



Important Tax Notice to U.S. Unitholders of Fund

NBI Preferred Equity Fund (the “Fund”)

Passive Foreign Investment Company (PFIC) Annual Information Statement For the tax year ending December 31, 2022

This notice is provided to unitholders who are considered United States persons (“U.S. persons”) for purposes of the U.S. Internal Revenue Code of 1986, as amended (the “IRC”), and the regulations thereunder. The notice does not concern other unitholders. U.S. persons include U.S. citizens (whether or not they are U.S. residents), certain individuals with U.S. permanent resident status, U.S. corporations, and certain U.S. trusts and estates. Unitholders should consult with a U.S. tax specialist to determine their U.S. tax status.

Note that the Fund is classified as a Passive Foreign Investment Company (“PFIC”) as defined in Section 1297(a) of the IRC for the year ending December 31, 2022.

The PFIC Annual Information Statement (“PFIC AIS”) attached is provided pursuant to the requirements of the Code of Federal Regulations §1.1295-1(g)(1). The PFIC AIS contains reporting information enabling unitholders to make a tax election. Such a tax election allows the classification of the Fund as a qualified electing fund (“QEF”). Normally, unitholders who are considered U.S. persons and make a QEF election are required to include in their U.S. tax returns their prorated share of the ordinary earnings and net capital gains of the Fund, whether or not that Fund distributed any amounts to its unitholders. Unitholders should consult a professional before making a tax election based on their situation and completing the necessary forms to file a U.S. tax return.

To make a QEF election, unitholders must file Form 8621 - *Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund* as required by the U.S. Internal Revenue Service. A separate Form 8621 must be completed with respect to each fund for which the unitholder wishes to make the QEF tax election. Each form must be filed with the unitholder’s U.S. income tax return by the mandatory deadline.

In the case of a National Bank Investments Inc. fund (“NBI Fund”) whose assets include units of another NBI Fund, the owner must complete a separate Form 8621 for that other indirectly held NBI Fund in order to make the QEF tax election. The PFIC AIS allows for a QEF tax election to be made for an NBI Fund held directly or for any indirectly held underlying NBI Fund.

We recommend that unitholders consult a professional regarding U.S. tax reporting requirements. Information on the U.S. tax rules applicable to investments in PFICs is also available on the U.S. Internal Revenue Service website (www.irs.gov) by entering “Form 8621 Instructions” in the search bar.

If you have any questions, please contact your advisor or a U.S. tax specialist. Thank you for your support and confidence in NBI Funds.

NBI Preferred Equity Fund (the “Fund”)

Passive Foreign Investment Company (PFIC) Annual Information Statement For the tax year ending December 31, 2022

- 1) This Information Statement applies to the tax year of the Fund and any underlying NBI Fund(s) held by the Fund for the year beginning on January 1, 2022, and ending on December 31, 2022.
- 2) The per-unit, per-day amounts of ordinary earnings for each series of the Fund and its underlying NBI Fund(s) as applicable for the period specified in paragraph (1) are provided in the table(s) below:

Directly Held Fund Series	Per-Day Per-Unit Ordinary Earnings (USD)
Investor / Advisor Series	0.0000402000
Private Series	0.0000609965
Series F	0.0000568013
Series O	0.0000717495

- 3) The per-unit, per-day amounts of Net Capital Gains for each Fund series and its underlying NBI Fund(s) as applicable for the period specified in paragraph (1) are provided in the table(s) below:

Directly Held Fund Series	Per-Day Per-Unit Net Capital Gains (USD)
Investor / Advisor Series	0.0000000000
Private Series	0.0000000000
Series F	0.0000000000
Series O	0.0000000000

- 4) To determine the prorated amount of the ordinary income and net capital gains for the Fund series and for each of the underlying NBI Funds held directly or indirectly by the unitholder, as set out in the table above, multiply the per-unit and per-day amounts by the number of units of the respective Fund series held, and then by the number of days held by the unitholder during the period specified in paragraph (1).

5) The per-unit amounts distributed or deemed distributed by the Fund in cash or in kind at fair market value to unitholders during the period specified in paragraph (1) are provided in the table below:

Directly Held Fund Series	Distribution Record Date	Cash/In Kind Distribution Per Unit (USD)
Investor / Advisor Series	25-Jan-22	0.0233029991
Investor / Advisor Series	25-Feb-22	0.0139113030
Investor / Advisor Series	25-Mar-22	0.0173305627
Investor / Advisor Series	25-Apr-22	0.0240853229
Investor / Advisor Series	25-May-22	0.0152605749
Investor / Advisor Series	27-Jun-22	0.0194957265
Investor / Advisor Series	25-Jul-22	0.0213499416
Investor / Advisor Series	25-Aug-22	0.0168286465
Investor / Advisor Series	26-Sep-22	0.0162720989
Investor / Advisor Series	25-Oct-22	0.0230427438
Investor / Advisor Series	25-Nov-22	0.0174652206
Investor / Advisor Series	21-Dec-22	0.0199691675
Private Series	25-Jan-22	0.0293083802
Private Series	25-Feb-22	0.0205627943
Private Series	25-Mar-22	0.0224952046
Private Series	25-Apr-22	0.0263624266
Private Series	25-May-22	0.0191750409
Private Series	27-Jun-22	0.0259308469
Private Series	25-Jul-22	0.0327925263
Private Series	25-Aug-22	0.0223323548
Private Series	26-Sep-22	0.0217475446
Private Series	25-Oct-22	0.0278701528
Private Series	25-Nov-22	0.0496477188
Private Series	12-Dec-22	0.0379771496
Private Series	21-Dec-22	0.0079826751
Series F	25-Jan-22	0.0287679038
Series F	25-Feb-22	0.0217684458
Series F	25-Mar-22	0.0238938619
Series F	25-Apr-22	0.0299772994
Series F	25-May-22	0.0172096284
Series F	27-Jun-22	0.0256728827
Series F	25-Jul-22	0.0265161541
Series F	25-Aug-22	0.0210823548
Series F	26-Sep-22	0.0242379047
Series F	25-Oct-22	0.0271775852
Series F	25-Nov-22	0.0218706058
Series F	21-Dec-22	0.0237454118
Series O	25-Jan-22	0.0332096225

Series O	25-Feb-22	0.0251255887
Series O	25-Mar-22	0.0256138107
Series O	25-Apr-22	0.0308485323
Series O	25-May-22	0.0221944380
Series O	27-Jun-22	0.0296651127
Series O	25-Jul-22	0.0304157260
Series O	25-Aug-22	0.0250618047
Series O	26-Sep-22	0.0244459804
Series O	25-Oct-22	0.0303995300
Series O	25-Nov-22	0.0250979806
Series O	21-Dec-22	0.0267053296

- 6) The Fund and its underlying NBI Funds, if any, will, upon receipt of a request, permit the unitholder to inspect and copy its permanent books of accounts, records, and other such documents as may be maintained by the Fund that are necessary to establish its ordinary earnings and net capital gains calculated in accordance with U.S. income tax principles under IRC Section 1293, and to verify these amounts and the unitholder's prorated share thereof.

NATIONAL BANK INVESTMENTS INC.,
acting as manager of the Funds



Eric-Olivier Savoie
President and Chief Executive Officer
National Bank Investments Inc.
Date: March 31, 2023

The information and opinions herein are provided for information purposes only and are subject to change without notice. The opinions are not intended as investment advice nor are they provided to promote any particular investments and should in no way form the basis for your investment decisions. National Bank Investments Inc. ("NBI") has taken the necessary measures to ensure the quality and accuracy of the information contained herein at the time of publication. It does not, however, guarantee that the information is accurate or complete, and this communication creates no legal or contractual obligation on the part of NBI.

Information contained herein is taken from the Fund's financial statements and is provided in order to assist unitholders in making calculations and does not constitute tax advice. Copies of the financial statements are available at www.nbinvestments.ca. Unitholders are advised to consult their own tax professional concerning the overall tax consequences of the ownership of units arising in their own particular situations under United States Federal, State, Local or Foreign law.

Units of the Fund offered by NBI have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("1933 Act") or under the securities laws of any state. Subject to certain exceptions, the units may not be offered or sold in the United States or offered or sold to U.S. persons (as such term is defined in the 1933 Act). The Fund offered by NBI has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended. NBI has not been registered under the U.S. Investment Advisers Act of 1940.

© 2023 National Bank Investments Inc. All rights reserved. Any reproduction, in whole or in part, is strictly prohibited without the prior written consent of National Bank Investments Inc.

® National Bank Investments is a registered trademark of National Bank of Canada, used under license by National Bank investments inc.