a reconciliation between the net asset value per unit and the net assets attributable to holders of redeemable units per unit calculated under "IFRS Accounting Standards" is presented in the specific notes for the ETF.

### 2.4.2 Increase or decrease in net assets attributable to holders of redeemable units per unit

"Increase (decrease) in net assets attributable to holders of redeemable units per unit" presented in the Statement of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable units for the period, divided by the average number of units outstanding during the period.

### 2.4.3 Distributions to unitholders

The net income of the ETF is distributed to unitholders annually, this information is provided in the specific notes for the ETF. All net income is distributed prorated to the ETF units held by the holders.

Cash distributions from the ETF will be paid at the end of each year, if appropriate. The Manager may, at its discretion, change the frequency of cash distributions, and will issue a press release if such a change is made. The Manager may also make additional distributions in any year if determined to be appropriate.

To the extent that an ETF has not otherwise distributed a sufficient amount of its

net income or net realized capital gains, a distribution will be paid to unitholders at the end of the year and that distribution will be automatically reinvested in additional units. Immediately following such reinvestment, the number of units outstanding will be consolidated so that the net asset value per unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid.

Unrealized gains and losses are included in the net assets attributable to unitholders. However, they will only be distributed to ETF unitholders once the gain or loss is realized. Capital losses are not distributed to the ETF unitholders but are retained by the ETF to be applied against future capital gains.

## **2.5 Functional currency and foreign currency translation**

The ETF's purchases and redemptions are denominated in Canadian dollars. The Canadian dollar is considered the functional and presentation currency of the ETF. The fair value of investments, derivatives, other assets and liabilities denominated in foreign currencies is translated into the functional currency at the exchange rate in effect as at the date of the Statement of Financial Position.

Foreign currency transactions are converted into the functional currency of the ETF using the exchange rates prevailing at the dates of the transactions (closing rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at period- end exchange rates are recognized in the Statement of Comprehensive Income under "Change in unrealized gains/losses on foreign currencies" and "Net realized gains (losses) on foreign currencies."

## **2.6 Taxes**

Under the Income Tax Act (Canada) and the Taxation Act (Quebec) (hereafter, collectively, the "Tax Acts"), the ETF qualifies as a mutual fund trust (see Note 8 Income Taxes), all of its net income for tax purposes and a sufficient portion of the net capital gains realized in any taxation year must be distributed to unitholders such that no income tax is payable by the ETF. Therefore, the ETF does not recognize any income tax and the tax savings linked to capital and non- capital losses have not been recorded as a deferred income tax asset in the Statement of Financial Position.

The ETF is subject to withholding taxes on investment income and capital gains in certain foreign countries. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a "Tax deduction" in the Statement of Comprehensive Income.

## **2.7 Participation in structured entities**

A structured entity is designed in such a way that voting rights or similar rights are not the determining factor in who controls the entity; this is particularly the case when the voting rights concern only administrative tasks and the relevant activities are directed by a contractual agreement.

The ETF invests in mutual funds, limited partnerships and/or exchange-traded funds managed by the Manager or by other fund managers. The ETF considers all its investments in mutual funds, limited partnerships and/or exchange-traded funds (the "underlying funds") as investments in unconsolidated structured entities, because decisions made by the underlying funds are not dependent on the voting rights or similar rights held by the ETF. The ETF does not provide and have not

committed to providing any other support to these unconsolidated structured entities. The objectives of the underlying funds, whose investment strategy excludes borrowing, enable the ETF to achieve its main objectives. The underlying funds finance their operations by issuing securities that are redeemable at the option of the holder, entitling him to receive a proportionate share in the net assets of the underlying funds. The ETF holds redeemable securities of the underlying funds.

Asset-backed securities and mortgage-backed securities are also considered unconsolidated structured entities. Asset-backed securities result from the consolidation of assets such as auto loans, credit card receivables and student loans. A right on future cash inflow (interest and principal) is then sold in the form of a debt or an equity security, which can be held by the ETF.

Therefore, the ETF, as an investment entity, accounts for its investments in unconsolidated structured entities at fair value. The change in fair value of these investments is presented in the Statement of Comprehensive Income under "Change in net unrealized appreciation/depreciation on investments."

If applicable, the specific notes for the ETF present the fair value exposure of investments in structured entities.

## **Offsetting financial assets and financial liabilities**

Financial instruments are recognized on a net or gross basis in the Statement of Financial Position based on the intention or legal obligation to offset opposite positions on instruments held with the same counterparties. Amounts offset in the Statement of Financial Position arise from transactions where the ETF has a legally enforceable right to offset and intend to settle the positions on a net basis. Amounts not offset in the Statement of Financial Position arise from transactions where a master netting arrangement is in place with a right to offset only in the event of default, insolvency or bankruptcy, or where the ETF has no intention of settling on a net basis.

As at June 30, 2025 and 2024, no financial instruments are offset in the Statement of Financial Position.

## **NOTE 3: CRITICAL JUDGMENTS AND ACCOUNTING ESTIMATES**

When preparing the financial statements, the Manager of the ETF undertakes several judgments through the application of the accounting policies of the ETF.

### **3.1 Significant judgments**

The following is a discussion of the significant judgments management must make in applying the ETF's accounting policies, which have the most significant impact on the financial statements.

#### **3.1.1 Functional currency**

The Manager considers the Canadian dollar to be the functional currency in which the ETF operates, because it is the currency which, in its opinion, most faithfully represents the economic effects of the transactions, events and conditions of the ETF. Moreover, the Canadian dollar is the currency in which the ETF assesses its performance. The ETF issues and redeems its securities in Canadian dollars. The financial statements are presented in Canadian dollars, which is the ETF's functional and presentation currency.

### 3.1.2 Investment entity

It has been determined that the ETF meets the definition of an investment entity in accordance with IFRS 10: *Consolidated Financial Statements* and, accordingly, investments are valued at FVTPL. An investment entity is an entity that: obtains funds from one or more investors for the purpose of providing those investors with investment management services; declares to its investors that its purpose is to invest funds for the sole purpose of realizing returns in the form of capital gains and/or investment income; and evaluates and assesses the performance of almost all of its investments on the basis of fair value. The most important judgment in determining that the ETF meets the definition above is that fair value is used as the main measure to assess the performance of almost all the ETF's investments.

### **3.2 Estimation uncertainties**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

#### 3.2.1 Fair value of financial instruments

As described in Note 5 – Financial instruments disclosures, the Manager has taken a position when the closing price does not fall within that day's bid-ask spread. Under "IFRS Accounting Standards", the Manager must determine the traded price by considering the character that is most representative of fair value based on the specific facts and circumstances. The Manager has taken the position that when such a situation arises investments are measured at the bid price.

Furthermore, the Manager exercises its judgment in selecting the appropriate valuation technique for financial instruments that are not listed on an active market. The valuation techniques used are those that are currently applied by market participants. For derivative financial instruments, the assumptions are based on the market price adjusted with respect to the instrument's specific characteristics.

### **NOTE 4: CHANGES IN ACCOUNTING STANDARDS THAT ARE NOT YET IN EFFECT**

At the date of authorization of these financial statements, no other new standards or amendments or interpretations of existing standards that have a material impact on these financial statements have not been issued by the International Accounting Standards Board.

### **NOTE 5: FINANCIAL INSTRUMENT DISCLOSURES**

#### **5.1 Financial risks**

Investment activities of the ETF expose them to some financial risks. The main types of risk to which the ETF is exposed are credit risk, liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and concentration risk. The Manager seeks to maximize returns for any given level of risk while minimizing these risks by entrusting the portfolio management of the ETF to seasoned portfolio managers. These managers oversee day-to-day management according to the progress of the ETF's investments and market events as well as diversify the investment portfolio within the constraints of the investment objective of the ETF.

The Portfolio Manager uses a rigorous fundamental approach to select and manage the investments, which is an intensive and continuous process of research regarding investment opportunities in a wide range of instruments of various issuers. The

Manager determines when the ETF's portfolio securities are to be exchanged for those of other issuers or those with other maturities to improve performance of the ETF's portfolio and/or limit risk.

Tables quantifying the various financial risks are presented in the specific notes for the ETF, if it is having a high-risk exposure at the end of the period. These sensitivity analyses may differ from actual results and the differences could be significant.

#### **5.2 Credit risk**

Credit risk is the risk that a commitment with an ETF will not be upheld by the counterparty to a financial instrument. The ETF's credit risk is derived primarily from debt securities and derivative instruments held, if applicable.

The fair value of investments represents the maximum credit risk as at the end of the period. The fair value of a financial instrument reflects the creditworthiness and the credit rating of the issuer.

The ETF's policy with respect to credit risk management is to invest in financial assets whose credit rating is established by recognized credit rating agencies. Credit risk is reduced by choosing reputable financial asset issuers that have previously been subject to a rigorous credit assessment.

Furthermore, the investment policy of the ETF allows the portfolio manager, at his discretion, to review and adjust the target weightings of the underlying funds, as well as to add, change or delete an underlying fund. In selecting an underlying fund to invest in, the portfolio manager will consider the degree of exposure to the asset class provided by the underlying fund as well as the credit risk attached to its debt securities.

Portfolio securities transactions are settled upon delivery by the brokers. The risk of default is considered low because the delivery of securities is made once the broker has received payment. The transaction fails when one of the parties fails to honor its commitments.

The credit risk relating to cash flow transactions and derivative financial instruments transactions, if applicable, is mitigated by transactions with counterparties that are regulated entities subject to prudential supervision, or that were given a high credit rating by international credit rating agencies.

Where applicable, the ETF reduces settlement risk on derivative financial instruments by using a clearing house that enables transactions to be settled upon delivery in exchange for payment.

The ETF is exposed to deposit credit risk. If the security custodian becomes insolvent, the ETF may encounter a delay in accessing its assets.

The ETF's investment policy governs the maximum composition and level of risk in which the portfolio manager will work. In addition, it is the portfolio manager's responsibility to ensure that he invests in securities compliant with the credit rating standards for the ETF, according to its management mandate. A table showing the distribution of securities according to their credit rating is presented in the specific notes for the ETF whose exposure to credit risk is significant at the end of the period.

### 5.3 Liquidity risk

Liquidity risk is defined as the risk that an ETF will have difficulty meeting its obligations or commitments within a reasonable delay. Security holders of the ETF may redeem their securities on any valuation day. The ETF may not purchase an illiquid asset if, because of such an acquisition, more than 10% of its net asset value would consist of illiquid assets and may have no more than 15% of its net asset value invested in illiquid assets for 90 days or more.

Since the ETF invests in active markets, it can dispose of its assets quickly. The ETF may invest in derivatives, debt securities and unlisted equity securities that are not traded on an active market.

As a result, the ETF may not be able to quickly liquidate its investments in these instruments at amounts which approximate their fair values or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer. In accordance with the ETF's policy, the Manager monitors the liquidity position on a quarterly basis. To manage this risk, the counterparty is carried out with reputable financial institutions. The ETF maintain a cash flow and short-term investment level that the Manager deems sufficient to maintain the required liquidities.

### 5.4 Market risk

The ETF's investments are subject to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The market risk can be broken down into the following three risk components: currency risk, interest rate risk and price risk.

#### 5.4.1 Currency risk

The ETF invests in financial instruments denominated in currencies other than its functional currency. These investments result in currency risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Investments traded in foreign markets are also exposed to currency risk since their value is converted into the functional currency of the ETF to determine their fair value. As necessary, the ETF may use foreign exchange forward contracts to reduce its exposure to foreign currency risk.

The ETF's investment policy governs the maximum permitted exposure in securities of foreign issuers and the level of risk in which the portfolio manager will have to operate. This policy provides, where applicable, the possibility to invest in derivatives to manage the risks to which the investment portfolio is exposed, such as foreign exchange contracts. The portfolio manager is responsible for making such investment decisions, based on market conditions within the limits of its management mandate and while upholding the investment objective of the ETF.

If the ETF holds underlying funds and these underlying funds invest in financial instruments denominated in currencies other than the functional currency, these investments result in indirect exposure to currency risk.

A table quantifying the currency risk is presented in the specific notes for the ETF having a significant exposure to foreign currencies at the end of the period. The data in the table includes, where applicable, derivative financial instruments.

#### 5.4.2 Interest rate risk

Changes in market interest rates expose interest-bearing securities, such as bonds

and preferred shares, to interest rate risk. The ETF that holds interest-bearing securities are exposed to this risk since changes in prevailing market interest rates affect the value of interest-bearing securities. As a general rule, the value of interest-bearing financial instruments increases when interest rates go down and vice versa. The ETF's policy requires the Portfolio Manager to manage this risk by calculating and monitoring the average effective duration of the portfolio containing these securities. A table quantifying the interest rate risk is presented in the specific notes for the ETF whose interest rate risk exposure is significant at the end of the period. The percentage retained by management for the sensitivity analysis reflects, in particular, interest rate changes, economic conditions and the market.

#### 5.4.3 Other price risk

Price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices caused by factors specific to a security, its issuer or any other factor affecting a market or a segment of the market (other than those arising from currency risk and interest rate risk).

The ETF is exposed to price risk since all its investments are exposed to the volatility of market factors and capital loss risk. In particular, they are exposed to price risk associated with the ongoing Covid-19 pandemic, which could result in higher volatility than in normal times. The maximum risk resulting from financial instruments is equivalent to their fair value, except for certain options and futures contracts for which the loss may be unlimited. The ETF's policy is to manage price risk through diversification and selection of investments within specified limits established by the investment guidelines set out in the ETF prospectus.

A table quantifying the price risk is presented in the specific notes for the ETF having a significant exposure to this risk at the end of the period.

### 5.5 Concentration risk

Concentration risk arises from the net exposure of financial instruments to the same investment category, notably based on a region, a type of asset, industry or market segment. Financial instruments of the same category have similar characteristics and are affected similarly by changes in economic or other conditions. Exposure to this risk is managed by diversifying the investments of the ETF using its investment policy. Compliance with this policy allows the management of concentration risk related to exposure to an issuer or group of issuers with common characteristics.

A table quantifying the concentration risk is presented in the specific notes for the ETF according to the type of concentration that the Manager has determined to be relevant.

### 5.6 Fair value measurement

The ETF measures fair value using the following hierarchy that reflects the inputs used in making the valuations. For the purposes of presenting information about financial instruments, these must be classified according to a fair value valuation hierarchy. This three-level hierarchy is established according to the transparency of data considered in assessing the fair value of assets and liabilities and is presented below:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the ETFs can access on the valuation date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. This category includes instruments valued using: quoted prices in active markets for similar



instruments; quoted prices for identical or similar instruments in markets that are considered less active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3: Unobservable inputs relating to the asset or liability. This category includes all instruments for which the valuation technique includes inputs not based on observable data and unobservable inputs that have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments, but for which significant unobservable adjustments or assumptions are required to account for differences between instruments. This category also includes illiquid securities (are considered as such when no transaction has been recorded for such securities for more than 10 days), insolvent securities, delisted securities or securities suspended for more than one year and private investments as well.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is ranked at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. When, at the financial position date, the observable inputs used for a financial instrument are different from those used at the opening date, it is the policy of the ETF to establish that on the date of the event or change in circumstances, a transfer between levels of the fair value hierarchy is deemed to have occurred

A table showing the breakdown of securities according to their level at the end of the period along with a sensitivity analysis of the ETF with Level 3 financial instruments, as applicable, are presented in the specific notes for the ETF.

#### 5.6.1 Active Markets

The fair value of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or broker price quotations:

- Common shares, preferred shares and exchange-traded funds are valued at the closing price at the valuation date when that price is within bid-ask spread. When the last quoted price does not fall within the bid-ask spread, the investments are measured at the bid price.
- Bonds, mortgage-backed securities, loans, debentures and stock options are valued at the closing price quoted by major dealers in such securities.
- Money market securities, if any, are held at amortized cost which approximates fair value.
- Forward currency contracts are valued based on the difference between the contracted rate and the current market rate for the foreign currency at the valuation date.
- Forward contracts and swaps are valued at the gain or loss that would result from the contract close-out at the valuation date.
- Futures contracts entered into by the ETF are financial agreements to purchase or sell a financial instrument at a contracted price at a specified future date. However, the ETF does not intend to purchase or sell the financial instrument on the settlement date; rather, they intend to close out each futures contract prior to settlement by entering into equal, but offsetting, futures contracts. Traded futures contracts are valued at the closing price whereas other futures contracts are valued at the gain or loss that would result from closing the position at the valuation date.
- Options are valued at the settlement price determined by the relevant exchange.

#### 5.6.2 Valuation techniques

For all other financial instruments, the ETF determines fair value using the valuation techniques described below, if applicable.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable quoted prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the valuation date.

The ETF uses widely recognized valuation models to determine the fair value of common and simple financial instruments, such as interest rate and currency swaps that use only observable market data and require little management judgment and estimation by the Manager. Observable inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as interest rate swaps. The availability of observable inputs in the market reduces the need for the Manager's judgment and estimation and reduces the uncertainty associated with the determination of fair value. The availability of these inputs varies depending on the type of securities and markets and is subject to changes based on specific events and general financial market conditions.

For more complex instruments, the ETF uses customized valuation models, which are usually developed from recognized valuation models. Some or all the significant inputs in these models may not be observable in the market and are derived from quoted prices or rates or estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of judgment and estimation by the Manager in determining fair value. The Manager must make judgments and estimates in the selection of the appropriate valuation model to be used, the determination of expected future cash flows on the financial instrument being valued, the determination of the probability of counterparty default and prepayments and the selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for all other factors, such as liquidity risk or model uncertainties, to the extent that the ETF believes that a third-party market participant would take them into account in pricing a transaction. Fair value reflects the credit risk of the instrument and includes adjustments to consider the credit risk of the ETF and the counterparty, if applicable. Insolvent securities, delisted securities or securities suspended for more than one year are listed at zero.

Model inputs and values are calibrated against historical data and published forecasts and, when possible, against current or recent observed transactions and broker quotes.

The ETF has a control framework established with respect to the measurement of fair value. This framework includes a portfolio valuation function. The latter assumes overall responsibility for fair value measurements. The following specific controls are in place:

- Verification of observable quoted price inputs
- Re-execution of model valuations

- A review and approval process for new models and changes to such models
- Analysis and investigation of significant daily valuation movements; and
- Review of unobservable inputs and valuation adjustments.

When third party information, such as broker quotes or pricing services, is used to measure fair value, the portfolio valuation function assesses and documents the evidence obtained from third parties to support the conclusion that such valuations meet the requirements of "IFRS Accounting Standards". This includes:

- Verifying that the broker or pricing services are approved by the ETF for use in pricing the relevant type of financial instrument
- Understanding how the fair value has been arrived at and the extent to which it represents actual market transactions; and
- If a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

#### **NOTE 6: REDEEMABLE SECURITIES**

The ETF is authorized to issue an unlimited number of redeemable and assignable units.

##### **6.1 Redemption of Units in any Number for Cash**

On any trading day, unitholders may redeem units of any ETF in any number for cash at a redemption price per unit equal to 95% of the closing price for the units on the TSX on the effective day of the redemption, subject to a maximum redemption price of the applicable net asset value per unit. Because unitholders will generally be able to sell units at the market price on the TSX or another exchange or marketplace through a registered broker or dealer subject only to customary brokerage commissions, unitholders are advised to consult their brokers, dealers or investment advisors before redeeming their units for cash.

For such cash redemption to be effective on a trading day, a cash redemption request in the form prescribed by the manager from time to time must be delivered through a CDS participant by 9:00 a.m. (Toronto time) on that day to the applicable ETF at its head office or as the manager may otherwise direct. If a cash redemption request is received after 9:00 a.m. (Toronto time) on a trading day, the cash redemption request will be effective only on the next trading day. The cash redemption request forms may be obtained from the manager.

A unitholder that exercises this cash redemption right during the period that is one trading day before a distribution record date until that distribution record date will be entitled to receive the applicable distribution in respect of those units.

In connection with the redemption of units, an ETF will generally dispose of securities or other assets in order to fund the required redemption proceeds. The redemption price paid to a unitholder may include income and/or capital gains realized by the ETF. The remaining portion of the exchange or redemption price will be proceeds of redemption.

The manager reserves the right to cause an ETF to redeem the units held by a unitholder at a price equal to the net asset value per unit on the effective date of such redemption if the manager believes it is in the best interests of the ETF to do so.

##### **6.2 Exchange of Prescribed Number of Units**

On any trading day, unitholders may exchange a minimum of a prescribed number of units (and any additional multiple thereof) for baskets of securities and cash or, with the consent of the manager, cash. To effect an exchange of units, a unitholder must submit an exchange request in the form prescribed by the manager from time to time to the applicable ETF at its head office or as the manager may otherwise direct by the applicable cut-off time on a trading day. The exchange price will be equal to the aggregate NAV per Unit of the Prescribed Number of Units on the effective day of the exchange request, payable in cash or, with the consent of the Manager, by delivery of a Basket of Securities (constituted prior to the receipt of the exchange request) and cash. The exchange price will be equal to the aggregate net asset value per unit of the prescribed number of units on the effective day of the exchange request, payable by delivery of baskets of securities (constituted prior to the receipt of the exchange request) and cash or, with the consent of the manager, cash. On an exchange, the manager may, at its discretion, require the unitholder to pay or reimburse the applicable ETF for the trading expenses incurred or expected to be incurred by the ETF in connection with the sale by such ETF of securities in order to obtain the necessary cash to fund the exchange price. On an exchange, the applicable units will be redeemed.

If an exchange request is not received by the applicable cut-off time on a trading day, subject to the discretion of the manager, the exchange request will be deemed to be received only on the next trading day. Settlement of exchanges for cash or, with the consent of the Manager, for a Basket of Securities and cash, as the case may be, will be made by no later than the second business day (or such shorter period as may be determined by us in response to changes to applicable law or general changes to settlement procedures in applicable markets) after the effective day of the exchange request.

The manager will make available to the designated broker and the dealers information as to the prescribed number of units and any basket of securities for the ETF for each trading day. The manager may, at its discretion, increase or decrease the prescribed number of units from time to time.

A unitholder who exchanges or redeems units during the period that is one trading day before a distribution record date until that distribution record date will be entitled to receive the applicable distribution in respect of those units.

If securities held in the portfolio of an ETF are cease traded at any time by order of a securities regulatory authority or other relevant regulator or stock exchange, the delivery of such securities to a unitholder on an exchange may be postponed until such time as the transfer of the securities is permitted by law.

##### **6.3 Characterization of Redemption or Exchange Amount**

Subject to the limits imposed by the ATR Rule, the redemption or exchange price paid to a unitholder may include capital gains realized by the ETF. The remaining portion of the exchange or redemption price will be proceeds of disposition.

##### **6.4 Units**

The number of outstanding units and the number of units issued, reinvested and redeemed for the period ended are presented after the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units of the ETF.



## NOTE 7: TRANSACTIONS WITH RELATED PARTIES

Transactions that are considered to be related-party transactions for the ETF are presented in the specific notes for the ETF to which the situation applies.

### 7.1 Manager

NBI (the “Manager”) and Evovest Inc. are the promoters 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 fund (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, an ETF, including in connection with brokerage and derivatives transactions.

### 7.2 Trustee

The Manager has retained the services of Natcan Trust Company to serve as trustee for the ETF and has retained the services of Evovest Inc. to serve as portfolio manager.

### 7.3 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.

### 7.4 Approvals and recommendations of the independent review committee (if applicable)

The ETF has followed the standing instructions of its independent review committee with respect to one or more of the following related party transactions: a) purchasing or selling government or other debt securities on the secondary market from related brokers that are main brokers in the Canadian debt securities market; b) purchasing on the secondary market securities of a related issuer that are not traded on an exchange; c) purchasing on the primary market non-exchange-related issuer debt securities having maturities of 365 days or more, other than asset-backed commercial paper.

The Manager has implemented policies and procedures to ensure that the conditions that apply to each of the transactions identified above are met. The applicable standing instructions require that these transactions be carried out in accordance with the Manager’s policies. Notably, these instructions require that investment decisions pertaining to such related-party transactions must be made free from any influence from an entity related to the Manager and without taking into account any consideration relevant to an entity related to the Manager. Moreover, investment decisions must represent the business judgment of the portfolio manager, uninfluenced by considerations other than the interests of the ETF, and must achieve a fair and reasonable result for the ETF.

### 7.5 Management fees

The ETF will pay the Manager a management fee of 0.73% based on the average daily NAV of the ETF. The management fee, plus applicable taxes, including GST/HST/QST, will be accrued daily and paid monthly. The management fee is payable to the Manager in consideration of the services that the Manager provides to the ETF in its capacity as the manager such as, managing the day-to-day business and affairs of the ETF which includes:

- calculating NAV;
- determining the amount and the frequency of distributions to be made by the ETF;
- authorizing the payment of operating expenses incurred on behalf of the ETF;
- drafting of the investment policies;
- ensuring that the portfolio manager respects the terms of the investment policies; and
- ensuring that financial statements and other reports are sent to unitholders.

The Manager may, from time to time at its discretion, waive a portion of the management fees charged to the ETF.

To achieve effective and competitive management fees, the Manager may agree to charge a reduced management fee as compared to the management fee it would otherwise receive from the ETF with respect to investments in the ETF by certain unitholders. In such cases, the Manager will reduce the management fee charged to the ETF and the ETF will pay an amount equivalent to the reduction to the Unitholders concerned as a special distribution (the «Manager Fee Distribution » ). Management Fee Distributions, paid in cash, will be first paid out of net income and net realized capital gains of the ETF and then out of capital. The availability, amount and timing of Management Fee Distributions with respect to units of an ETF will be determined from time to time by the Manager at its sole discretion.

### 7.6 Operating Expenses

The Manager has agreed to pay the following expenses of the ETF, provided all such expenses are incurred in the normal course of business of the ETF:

- costs of the negotiation and management of the contractual agreements with third-party service providers including the Trustee, the Designated Broker, the Custodian, the Registrar and Transfer Agent, the Fund Administrator, and the Portfolio Manager;
- the fees for the services of the Portfolio Manager;
- the fees for the services of the Trustee, the Custodian, the Registrar and Transfer Agent, and the Fund Administrator;
- costs of providing clerical, bookkeeping, internal accounting and reporting services required by the ETF in the ordinary course of its operations, including assuring the maintenance of the accounting records, the production of the financial statements, and the production of other financial information documents such as valuations, as well as related audit and external accounting fees;
- costs of managing the relationship with the stock exchange, including payment of initial listing and annual stock exchange fees, as well as fees charged by CDS;
- regular legal fees and expenses associated with the production of the regulatory documentation for the ETF (including the prospectus);
- regular filing fees payable pursuant to Canadian securities regulation in connection with the regulatory documentation for the ETF (including the prospectus); and
- costs of complying with all governmental and regulatory requirements existing as of the date of creation of the ETF.

Unless otherwise provided herein, the ETF is responsible for paying all other operating expenses, including but not limited to the following:

- brokerage fees, expenses or commissions;
- portfolio transaction costs;
- fees related to derivative instruments entered into or purchased by the ETF (if applicable);
- any income, excise or other taxes, including GST/ HST/ QST, payable by the ETF or to which the ETF may be subject, including withholding taxes (foreign or Canadian);
- legal fees and expenses (other than regular legal fees and expenses associated with the production of the regulatory documentation for the ETF and the negotiation and management of the contractual agreements with third-party service providers);
- costs of complying with any new governmental or regulatory requirements imposed after the creation of the ETF;
- compensation and expenses related to the IRC and to any advisors employed by such committee, as well as all orientation and continuing education costs of, insurance premiums, and other costs reasonably incurred by, such committee or committee members;
- Unitholder communication expenses including but not limited to costs of any meeting of any Unitholders of the ETF;
- Unitholder servicing costs;
- printing and mailing expenses;
- bank related fees and interest expenses and other borrowing costs;
- any fees, costs and expenses beyond the normal course of business of the ETF;
- litigation expenses;
- amounts paid for damages awarded or as settlements in connection with litigation;
- extraordinary expenses, such as expenses of any action, suit or other proceeding in which or in relation to which any person is entitled to indemnification by the ETF; and
- indemnification costs in respect of any obligation for the ETF to indemnify any person and any insurance purchased and maintained on behalf of the ETF in respect of any obligation to indemnify any person.

The Manager may, from time to time, decide to reimburse the ETF, or directly pay certain operating expenses that are chargeable to the ETF.

### 7.7 Brokerage fees

The ETF may pay brokerage fees on portfolio transactions to brokers who are considered related parties, such as National Bank Financial and National Bank Direct Brokerage (a division of National Bank Financial Inc., an indirect wholly owned subsidiary of National Bank of Canada), corporations under common control with the Manager. These related party brokerage fees and soft dollars allocated to the ETF are presented in the specific notes for the ETF, as applicable.

### NOTE 8: INCOME TAXES

Under the Tax Acts, the ETF is defined as a mutual fund trust. The trust distributes all its net taxable income and enough portion of its net taxable realized capital gains to not pay income taxes. The distributed net income and net realized gains are taxable in the hands of the unitholders of the ETF in the year in which the distribution was received, prorated to the number of units. The taxation year of the ETF trust ends on December 15.

Since all the net income and the realized gains are distributed to the unitholders of the ETF, the ETF does not have taxable income and therefore no income tax expense has been recorded in the financial statements of the ETF.

Under the Tax Acts, the ETF may claim a capital gains refund. A mathematical formula, which considers redemptions of units during the period is used to maximize the claim to retain capital gains in the ETF and minimize income taxes payable by

the ETF’s unitholders.

### NOTE 9: CURRENCIES

In the Schedules of Investments you will find the currencies other than Canadian dollar, they are presented using the following abbreviations:

AUD: Australian Dollar	HKD: Hong Kong Dollar	NZD: New Zealand Dollar
BRL: Brazilian real	IDR: Indonesian Rupiah	PHP: Philippine peso
CHF: Swiss Franc	INR: Indian Rupee	SEK: Swedish Krona
CNY: Chinese Yuan Renminbi	JPY: Japanese Yen	SGD: Singapore Dollar
DKK: Danish Krone	KRW: South Korean won	TWD: New Taiwan Dollar
EUR: Euro	MXN: Mexican peso	USD: American Dollar
GBP: Pound Sterling	NOK: Norwegian Krone	ZAR: South African rand

