NBI Funds

The funds listed below, where indicated, offer units of the *Advisor, F, O, N and NR Series*.

Simplified Prospectus dated November 15, 2022

GLOBAL EQUITY FUNDS
NBI Active International Equity Fund[1-2-4-5]
NBI Active Global Equity Fund[1-2-3]

(1) Units of the *Advisor Series*
(2) Units of the *F Series*
(3) Units of the *O Series*
(4) Units of the *N Series*
(5) Units of the *NR Series*

No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise.

The funds and the units offered under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.

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Introduction

At National Bank Investments Inc., we want you to understand the funds you are investing in and to be comfortable with your investments. This Simplified Prospectus is written in easy to understand language and any complicated terms are explained.

The words "*you*" and "*your*" in this Simplified Prospectus refer to the investor. In addition, the words "*us*", "*we*" and "*our*" refer to National Bank Investments Inc. We refer to the mutual funds we offer pursuant to this Simplified Prospectus as "NBI Funds". All of the funds managed by National Bank Investments Inc., including the NBI Funds, are referred to as "funds" or "Funds" and, individually, a "fund" or "Fund".

If you invest in the funds, you purchase units of a trust and are a "unitholder" or, collectively, "unitholders".

This Simplified Prospectus contains important information about mutual funds in general and deals specifically with NBI Funds. This information will help you understand your rights as an investor and make informed investment decisions.

We have divided the document into two parts. The first part, from page 1 to page 31, contains information about all NBI Funds and information that applies to mutual funds in general. The second part, from page 32 to page 50, is called *Specific information about each NBI Fund described in this document* and contains detailed information about each fund described in this document.

The most recently filed Fund Facts for the NBI Funds provide additional information on the funds. These documents are incorporated herein by reference and are legally considered to be a part of this document just as if they were printed in it.

You can get a copy of the aforementioned documents, at your request and at no cost, from your dealer, by emailing us at investments@nbc.ca or visiting the funds' website http://www.nbinvestments.ca. You can also get copies of the aforementioned documents by calling National Bank Investments Advisory Service at 514 871-2082 or, toll-free, at 1 888 270-3941. National Bank Investments Advisory Service is a unit of National Bank Investments Inc. that enables investors to communicate directly with National Bank Investments Inc. in order to, among other things, obtain information concerning the products and services offered, obtain copies of information documents related to the funds, or open an account and purchase fund units.

You may also view the various documents mentioned above and obtain other information about the funds on the website of the *System for Electronic Document Analysis and Retrieval (SEDAR)* at www.sedar.com or on our website at http://www.nbinvestments.ca.

Responsibility for Mutual Fund Administration

Management of the funds

National Bank Investments Inc., an investment fund manager and mutual fund dealer in each of the Canadian provinces and territories, acts as manager of each of the funds. We are responsible for the management of the business and affairs of the funds. While we are also responsible for the investment decisions for the funds, we have retained the services of portfolio managers to assist us in discharging this duty. We are also responsible for office space and facilities, clerical help, statistical, bookkeeping and internal accounting, and internal auditing services.

The funds are responsible for paying us management fees, which vary by fund and series and are a percentage of the daily average net asset value of each series. For more information on this subject and on the various operating expenses, please refer to the section "Fees and charges payable directly by the funds".

The head office of National Bank Investments Inc. is located at 1155 Metcalfe St., 5th Floor, Montréal, Quebec, H3B 4S9. You can reach the National Bank Investments Advisory Service at the following telephone numbers: 514 871-2082 or toll-free at 1 888 270-3941. Our website is www.nbinvestments.ca and our e-mail address is investments@nbc.ca.

National Bank Investments Inc. has entered into various management agreements with Natcan Trust Company and/or National Bank Trust Inc. for the management of the NBI Funds. The management agreement for the NBI Funds may be terminated by either party at any time with at least 60 days' notice.

Generally, we cannot change the manager of a fund without the approval of the Canadian Securities Administrators and of a majority of the unitholders at a meeting of unitholders of the fund. However, we do not need such approvals to change the manager to an affiliate of National Bank Investments Inc.

Directors and Executive Officers of National Bank Investments Inc.

The following table lists the directors and executive officers of the Manager. We have included their names, the municipalities in which they live and their positions with the Manager.

Name and Municipality of Residence	***Position with the Manager***
Marie Brault Montréal, Quebec	Vice-President, Legal Services
The Giang Diep Candiac, Quebec	Director
Bianca Dupuis Varennes, Quebec	Officer responsible for approval of publication and Director
Éric-Olivier Savoie[1] Montréal, Quebec	President, Chief Executive Officer, Director and Ultimate Designated Person (for the activities of National Bank Investments Inc. as an investment fund manager)
Martin Gagnon[1, 2, 3] Montréal, Quebec	Chairman of the Board and Director
Joe Nakhle[1, 2] Montréal, Quebec	Vice-President, Investment Solutions and Business Strategy and Director
Nancy Paquet[1] La Prairie, Québec	Executive Vice-President, Chief Distribution Officer, Officer responsible for financial planning, Ultimate Designated Person (for the activities of National Bank Investments Inc. as a mutual fund dealer) and Director
Julie Mimeault La Prairie, Quebec	Chief Financial Officer
Nathalie Fournier[2] Laval, Québec	Chief Compliance Officer (for National Bank Investments Inc. as an investment fund manager)
Tina Tremblay-Girard[3] Saint-Anne-des-Lacs, Québec	Director
Olivier Goyette, Mont Saint-Hilaire, Québec	Chief Compliance Officer (for the activities of National Bank Investments Inc. as a mutual fund dealer)

[1] Also a director or officer of National Bank of Canada, which is affiliated with the Manager and provides services to the Funds or the manager with respect to the funds.

[2] Also a director or officer of National Bank Trust Inc. and/or Natcan Trust Company, which are affiliated with the manager and provide services to the funds or the Manager with respect to the funds.

[3] Also a director or officer of National Bank Financial Inc., which is affiliated with the manager and provides services to the funds or the manager with respect to the funds.

Manager of NBI Funds

Established in 1987, National Bank Investments Inc. is the manager of the NBI Funds. Our overall objective is to maximize the return on your investments. From an operational perspective, our role is to ensure the day-to-day valuation of the funds, and manage the money deposited into and withdrawn from the funds and transfers between the funds. We establish the investment objectives and strategies for the funds and monitor portfolio management. You can get further information about the NBI Funds from the National Bank Investments Advisory Service or your dealer.

Fund on fund investments

All NBI Funds are allowed to invest in other mutual funds, subject to certain conditions. Where we are the manager of both the top fund and the underlying fund, we will not vote the securities of the underlying fund. Instead, where applicable, we may arrange for such units to be voted by the beneficial unitholders of the top fund.

Portfolio Manager

1. *National Bank Trust Inc.*

We have retained National Bank Trust Inc. as portfolio manager of the NBI Funds.

The portfolio management agreement with National Bank Trust Inc. may be terminated at any time by National Bank Investments Inc. upon 30 days' prior written notice and by National Bank Trust Inc. upon 90 days' prior written notice. The agreements may also be terminated without prior notice and at any time by either of the parties in certain specific circumstances.

The head office of National Bank Trust Inc. is located at 600 De La Gauchetière Street West, 28th floor, Montréal, Quebec, H3B 4L2. We will pay National Bank Trust Inc. a fee based on a percentage of the net asset value of the funds it manages. The funds do not pay any fees to National Bank Trust Inc.

The following table lists the persons acting on behalf of National Bank Trust Inc. who are responsible for the day-to-day management of the funds. Included are their respective names, titles and length of service.

Name	***Title***	***Length of Service***
Sandrine Théroux	Associate Director, Global Equity Derivatives, R&D	10 years
Gilles Côté	Senior Analyst	11 years
Terry Dimock	Chief Portfolio Manager	7 years
Christian Nols	Manager	6 years

Decisions relating to portfolio securities are subject to the oversight, approval or ratification of a committee.

National Bank Trust Inc. retains the services of Montrusco Bolton Investments Inc. to provide investment advice regarding the NBI Active International Equity Fund and the NBI Active Global Equity Fund.

1.1 Montrusco Bolton Investments Inc.

National Bank Trust Inc. has retained Montrusco Bolton Investments Inc. as the portfolio sub-advisor for the NBI Funds.

The portfolio sub-advisor agreement with Montrusco Bolton Investments Inc. may be terminated at any time by either of the parties, upon 60 days' notice. The agreement may also be terminated without prior notice and at any time by either of the parties in certain specific circumstances.

The head office of Montrusco Bolton Investments Inc. is located at 1501 McGill College Avenue, Suite 1200, Montréal, Quebec, H3A 3M8. We pay Montrusco Bolton Investments Inc. a fee based on a percentage of the net asset value of the funds it manages. The funds do not pay any fees to Montrusco Bolton Investments Inc.

The following table lists the employees of Montrusco Bolton Investments Inc. who are primarily responsible for the day-to-day management of the funds managed by Montrusco Bolton Investments Inc. Included are their names, titles and length of service.

Name	***Title***	***Length of Service***
John Goldsmith	Head of Canadian Equities	18 years
Jean-David Meloche	Head of Global Equities	17 years

Decisions Regarding Brokerage Arrangements

1. Decisions Regarding Brokerage Arrangements for the NBI Funds

The portfolio manager of the funds makes all decisions related to the purchase and sale of portfolio securities and the execution of those transactions, including the selection of the market and dealer and the negotiation of commissions, where applicable. Decisions as to the selection of dealers are based on price, volume, type of execution, speed of execution, certainty of execution, total transaction costs. In certain cases, the nature of the markets, the degree of anonymity and dealer administrative resources may be taken into account. Our objective is to minimize transaction costs, including commissions.

The portfolio manager of the funds may negotiate most portfolio transactions directly with the issuer of the securities, Canadian banks or other securities dealers. Brokerage fees are usually paid at the most favourable rate available to each fund, as permitted by the rules of the appropriate stock exchange, where applicable. The portfolio manager may hire various types of brokers to carry out securities transactions on behalf of the funds, such as National Bank Financial Inc. (including its division, National Bank Direct Brokerage) These transactions must be carried out in accordance with all regulatory requirements. The portfolio manager is not under a contractual obligation to any party to allocate brokerage business. The portfolio manager takes all reasonable measures to ensure best execution and obtain the best outcome possible for order execution.

The portfolio manager and portfolio sub-advisor of the funds may direct certain brokerage transactions involving client brokerage commissions to dealers in return for the provision of goods and services by the dealer or a third party (commonly referred to as “soft dollars”). These commissions may only be used to pay the costs of order execution goods and services or research goods and services provided by dealers, including affiliated dealers.

The portfolio manager makes a good faith determination that the fund(s) it manages receives or receive reasonable benefit considering the use of the goods or services received and the amount of commissions paid, and, in certain cases, considering the scope of services and the quality of research obtained.

Principal Distributor

National Bank Investments Inc. for the NBI Funds

National Bank Investments Inc. is the principal distributor of the NBI Funds. We are responsible for decisions regarding the distribution and sale of the funds. The distribution agreement may be terminated at any time at the request of either party on 60 days’ prior notice.

National Bank of Canada receives fees from the manager for services rendered in connection with the role it plays in distributing the units of the funds. These fees are calculated on the net asset value of the units of the funds held by the Bank’s clients.

The funds may be purchased directly from the principal distributor or from registered dealers or brokers. We have entered into distribution agreements with National Bank Financial Inc. and other authorized dealers for the distribution of the NBI Funds.

Trustee, Custodian, Registrar and Transfer Agent

Natcan Trust Company is the trustee and custodian of the funds and, as such, holds the securities and other assets of these funds. Natcan Trust Company acts in accordance with the terms of the custodian agreement entered into between National Bank Investments Inc. and Natcan Trust Company. The assets, other than foreign assets, are held by Natcan Trust Company at its head office indicated hereinafter. The fees owed to Natcan Trust Company for the services it renders pursuant to the aforementioned agreement are calculated based on a fee schedule. These agreements may be terminated by either party upon 90 days’ prior written notice, or immediately in the event of either party’s insolvency. Sub-custodians appointed by Natcan Trust Company may hold certain assets, as provided by the sub-custodian agreements.

National Bank Financial Inc. is the principal sub-custodian of the funds’ assets pursuant to a services agreement between National Bank Trust Inc. and Natcan Trust Company.

Natcan Trust Company is also registrar and transfer agent of the NBI Funds, in accordance with the terms of the Registrar and Transfer Agent Agreements entered into with National Bank Investments Inc. These agreements may be terminated by either party upon 30 days’ prior notice. The head office of Natcan Trust Company is located at 600 De La Gauchetière Street West, 28th Floor, Montréal, Quebec, H3B 4L2.

The names and municipalities of residence of the principal executive officers of Natcan Trust Company in charge of the trust administration of the funds, as well as their positions with Natcan Trust Company, are as follows:

Name and Municipality of Residence	***Position and Office Held with Natcan Trust Company***
Nicolas Milette Outremont, Quebec	President and Chief Executive Officer
Nathalie Fournier Laval, Québec	Chief Compliance Officer

Auditors

Raymond Chabot Grant Thornton LLP is the auditor of the NBI Funds.

The head office of Raymond Chabot Grant Thornton LLP is located at 600 De La Gauchetière Street West, Suite 2000, Montréal, Quebec, H3B 4L8.

Securities Lending Agent

The manager has retained the services of Natcan Trust Company, as agent for securities lending transactions. Natcan Trust Company is an affiliate of the manager and its head office is in Montréal, Quebec.

Under the agreements, Natcan Trust Company, acting as agent of the manager, may lend available securities of the NBI Funds to borrowers previously identified by the manager.

The agreements provide that the amount of the collateral required to be delivered in connection with securities lending transactions must be equivalent to 102% of the market value of the loaned securities. Natcan Trust Company may not be held liable for losses sustained by the funds subject to the agreement provided such losses do not result from its gross negligence, bad faith or wilful misconduct. Either party may terminate the agreement by giving at least 60 days’ written notice to the other party.

Administrative and Operational Services

In accordance with a service agreement between the manager and National Bank Trust Inc., National Bank Trust Inc. provides administrative and operational services (including NAV calculation) to the funds, performs valuation of the units of the funds and performs the funds’ accounting. This agreement may be terminated by either party upon 60 days’ prior notice. The head office of National Bank Trust Inc. is located at 600 De La Gauchetière Street West, 28th Floor, Montréal, Quebec, H3B 4L2.

Independent Review Committee

As required by Regulation 81-107, the funds have an independent review committee (the “IRC”). The IRC reviews conflict of interest matters submitted by the manager with which the manager is confronted in operating the mutual funds it manages and reviews and comments on the manager's written policies and procedures regarding conflict-of-interest matters. The IRC is fully compliant with Regulation 81-107.

The members of the IRC all have expertise in the financial services industry:

- Norman A. Turnbull, Chair of the IRC, is a corporate director and business advisor. Mr. Turnbull is a chartered professional accountant (CPA) by training and has acted as vice-president, finances, administration and corporate development for over 20 years in large businesses and various industries. He also graduated from the Institute of Corporate Directors.

- Line Deslandes has more than 20 years of experience in finance, banking and corporate law and has held several executive positions in the securities law sector. She has been Vice President of the Legal Department and Chief Compliance Officer for companies in Canada and the United States. Ms. Deslandes has been a member of the Quebec Bar Association since 1998.

- Marie Desroches has over 30 years of experience in finance and operations management, and has held several executive positions in the mutual fund industry. Ms. Desroches, a chartered financial analyst, holds an MBA from Concordia

University and was designated as a CCD (certified corporate director) by Université Laval's Collège des administrateurs de sociétés.

- Paul Béland has acquired more than 30 years of experience in finance, mainly in the securities brokerage industry. He became an investment advisor after first having worked in corporate financing as well as in mergers and acquisitions. Mr. Béland holds an MBA from the University of Chicago.

The IRC has a written mandate describing its powers, duties and standard of care.

Pursuant to Regulation 81-107, the IRC assesses, at least annually, the adequacy and effectiveness of the following:

- The manager's policies and procedures regarding conflict of interest matters;
- Any standing instruction the IRC has provided to the manager for the conflict of interest matters related to the funds;
- The compliance of the manager and the funds with any conditions imposed by the IRC in a recommendation or approval;
- Any sub-committee to which the IRC has delegated any of its functions.

In addition, the IRC reviews and assesses, at least annually, the independence and compensation of its members, its effectiveness as a committee, and the contribution and effectiveness of each member.

The IRC prepares an annual report of its activities within the time period prescribed under Regulation 81-107. You may obtain this report free of charge for all the NBI Funds by calling us at 514 871-2082 or, toll-free, at 1 888 270-3941. You may also obtain a copy of this report by visiting our website at www.nbinvestments.ca, by sending an e-mail to investments@nbc.ca, or by visiting the website www.sedar.com.

Affiliated Companies

National Bank Financial Inc. (including its National Bank Direct Brokerage division) is a dealer through which units will be acquired and a member of the National Bank of Canada (the "Bank") group of companies. It may receive commissions from or charge fees to unitholders who buy fund units from it, in the same way as any dealer that is not affiliated with us. See "Dealer compensation" for more information about our arrangements with them.

Natcan Trust Company is the trustee of all the NBI Funds, and the registrar, transfer agent and custodian of the NBI Funds. National Bank Financial Inc. (through its division NBIN) is the principal sub-custodian of the assets of the NBI Funds. With the exception of the Bank, no other person or company that provides services to the funds, or to us in our capacity as manager of the funds, is affiliated with us.

National Bank Investments Inc. is a wholly-owned subsidiary of National Bank of Canada via its subsidiary National Bank Acquisition Holding Inc.; National Bank Trust Inc., a wholly-owned subsidiary; National Bank Financial Inc., a wholly-owned subsidiary; and Natcan Trust Company, a wholly-owned subsidiary.

Please see the audited financial statements of the funds for the amount of fees paid by the funds to National Bank Investments Inc. and other group members.

Dealer Manager Disclosure

We manage the funds in accordance with applicable securities laws. Except as described hereinafter, each fund has adopted the standard investment restrictions and practices imposed by applicable law, including Regulation 81-102 – Investment Funds ("Regulation 81-102"). These restrictions and practices are designed in part to ensure that the investments of each fund are diversified and relatively liquid, and to ensure that the funds are properly managed. The funds are subject, namely, to section 4.1 of Regulation 81-102, which prohibits certain investments when certain related parties may have an interest in such investments.

The funds are dealer-managed investment funds. As such, and subject to certain exceptions or prior authorizations to the contrary, the funds may not knowingly make an investment in securities of an issuer if a partner, director, officer or employee of the portfolio manager, or an affiliate's partner, director, officer or employee is also a partner, director or officer of the issuer, unless that partner, officer or employee:

- did not participate in the investment decisions;
- did not have prior access to information concerning the investment decisions; and
- did not influence the investment decision other than through research, statistical and other reports generally available to clients.

This rule does not apply if the affected securities are issued or guaranteed fully and unconditionally by the Government of Canada or by the Government of a Canadian jurisdiction;

Moreover, subject to certain exceptions or prior authorizations to the contrary, a dealer-managed fund may not knowingly make an investment in securities of an issuer if the portfolio manager, a partner or an affiliate of the portfolio manager acted as an underwriter in the distribution of such securities within 60 days prior to the investment, unless:

- the securities are fully and unconditionally issued or guaranteed by the government of Canada or the government of a Canadian jurisdiction; or
- the portfolio manager's affiliate is a member of a selling group distributing five percent or less of the securities.

Policies and Practices

1. Policies for Derivative Transactions

The funds may use derivative instruments that are consistent with their investment objectives and not contrary to their investment restrictions, to the extent, and for the purposes, permitted by Canadian Securities Administrations.

The manager is responsible for setting policies that set out the objectives and goals for the use of derivatives by the funds as well as the risk management procedures applicable to the use of derivatives. Portfolio managers or an affiliate of the manager engaged to manage the use of derivatives by the funds (either, the "derivatives specialist") will be required to comply with the policies set by the manager with respect to the use of derivatives and adopt procedures related to the measuring, monitoring and reporting of fund leverage and cash cover requirements. All derivative trade entries are made at the time of the initial entry by a qualified staff member of the derivatives specialist. All derivative instruments will be checked specifically by the derivatives specialist for compliance with derivatives rules and to ensure that they are suitable for a portfolio within the context of that portfolio's investment objective and strategies. The derivatives specialist will be required to comply with any trading limits and other controls established by the manager for the use of derivatives by the funds.

Valuation of derivative securities will be carried out on each valuation date. On a daily basis, the derivatives specialist will review any variations in the value of an instrument held by the funds. Variations beyond a prudent threshold level will result in a review of the pricing of the individual instrument to verify the accuracy of the price.

The manager will review, every three years, the policies and procedures regarding the use of derivatives by the funds to ensure the risks associated with these transactions are being properly managed.

2. Risk Management

We use a variety of methods to manage risk, including:

- mark-to-market security valuation;
- fair-value accounting;
- effective market and currency exposure reporting;
- daily reconciliation of cash balances; and
- monthly reconciliation of security and cash positions.

3. Securities Lending, Repurchase and Reverse Repurchase Transactions

National Bank Investments Inc. entered into agency agreements in connection with securities lending transactions (the “agreements”) on behalf of NBI Funds with the custodian of the funds, Natcan Trust Company, as agent (the “agent”). Natcan Trust Company will manage securities lending transactions for the NBI Funds. The agreements comply with the relevant provisions of Regulation 81-102.

National Bank Investments Inc. manages the risks associated with securities lending transactions as set out under the heading “Risks relating to securities lending transactions” under Part B of this document. The agreements also provide that the agent must:

- ensure that the applicable provisions of Regulation 81-102 are complied with, and in particular that the aggregate value of the securities loaned in lending transactions does not exceed 50% of its net asset value;
- engage in securities lending transactions with dealers and institutions in Canada and abroad that have solid credentials and have first undergone a stringent credit evaluation (the “counterparties”);
- maintain controls, risk management policies and procedures, internal books (including a list of approved counterparties based on generally accepted solvency standards), limits pertaining to operations and credit for each counterparty and diversification standards for property given as security; and
- determine daily the market value of the securities lent by the funds concerned in connection with a securities lending transaction and the liquid assets or other securities held by the funds concerned. In the event the value of the security is less than 102% of the market value of the loaned or sold securities, the agent will ask the counterparty to provide other liquid assets or securities given as security to the funds concerned to cover the shortage.

At least once a year, National Bank Investments Inc. and the agent will review the agents’ policies and procedures so that the risks associated with securities lending operations are duly managed. At the present time, National Bank Investments Inc. does not resort to risk assessment procedures or conduct simulations to test portfolio solidity in difficult conditions. National Bank Investments Inc. instead imposes certain limits and controls, such as those described above in regard to securities lending operations.

Before initiating any securities repurchase and reverse repurchase operations for the funds, the manager will enter into a written agreement. The agreement will comply with the applicable provisions of Regulation 81-102 and will also provide for the control measures described above, with the necessary adaptations.

Proxy Voting Policies

1. Montrusco Bolton Investments Inc.

Montrusco Bolton Investments Inc., as portfolio sub-advisor for the NBI Funds, is responsible for all voting procedures in respect of securities held by these funds and exercises such responsibility in accordance with the best interests of the funds and the funds’ investors, Montrusco Bolton Investments Inc.’s objective in proxy voting is to support proposals and director nominees that, in its view, maximize the value of the client’s investments over the long term.

Montrusco Bolton Investments Inc. has established proxy voting guidelines (the “guidelines”) to evaluate each voting proposal. In evaluating proxy proposals, information from many sources is considered, including the portfolio manager, management or shareholders of a company presenting a proposal and independent proxy research services. Since the guidelines cannot contemplate all possible proposals with which Montrusco Bolton Investments Inc. may be presented, in the absence of a specific guideline for a particular proposal, Montrusco Bolton Investments Inc. will evaluate the issue and cast its vote in a manner that, in its view, will maximize the value of its clients’ investment.

Montrusco Bolton Investments Inc. may refrain from voting if that would be in the clients’ best interests. These circumstances may arise, for example, when the expected cost of voting exceeds the expected benefits of voting. Montrusco Bolton Investments Inc. may vote contrary to its guidelines in circumstances where it is in the best interests of its clients. Nothing contained in the guidelines requires Montrusco Bolton Investments Inc. to vote accounts alike. For most proxy proposals, particularly those involving corporate governance, the evaluation will result in Montrusco Bolton Investments Inc. voting as a block. In some cases, however, Montrusco Bolton Investments Inc. may vote its clients’ accounts differently, depending upon the nature and objective of the client, the composition of their portfolios, and other factors.

Montrusco Bolton Investments Inc. has retained the services of Institutional Shareholders Services Inc. (“ISS”) for assistance with the proxy voting process. Issuers’ proxy voting forms are sent directly to ISS by the custodians. ISS researches the proxy issues and provides a voting recommendation based upon Montrusco Bolton Investments Inc.’s guidelines. Montrusco Bolton Investments Inc.

then determines whether it agrees with the recommendations. Following its evaluation, Montrusco Bolton Investments Inc. gives voting instructions to ISS. Ultimately, Montrusco Bolton Investments Inc. maintains the right to determine the final vote.

Montrusco Bolton Investments Inc. conducts periodic reviews to ensure that ISS has voted according to the guidelines and that ISS has received all clients' proxies from the custodians. Montrusco Bolton Investments Inc. will periodically review the proxy voting policy and the guidelines and make recommendations for changes where required.

Should a conflict of interest arise, Montrusco Bolton Investments Inc. undertakes to identify the conflicts that exist between the economic interests of Montrusco Bolton Investments Inc. and those of its clients. This examination will include a review of the relationship of Montrusco Bolton Investments Inc. to the issuer of the security (and any of the issuer's affiliates) subject to a proxy vote to determine if the issuer is a client of Montrusco Bolton Investments Inc. or has some other material relationship with Montrusco Bolton Investments Inc. or a client of Montrusco Bolton Investments Inc. If ISS determines that there is a conflict of interest, they will inform Montrusco Bolton Investments Inc. Montrusco Bolton Investments Inc. will exclude any such entity from Montrusco Bolton Investments Inc.'s decision. If it is determined that both ISS and Montrusco Bolton Investments Inc. have conflicts of interest, a third party proxy voting service will be hired to determine the recommended vote for the issue for which there is a conflict

A copy of Montrusco Bolton Investments Inc.'s policy may be obtained on request, at no cost, by calling toll-free 1 888 270-3941 or by e-mailing investments@nbc.ca. Any unitholder may also obtain, free of charge, the funds' proxy voting records for the most recent period ended June 30, upon request at any time after August 31 of the same year. The policy and proxy voting record are also available on the National Bank Investments website at www.nbinvestments.ca.

2. National Bank Trust Inc.

National Bank Trust Inc. ("NBT") is responsible for managing proxy voting on behalf of the NBI Funds in accordance with guidelines established in proxy voting policies. NBT has adopted these policies to ensure that all votes in respect of securities held by the funds are exercised in accordance with the best interests of the funds. The following text is a summary of the policy.

NBT will vote the securities of the underlying funds held by the NBI Funds. NBT may also abstain from voting with respect to certain securities.

NBT has established guidelines to help determine when to support or oppose a proposal by a corporation or a shareholder. Such guidelines relate to issues concerning the board of directors, board committees, auditors, executive and director compensation, capitalization, various takeover protection measures, various shareholders' rights issues, disclosure policies and corporate social responsibility. While NBT will generally vote in accordance with the guidelines, there may be circumstances where it believes it is in the best interests of the funds to vote differently. The ultimate direction in which proxies will be voted rests entirely with the portfolio manager, in the best interest of the NBI Funds.

A copy of the applicable NBT policy may be obtained on request, at no cost, by calling toll-free 1 888 270 3941 or by e-mail at investments@nbc.ca. Any unitholder may also obtain free of charge the funds' proxy voting records for the most recent period ended June 30 upon request at any time after August 31 of each year. The proxy voting records are also available on the National Bank Investments Inc.'s website at www.nbinvestments.ca.

Material Contracts

The material contracts entered into by the funds are as follows:

- Amended and Restated Master Declaration of Trust (NBI-E) dated November 15, 2022 for the NBI Funds;
- Amended and Restated Master Management and Distribution Agreement between National Bank Trust Inc., Natcan Trust Company and National Bank Investments Inc., for the NBI Funds dated November 15, 2022;
- Amended and Restated Portfolio Management Agreement between National Bank Investments Inc. and National Bank Trust Inc., for the NBI Funds, dated November 15, 2022;
- Amended and Restated Sub-Advisory Management Agreement between National Bank Trust Inc. and Montrusco Bolton Investments Inc. for the NBI Funds dated November 15, 2022;
- Depositary and Custodial Services Agreement between National Bank Investments Inc. and Natcan Trust Company for the funds, dated November 15, 2022;

- Amended and Restated Service Agreement between National Bank Investments Inc. and National Bank Trust Inc., dated November 15, 2022.

You can examine any of these agreements during regular business hours at the following address:

National Bank Investments Inc.
National Bank Investments Advisory Service
500 Place d'Armes, 12th Floor
Montréal, Quebec
H2Y 2W3

Designated Website

A mutual fund is required to post certain regulatory disclosure documents on as designated website. We provide a website to our clients at www.nbinvestments.ca. This site is equipped with security features to ensure the confidentiality of transactions. We have also taken steps to comply with the rules of the Canadian Securities Administrators, including rules relating to trading on the Internet and electronic delivery of documents.

Valuation of Portfolio Securities

We use the following principles in calculating the net asset value of the fund:

- for cash or cash equivalents, bills, demand notes and accounts receivable, prepaid expenses, cash distributions received and interest accrued and not yet received, we use their face value. If we determine that an asset is not worth its face amount, we determine a reasonable value;

- for assets or liabilities in a foreign currency, we convert those assets or liabilities into Canadian or U.S. dollars, as the case may be, in accordance with the exchange rates prevailing on the valuation day, which rates are provided by a recognized independent source (Bloomberg Data License);

- for bonds, debentures, mortgages other than those purchased from the National Bank of Canada and other debt instruments held by the funds, we use the closing price on the valuation day when available. These prices are obtained from a recognized valuation service. Amortized cost is the difference between the price paid for the security and its face amount, amortized over the life of the security. Periodically, a comparison is made between the fair value and amortized cost to ensure that the difference is not significant. If it is significant, we may decide to adjust the value of the securities to their fair value. For notes and other money market instruments we use the total of the cost and accrued interest, which approximates the fair value;

- for mortgages purchased from the National Bank of Canada, we use the market value, determined according to a method that will produce a principal amount based on prevailing market rates at the time the valuation is made;

- for securities listed on a stock exchange, including exchange-traded fund securities, we use the closing price on the valuation day when available. If none is available, we generally use, for each security, the average of the latest bid or ask price or any other similar quote that we determine best reflects the value of the asset;

- for securities traded on stock exchanges located outside North America, we attribute values to those securities that appear to reflect their fair value as faithfully as possible at the time the net asset value is calculated. The information used to establish that fair value comes from a recognized source (*Virtu Financial Inc.*);

- for securities that are not listed on a stock exchange, we use a price that we determine best reflects the value of the asset concerned. The method used depends on the asset to be measured;

- for underlying mutual fund securities, other than exchange-traded fund securities, we use the net asset value per security of the underlying mutual fund provided by the underlying mutual fund's manager for the relevant day or, where that day is not a valuation day for the underlying mutual fund, the net asset value per security as of the most recent valuation day of the underlying mutual fund. If the net asset value per security of an underlying mutual fund is not provided in a timely manner by the fund's manager, the value of the securities of the underlying mutual fund will be estimated using benchmark indexes;

- for exchange-traded option positions and debt-like securities, we use the average of the bid and ask prices on the valuation day;

- for options on futures, we use the settlement price;

- for over-the-counter options, we use the price that in our opinion best reflects the value of the asset concerned;

- for listed warrants, we use the closing price on the valuation day when available;

- we show the premium received when a covered clearing corporation option, option on futures or over-the-counter option is written as a deferred credit. The value of the deferred credit is equal to the current market value of an option that would have the effect of closing the position. We treat any difference resulting from the revaluation as an unrealized gain or loss. We deduct the deferred credit when we calculate the net asset value of each fund;

- for a forward contract or a futures contract listed on a North American securities exchange, the value is determined based on the gain or loss, if any, that would arise as a result of closing the position, as of the valuation day. For stock index futures traded on securities exchanges located outside North America, we attribute values to those securities that reflect their fair value as faithfully as possible at the time the net asset value is calculated. The information used to determine the fair value is provided by a recognized source (*Virtu Financial Inc.*);

- for interest rate swaps, we use the applicable discount rate based on the Canadian Dealer Offered Rate (CDOR) or the London Interbank Offered Rate (LIBOR) to determine the present value of the cash flows of each leg of the swap. The net sum of these discounted cash flows is the price of the swap. The discount rate comes from a recognized source.

Where we cannot apply these principles, for instance because there is an interruption of normal trading of a security at a securities exchange, we will determine the net asset value in a manner that we think is fair. In the last three years, the Manager has not exercised its discretion to deviate from the valuation practices described in this section.

How We Calculate Net Asset Value of Units

Whether you're buying, switching, converting or redeeming units of a fund, we base the transaction on the asset value of a fund security. The net asset value of a fund and the net asset value per security are calculated in accordance with Regulation 81-106. Thus, each net asset value is established (in Canadian dollars and/or U.S. dollars, where applicable) at 4:00 p.m. Eastern Standard Time on each day where the Toronto Stock Exchange is open for trading (each, a "valuation day"). The net asset value of the fund and the net asset value per security may be obtained free of charge by contacting National Bank Investments Advisory Service at 1-888-270-3941.

Here is how we calculate the net asset value per unit for each series of a fund:

- We allocate to each series in the fund the fund property that is referable to that series less an amount equal to the total liabilities of the fund that is referable to that series and less the aggregate amount of any distributions paid to investors of that series;
- We divide the net asset value per series by the total number of units held by investors in that series.

The purchase or redemption price per unit is the next net asset value per unit of the class or series determined after the receipt of the purchase or redemption order at our head office.

We calculate a separate price for each series of units of a fund because the management fee rate and operating expenses attributable to each series are different. The net asset value per security of a fund purchased using the U.S. dollar settlement option is established by converting the net asset value per security established in Canadian dollars into U.S. dollars. The exchange rate used is generally the exchange rate from the source Bloomberg Data License on the valuation date. Another rate provided by a recognized independent source may be used in certain circumstances, particularly when the rate from Bloomberg Data License is not available.

The price of each series of units of a fund will generally increase or decrease on each valuation day as a result of changes in the value of the portfolio securities owned by the fund. When distributions are declared by a fund, the net asset value per unit is reduced by the distribution amount per unit on the payment date.

The net asset value of funds that invest in other mutual funds is based, in whole or in part, on the net asset value of the underlying funds.

Except as set out hereinafter, the accounting methods used to determine the fair value of the securities in the funds in accordance with International Financial Reporting Standards (IFRS) are similar to the methods used to determine the net asset value for purposes of fund transactions.

The fair value of fund investments (including derivatives) in a fund under IFRS corresponds to the price that would be received for the sale of an asset or paid for the transfer of a liability in a normal transaction between market participants at the date of the financial statements ("financial reporting date"). In calculating the net asset value, the fair value of fund financial assets and liabilities that are traded on active markets (such as derivatives and listed negotiable securities) is based on market prices at the close of trading on the financial reporting date (the "closing price"). For purposes of IFRS, the funds use the closing price for assets and liabilities, provided the closing price falls within the bid-ask spread for the day. If the closing price does not fall within the bid-ask spread, investments are valued at the bid price. Furthermore, management 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. Following such an adjustment, the fair value of fund financial assets and liabilities determined according to IFRS could differ from the values used to calculate the net asset value of the funds.

Purchases, switches, conversions and redemptions of units

Units of NBI Funds may be bought, switched, converted and redeemed through one or more of the following dealers (depending on the fund or series selected):

- National Bank Investments Inc. (including its division, CABN Investments), a mutual fund dealer
- National Bank Financial Inc. (including its division National Bank Direct Brokerage), an investment dealer
- other authorized dealers.

To open an account with National Bank Investments Inc. or to buy or redeem fund units in person, go to your National Bank of Canada branch. A mutual fund representative operating on behalf of National Bank Investments Inc. will help you to fill out the appropriate forms. You can open an account, buy, switch, convert or redeem fund units by telephone through the National Bank Investments Advisory Service. It is open from 8:00 a.m. to 8:00 p.m., Eastern Time, Monday to Friday. Contact the service at 1 888 270-3941 or 514 871-2082. You can also open an account, buy, switch, convert or redeem fund units by using the Internet, but only for the NBI Fund or Funds that you hold. Our fully secure site is at www.nbc.ca. Just choose the option that corresponds to your situation.

If you trade your units through another dealer, the dealer must send a written request to us to buy, redeem, convert or switch them on your behalf. Your dealer may also provide this information to us electronically in accordance with our requirements. In case of a redemption, your dealer will credit your account with the proceeds of the redemption.

Processing an order to buy or redeem funds

When you purchase units of NBI Funds through National Bank Investments Inc., we must receive payment no later than the day after a purchase order is received.

When you purchase units through another dealer, we must receive payment no later than the second 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 a purchase order is received.

You may pay by cheque, bank draft or money order. If the purchase order is received from the dealer at our head office before 4:00 p.m., Eastern Time, on a valuation day, the request will go through the same day. If the purchase order arrives at our head office after 4:00 p.m., Eastern Time, the request will go through the following valuation day. For purchases of units in U.S. dollars, payment must be made in U.S. dollars.

Under some circumstances, we may refuse part or all of an order to buy mutual fund units. We will exercise our right to refuse instructions to purchase mutual funds within one business day and we will return your money to you.

Please refer to the section *How a buy order is processed* for more specific details and information on the consequences of not completing your purchase within the applicable time frame.

When we receive your request to redeem units of a fund, we will redeem the units at their net asset value. If we receive the request to redeem from your dealer at our head office after 4:00 p.m., Eastern Time, we will redeem the units at their net asset value calculated on the following valuation day. We mail you the proceeds of the redemption, or deposit them into your bank account or in the account with your dealer, as the case may be, within two business days after we calculate the redemption price of your units. In the case of clients who purchased units in U.S. dollars, the redemption proceeds will be paid in U.S. dollars.

Please refer to the section under *How a redemption order is processed* for more specific details and information on the consequences of not completing your redemption request within ten days.

Establishing the price of a unit

Whether you're buying, switching, converting or redeeming fund units, we base the transaction on the value of a unit of the relevant series. The price of a unit is called the "net asset value per unit" or the "NAVPU". The NAVPU of each series of a fund is established (in Canadian dollars and/or U.S. dollars, where applicable) at 4:00 p.m. Eastern Standard Time on each day that the Toronto Stock Exchange is open for trading (a "valuation day").

The NAVPU of each series remains in effect until the following valuation day.

Please refer to the section under *How We Calculate Net Asset Value of Units* for more specific details and information.

Minimum purchase and redemption amounts

Advisor and F Series

For most funds, the minimum initial investment for units of the *Advisor and F Series* is $500. After the initial investment, you can make additional purchases in the fund for a minimum of $50. You may also set up an NBI Fund Systematic Investment Plan for as little as $25 per purchase. For additional information regarding this option, please see *Optional services – Systematic Investment Plan*.

In general, if you are redeeming units of a fund, the lowest amount you can redeem is $50. If your investment falls below the minimum balance set out below, we may ask you to either increase your investment or redeem the balance of your investment in that fund. In such a case, you will be notified by mail or by telephone that the value of your investment in the fund is less than the required amount. You will then have 30 days to add to your investment or redeem all your units. At the end of the 30-day period, we may redeem your units and/or close your account without further notice.

Some funds or series require a higher initial investment. The minimum purchase and redemption amounts and the minimum balance of those funds are listed below:

Funds	**Minimum initial investment and minimum balance***	**Minimum purchase and redemption***
NBI Funds (except *N*, *NR* and *O Series)*	$500	$50

** When funds are purchased in U.S. dollars, the amounts indicated are in U.S. dollars.*

N and NR Series

As *N Series* and *NR Series* units are offered only to investors participating in the NBI Private Wealth Management Service, no minimum purchase amount per series applies. The initial minimum investment in NBI Private Wealth Management must, however, meet the required minimums indicated under *NBI Private Wealth Management Service*. After the initial investment, you can make additional purchases in your NBI Private Wealth Management account for a minimum amount of $100.

O Series

The minimum purchase and redemption amounts for O Series units are determined by contract.

Short-term trading

Most mutual funds are considered long-term investments, so we discourage investors from redeeming or switching units frequently.

Some investors may seek to trade fund units frequently in an effort to benefit from differences between the value of a fund's units and the value of the securities in the fund's portfolio (market timing). These activities, if undertaken by unitholders, can negatively impact the value of the fund to the detriment of other unitholders. Excessive short-term trading can also reduce a fund's return because the fund may be forced to hold additional cash to pay redemption proceeds or, alternatively, to sell portfolio holdings at an inopportune time to fund the redemption and incur additional trading costs.

Depending on the fund and the particular circumstances, we will employ a combination of preventative and detective measures to discourage and identify excessive short-term trading in the funds, including:

- imposition of short-term trading fees
- monitoring of trading activity and refusal of trades
- valuation of the units held by a fund at fair value.

See *Fees and charges payable directly by you* for the short-term trading fee that can be charged.

Right to refuse the redemption of fund units

As authorized by the Canadian Securities Administrators, we can suspend your right to redeem your units:

- if there is an interruption of normal trading on a securities exchange within or outside Canada where the fund has units or certain derivatives representing more than 50% of its total assets, and if these units or derivatives are not traded on any other exchange that is a reasonably practical alternative for the fund;
- if the approval of the Canadian Securities Administrators is obtained.

In such a case, you may withdraw your request to redeem or wait until the suspension is over to redeem your units. If your right to redeem your units is suspended and you do not withdraw your request to redeem, we will redeem your units at their net asset value determined as soon as the suspension is over.

Switching

You may ask for your units in a fund to be redeemed in order to purchase units in the same series (and under the same purchase option, if applicable) of another NBI Fund provided you meet the minimum initial investment requirements and the minimum account balance for the new fund. This transaction is called switching units.

When we receive your switch order, we will redeem your units in the initial fund and use the proceeds to buy units in the new fund. You may also switch units of one fund for units of another fund through your dealer, who may charge you switch fees. In that case, your dealer must send a written request to us to switch units on your behalf. Your dealer may also provide this information to us electronically in accordance with our requirements. See Fees and Impact of sales charges for more information about switch fees.

You may switch units only between fund units offered in the same currency. It may not be possible to switch the units of series if the funds concerned do not offer the series in the same currency.

Switching units of a fund to another fund within an unregistered plan is a disposition for tax purposes and will result in a capital gain or loss for tax purposes. See Income tax considerations for investors for more information.

Converting

You may convert units of one series of a fund into units of another series of the same fund, provided you meet the requirements applicable to the new series. This transaction is called “converting” units. You may convert your units through your dealer or advisor.

If you convert units of a fund into *Advisor Series* units, you will have the initial sales charge options for your new units.

You cannot convert between units of series or purchase options that are not in the same currency (i.e. go from one currency to the other).

The value of your investment in the fund will be the same after the conversion. You will, however, likely own a different number of units because each series could have a different unit price.

Converting securities of one series of a fund into units of another series of the same fund (other than converting units from a hedged series to an unhedged series (or vice versa) does not constitute a disposition for income tax purposes and does not result in a capital gain (or capital loss). Converting units from a hedged series to an unhedged series (or vice versa) constitutes a disposition for income tax purposes and results in a capital gain (or capital loss).

See Fees and Impact of sales charges and Income tax considerations for investors for more information.

Optional services

Systematic Investment Plan

The NBI Funds Systematic Investment Plan allows you to invest a fixed amount into one fund or a group of funds at regular intervals. We will withdraw the requested amount directly from your bank account to invest it in the fund of your choice. All systematic purchases must be made from a bank account denominated in the same currency as the series being purchased. You may contribute weekly, bi-weekly, monthly or quarterly. The plan is available by filling out the appropriate application form.

You can change the amount or the frequency of the withdrawals or you can cancel your enrolment in the plan at any time.

The minimum amount you may invest in a fund through the Systematic Investment Plan is shown below:

Terms for NBI Funds Systematic Investment Plan

Funds	Minimum initial investment	Minimum subsequent purchase
NBI Funds (except the *N*, *NR* and *O Series*)	–	$25

O Series

The minimum initial investment and the minimum subsequent purchases applicable to *O Series* units are determined by contract.

NBI Private Wealth Management

Our Systematic Investment Plan is also available for NBI Private Wealth Management. The minimum investment is $250,000 and the minimum systematic investment amount is $100. For further information about this service, please see the *NBI Private Wealth Management Service* section.

You may request that a copy of the funds' prospectus and fund facts and any amendments be sent to you when you enroll in the Systematic Investment Plan or at any time following your enrolment, by calling us toll-free at 1 888 270-3941, by e-mailing us at investments@nbc.ca or by contacting your dealer. You may also obtain the prospectus, fund facts and any amendments at www.sedar.com or through our website at www.nbinvestments.ca.

When you make subsequent purchases under the Systematic Investment Plan, you will only receive a copy of the funds' simplified prospectus and/or the fund facts and any amendments if you so request when you join the plan or at any time thereafter.

You have the legal right to withdraw from an agreement to buy an initial amount of fund units but not subsequent amounts of fund units under the Systematic Investment Plan. However, you retain all of the other rights provided under securities legislation, including in the event of misrepresentation, as described under *What are your legal rights?*, whether or not you requested a prospectus or fund facts.

Systematic Withdrawal Plan

You may opt to make systematic withdrawals from a fund if you want a regular fixed payment to meet your financial needs. A withdrawal can be done weekly, bi-weekly, monthly or quarterly. The plan is available by filling out the appropriate application form. For most funds, you must have invested at least $10,000 to benefit from this service. All systematic withdrawals must be made to a bank account denominated in the same currency as the series being redeemed. The terms of the plan are set out in the following table:

Terms for Systematic Withdrawal Plan

Funds	Minimum initial investment	Minimum that must be kept in fund	Minimum periodic withdrawal
NBI Funds (except the *N*, *NR* and *O Series*)	$10,000	$500	$50

O Series

The minimum initial investment, the minimum that must be kept in the fund and the minimum periodic withdrawal applicable to *O Series* units are determined by contract.

NBI Private Wealth Management

The Systematic Withdrawal Plan is also available for the NBI Private Wealth Management Service.

In the case of the NBI Private Wealth Management Service, a minimum of $250,000 must be invested in your portfolio when the program is set up. For further information about these services, please see the *NBI Private Wealth Management Service* section.

NBI Private Wealth Management Service

The NBI Private Wealth Management Service is an asset allocation service that offers tactical periodic rebalancing of your portfolio in accordance with a predetermined target weighting. Through this service, investors can match their investment objectives and their risk tolerance with one of the investor profiles offered.

Seven (7) different profiles are currently offered to investors in NBI Private Wealth Management (Stable Income, Income, Income and Growth, U.S. Income and Growth, Balanced, Growth and Equity). Each profile is constructed using optimization techniques and computer modelling that focus on range of returns, risk reduction and forward-looking risk analysis. Each class of assets is represented by one or more NBI Funds (*N Series* or *NR Series*), as determined from time to time by National Bank Trust Inc. or Natcan Trust Company (hereinafter the "portfolio managers") as portfolio managers.

The minimum initial investment and the minimum market value of the holdings for NBI Private Wealth Management are $250,000. For purposes of the minimum market value of the holdings, all the amounts invested by an investor in various NBI Private Wealth Management accounts with a minimum balance of $5,000 per account are linked to form an "account group".

NBI Private Wealth Management also allows an investor with an account group (the "primary investor") to link the accounts of various qualifying persons with whom the primary investor has a direct family relationship (spouse residing at the same address, great-grandchildren, grandchildren, children, parents, grandparents and great-grandparents (and their respective spouses residing at the same address) and other persons or entities selected at our discretion) or having a direct family relationship with the primary investor's spouse (a "family household").

In order to access the family household program, the primary investor must have an investment with a market value of at least $250,000 in his or her account group.

Any qualifying person who resides at the same address as the primary investor may automatically join the family household by investing a minimum amount of $5,000 per account. For example, the primary investor's spouse and their child residing at the same address may join the family household by investing an amount of $5,000 each.

Any qualifying person who does not reside at the same address as the primary investor may join the family household by investing, alone or with one or more other qualifying persons residing at his or her address, a minimum amount of $100,000. For example, the primary investor's daughter and her spouse would qualify for the family household by investing respectively $75,000 and $25,000. Similarly, their child residing at the same address could join the family household by investing the required minimum amount of $5,000 per account, provided that the total value of the child's and his/her parents' holdings reaches the required minimum of $100,000.

In certain specific circumstances, National Bank Investments may accept an initial investment of less than the required minimums. All types of accounts (individual or corporate) can be combined to form an account group. The accounts do not have to be held with the same registered dealer representative.

If the market value of the accounts that are held by the primary investor or the members of the family household for NBI Private Wealth Management drops below the required minimum, we may ask him, her or them to increase his, her or their investment. If this happens, he, she or they will be notified in writing that the balance of his, her or their account(s) is below the required minimum. He, she or they will then have 60 days to pay the required amounts. Upon the expiry of such time, we may, at our discretion and without further notice, redeem:

- all of the units of the funds contained in the primary investor's account or accounts and, if applicable, the units of the funds contained in the account or accounts of the other members of the family household. However, in the latter case, one of the other members of the family household can decide to increase the value of his or her own investment to the required minimum of $250,000 in order to become the primary investor and thereby avoid the redemption of all of the units of the funds contained in the family household; or
- only the units of the funds contained in the account or accounts of one of the members of the family household (other than the primary investor) whose account balance or balances are below the required minimum of $100,000 and/or $5,000 per account. If the member of the family household had initially combined his/her assets with those of another qualifying person to reach the minimum amount of $100,000, any of these persons may increase the value of the invested assets to reach the minimum amount of $100,000. A notice will be sent to each of them.

The service provided is as follows:

- Your profile is matched to one of the seven (7) profiles offered under NBI Private Wealth Management. For this purpose, you must complete a questionnaire before enrolling in the program.
- In order to participate in the NBI Private Wealth Management Service, you will be required to fill out the NBI Private Wealth Management Agreement with National Bank Investments Inc., which retains the services of National Bank Trust Inc. (for all activities in the provinces of Quebec, Prince Edward Island, Saskatchewan and New Brunswick) or Natcan Trust Company (for all activities in the other provinces and territories of Canada) as portfolio manager, giving it discretionary power to select, add or remove NBI Funds constituting the NBI Private Wealth Management profiles.
- Every quarter, the portfolio managers assess the need to rebalance each account held in NBI Private Wealth Management, which rebalancing is performed automatically when the weighting for an asset class falls outside the established range for the client's investor profile. The portfolio managers may also perform periodic rebalancing of the different funds constituting each asset class in the different profiles, having regard for the economic outlook and prevailing market conditions and taking into account the investment objectives, level of risk and ranges established for the various profiles. When rebalancing, the portfolio managers may also select, add or remove funds from a profile, or set or modify the percentage each fund represents.
- The service fees for NBI Private Wealth Management are calculated on a declining scale according to the value of the assets held in the account group or the family household. Services covered by the service fees include, in particular, periodic rebalancing and tactical positioning performed in the different profiles offered by the portfolio managers. To learn more about the service fees for NBI Private Wealth Management, please see *Fees and charges payable directly by you*.
- All distributions paid by a fund forming part of a profile will be automatically reinvested in additional units of the same fund, unless you ask to be paid in cash, in which case a minimum amount of $25 may be required.

If you ask for your distributions to be paid in cash, the payment will be made through direct deposit to your bank account.

If you need to redeem fund units beforehand to obtain the cash needed to participate in the NBI Private Wealth Management Service or if we redeem your units held in NBI Private Wealth Management, there may be tax consequences. See Income tax considerations for investors for more information on the tax consequences of such a redemption of units and ask your dealer about the fees that may apply in the circumstances.

You may obtain more information about the NBI Private Wealth Management service from National Bank Investments Advisory Service.

Savings and other products

We offer our clients NBI Altamira CashPerformer®, as well as NBI Altamira U.S. CashPerformer® account, which provide daily interest on cash held in an account. You may obtain more information about these and other non-fund products from the National Bank Investments Advisory Service.

Registered plans

To the extent that a fund qualifies as a "mutual fund trust" or a "registered investment", the securities in such fund will be qualified investments under the Tax Act for trusts governed by registered plans. It is intended that units of each of the funds will be qualified investments for registered plans.

Under the Tax Act, registered plans benefit from special tax treatment. Their main advantage is generally that they allow you to avoid paying tax on the gains and income produced by the plans until you make a withdrawal. Moreover, in the case of RRSPs, your contributions are deductible from your taxable income, up to the maximum allowable contribution. You should consult with your tax advisor regarding whether an investment in any fund could be a prohibited investment for your registered plan.

We offer the following registered plans:

- registered retirement savings plan (RRSP)
- registered retirement income fund (RRIF)
- locked-in retirement account (LIRA)
- life income fund (LIF)
- locked-in retirement income fund (LRIF)
- registered education savings plan (RESP)
- tax-free savings account (TFSA)
- prescribed retirement income fund (PRIF)
- restricted retirement income fund (RLSP)
- restricted locked-in registered retirement savings plan (LRIF)

There are no annual administration fees for our registered plans.

The fees associated with terminating these plans are shown under *Fees*.

Fees and expenses

The following refers to the fees and expenses that you may have to pay if you invest in the NBI Funds. You may have to pay some of these fees directly. The funds pay some of these fees and charges, before the price per unit is calculated, which will therefore reduce the value of your investment in the funds. Management fees are charged as a percentage of the net asset value of the funds.

We will have to obtain the approval of *Advisor Series* unitholders for the following changes: (i) a change in the way of calculating the fees and expenses charged to a fund or directly to its unitholders by a fund or by us which has the effect of increasing the charges for the series or the unitholders of the series; or (ii) the addition of fees or expenses to be charged to a fund or directly to its unitholders which has the effect of increasing the charges for the series or the unitholders of the series, unless the fees or expenses are charged by an entity at arm's length from the fund. If the fees or expenses are charged by such an entity, we will not seek the approval of the unitholders of the *Advisor Series*, but will send them a notice of the change in writing at least 60 days before the effective date of the change.

For all other series, we may change the basis of calculation of the fees or expenses or introduce new fees or expenses in a way that may result in an increase in the charges for these series by giving a notice of the change in writing at least 60 days before the effective date of the change.

Fees and charges payable directly by the funds

Management fees	Each fund pays annual management fees to National Bank Investments Inc. in consideration of its management services. Subject to the specific conditions applicable to *N* and *NR Series* units indicated below, these fees cover, in particular, investment restriction and/or policy drafting services, investment fund management, office facilities and equipment, administrative personnel costs, the payment of trailing commissions to your dealer in connection with the distribution of units, when applicable, and marketing and promotional activities relating to the sale of the funds. Part of the management fees paid to National Bank Investments Inc. may be paid to National Bank of Canada in relation to the sale of NBI Funds; this payment is similar to a trailing commission. In the case of *N* and *NR Series* units of the NBI Funds offered as part of the NBI Private Wealth Management service, management fees only cover management of fund investments, i.e. the fees

	related to management of fund portfolios constituting the NBI Private Wealth Management profiles. Other costs are covered by service fees, which are paid directly by investors. See *Service fees* under *Fees and charges payable directly by you* for more information. Management fees vary by fund and series and are a percentage of the daily average net asset value of each series. The management fees are paid monthly, and are subject to applicable taxes, including QST or HST. Please see *Fund details* for the maximum management fee for each fund. For the *O Series* units, no management fees are charged directly to the funds; instead, management fees are negotiated with and paid directly by investors. In certain cases, we may reduce the management fees or the fund expenses for certain unitholders of a specific series of a fund. For more information, please see *Management fee reduction*.
Operating expenses	**Fixed-fee funds** In the case of all NBI Funds, National Bank Investments Inc. pays, with the exception of the expenses specific to the fixed-fee funds ("fixed-fee fund expenses") defined below, the operating expenses of all the fixed-fee funds, including but not limited to, legal fees, audit fees, custodial costs, transfer agency and recordkeeping costs, accounting and valuation fees, the costs of preparing and distributing financial reports, prospectuses, fund facts, continuous disclosure materials and other investor communications and the costs of trustee services relating to registered tax plans, National Bank Investments Inc. will pay these operating expenses, provided such expenses are incurred in the normal course of business of the fixed-fee funds. In exchange for paying the operating expenses, National Bank Investments Inc. receives a fixed rate administration fee ("administration fee") in respect of each series of each fixed-fee fund. The amount of the operating expenses paid by National Bank Investments Inc. in exchange for payment of the administration fee may be more or less than the administration fee in a given period. The fixed-fee fund expenses borne by the fixed-fee funds are comprised of: • taxes (including, but not limited to, HST and income tax); • fees, costs and expenses associated with compliance with any changes to existing governmental or regulatory requirements introduced after the relevant date (as defined below); • fees, costs and expenses associated with compliance with any new governmental or regulatory requirements, including any new fees introduced after the relevant date (as defined below); • interest and borrowing costs; • fees, costs and expenses associated with external services that were not commonly charged in the Canadian mutual fund industry at the relevant date (as defined below); • fees and expenses of the IRC, including compensation paid to IRC members, travel expenses, insurance premiums and costs associated with their continuing education (see • *Independent Review Committee compensation and reimbursement of* **the NBI Funds** hereinafter for more information on IRC fees and expenses); and • fees, costs and expenses relating to operating expenses that will be paid by National Bank Investments Inc. beyond the normal course of business of the fixed-fee funds. For purposes of this section, the expression "relevant date" means the date at which each fund was formed. Fixed-fee fund expenses are allocated among the fixed-fee funds and among each series of a fixed-fee fund in a fair and equitable manner. National Bank Investments Inc. may decide to bear a portion of the administration fee and/or fixed-fee fund expenses. This decision will be made each year, based on the manager's assessment, without notifying the unitholders. The administration fee paid to National Bank Investments Inc. in exchange for payment of the operating expenses is equal to a percentage of the net asset value of a series of the fixed-fee funds and is calculated and paid in the same manner as the management fee for each series. The administration fee is subject to applicable taxes, including HST. The administration fee for each series is set out in the following table.

	Administration fee rate for each series[1]		
NBI Funds	**All series [2] (except the series in the columns to the right)**	**O Series**	**N and NR Series[3]**
NBI Active International Equity Fund	0.15%	—	—
NBI Active Global Equity Fund	0.15%	0.02%	—

[1] This fee is subject to GST or QST and applicable provincial sales taxes.

[2] The series in this category are the *Advisor*, *F, N* and *NR Series*, depending on the series offered by the fund.
[3] If no specific rate is shown for the *N* and *NR Series*, please see the *All series* column.

	Portfolio transaction costs All of the funds pay their portfolio transaction costs, which include brokerage commissions and other unit transaction fees, including the costs of derivatives (including, but not limited to, forward contracts) and foreign exchange transactions, as applicable. Portfolio transaction costs are not considered to be operating expenses and are not included in the MER of a series of a fund **Independent Review Committee compensation and reimbursement of the NBI Funds** Each member of the IRC currently receives an annual retainer of $38,000 and the chair of the committee receives an annual retainer of $55,000. However, if more than seven meetings are held in a particular year, each member of the IRC will receive an additional $1,750 and the chair will receive an additional $2,000 for each meeting held after the seventh meeting they attend. Members are reimbursed for the expenses they incur to attend meetings. Currently, the manager reimburses the funds for IRC fees and expenses. This decision to reimburse the funds may be cancelled without prior notice or approval. If the decision is cancelled, a fund will bear its proportionate share of the fees and expenses of the IRC, as previously described.
Fees relating to the underlying funds	In addition to the fees and expenses directly payable by the funds, certain fees and expenses are payable by the underlying funds held by the funds. Each fund indirectly bears its share of such fees and expenses. However, a fund does not pay management fees or incentive fees that, to a reasonable person, would duplicate a fee payable by an underlying fund of that fund for the same service. In addition, a fund does not pay any sales charges or redemption fees in relation to its purchases or redemptions of securities of an underlying fund that is managed by us or an affiliate or an associate if such fees, to a reasonable person, would duplicate a fee payable by an investor in the fund.
Fees and charges payable directly by you	
Sales charges, redemption fees, switch fees and conversion fees	***N and NR Series*** For units of these series, you do not pay any fees when you buy, switch, convert or redeem your units through National Bank Investments Inc. or National Bank Direct Brokerage Inc. (a division of National Bank Financial Inc.). You may have to pay fees if you buy, switch, convert or redeem your units through another dealer.
	O Series For *O Series* units you do not pay any fees when you buy, switch, convert or redeem your units.
	F Series For units of this series, you pay your dealer an annual fee based on the asset value of your account instead of paying commissions or fees on each purchase, switch, conversion or redemption.
	Advisor Series For units of this series of an NBI Fund purchased under the initial sales charge option through a dealer other than National Bank Investments Inc. or National Bank Direct Brokerage (a division of National Bank Financial Inc.), you negotiate the fees with your dealer. These fees may not be greater than 5% of the purchase price of the units. If you switch or convert your units of this series, you may have to pay your dealer fees of up to 2% of the value of the units switched or converted. You negotiate these fees with your dealer. We deduct the fees from the amount of your transaction and pay it to your dealer. Service or transaction fees, including redemption fees, may be charged by your dealer. You negotiate these fees with your dealer. There are never any sales charges, redemption fees, switch fees and conversion fees when you purchase units through National Bank Investments Inc. or National Bank Direct Brokerage (a division of National Bank Financial Inc.). If you switch or convert your units through a dealer other than National Bank Investments Inc. or National Bank Direct Brokerage (a division of National Bank Financial Inc.), you may have to pay your dealer fees of up to 2% of the value of the switched or converted units. You negotiate these fees with your dealer. You will not be charged any switch or conversion fees if you switch or convert your units through National Bank Investments Inc. or National Bank Direct Brokerage (a division of National Bank Financial Inc.). For more information on purchases, redemptions, switches and conversions, see *Purchases, switches, conversions and redemptions of units*.

Short-term trading fees	If you redeem or switch units of an NBI Fund within 90 days of purchase, you *may* be charged a short-term trading fee of 2% of the value of the units. In this case, we may impose or waive the fee in other appropriate circumstances at our discretion. In determining whether a short-term trade is inappropriate, we will consider relevant factors, including: • bona fide changes in investor circumstances or intentions • unanticipated financial emergencies • the nature of the fund • past trading patterns. For the purposes of determining whether the fee applies, we will consider the units that were held the longest to be the units which are redeemed first. Short-term trading fees are paid to the fund and are in addition to any initial sales charge or switch fee. The fee is deducted from the amount you redeem or switch, or is charged to your account, and is retained by the fund. The fee will not apply in the following circumstances: • redemption of units pursuant to a Systematic Withdrawal Plan or purchase of units pursuant to a Systematic Investment Plan, • redemptions of units purchased by the reinvestment of distributions, or • conversion of units from one series to another series of the same fund. This fee is designed to protect unitholders from investors moving quickly in and out of the funds. See *Short-term trading* for more information.
Service fees	***N and NR Series of the NBI Funds*** If you invest in *N* or *NR Series* units as a client of NBI Private Wealth Management, you pay National Bank Investments Inc. directly the service fees indicated below. These fees are paid by the redemption of units of each series concerned for a monetary value equivalent to the applicable service fees. NBI Private Wealth Management service fees are calculated on a declining scale based on the market value of the assets held in the accounts included in an account group or a family household, as defined in the section *NBI Private Wealth Management Service*. The applicable rates are as follows:

	Annual rates
Assets between $0 and $250,000	1.50%
Assets between $250,000.01 and $500,000	0.85%
Assets over $500,000	0.75%

The service fees are calculated daily and charged quarterly. The rate applied each day is prorated to the market value of the total investments held in the account group or the family household, as the case may be, in *N* and *NR Series* units. If you decide to redeem *N* and/or *NR Series* units during a quarter, the service fees payable will be calculated daily on the date of redemption of your units and charged to your account before the proceeds of redemption are paid to you. The examples below are based on the assumption that the assets invested in *N Series* and *NR Series* units remain identical throughout the year.

Example for a primary investor holding $600,000

Investor	**Total assets**	**Allocation**
Investor on his or her own	$600,000	$400,000 in an RRSP account and $200,000 in a cash account

An average rate of 1.10416667% would be applied to each account held by the investor.

The table below details the calculations carried out to arrive at that rate.

Amount applicable to each portion	Service fee rate attributable to the portion	Service fee calculation	Amount of fees applicable	Calculation of the average fee rate to be applied
First $250,000 (Portion 1)	1.50%	0.0150 X $250,000	$3,750	$6,625/$600,000 = 1.10416667%
Next $250,000 (Portion 2)	0.85%	0.0085 X $250,000	$2,125	**Service fees payable ($)** $600,000 x 1.10%*= **$6,625**
$250,000 (exceeding $500,000) (Portion 3)	0.75%	0.0075 X $100,000	$750	
			$6,625	

*This figure is rounded off to simplify the illustration of the calculation.

Therefore, for $600,000 in assets, allocated to the RRSP and the cash accounts in the amount of $400,000 and $200,000, respectively, the investor would have to pay us, for a complete year, service fees of $4,416.67 for the RRSP account (1.10416667% X $400,000) and $2,208.33 for the cash account (1.10416667% X $200,000). These fees would be paid in four quarterly instalments for each of the accounts.

Example for a family household holding $650,000

If, for example, your family household held $650,000, allocated as shown below, you would expect to pay us service fees totalling $7,000 for the assets of the family household.

Investors of the family household	Total assets	Allocation
Primary investor (you):	$350,000	$200,000 in an RRSP account and $150,000 in a cash account
2nd investor (your spouse)	$200,000	The total amount in an RRSP account
3rd investor (your father)	$100,000	The total amount in a RRIF account
Total for the family household	**$650,000**	

An average rate of 1.07692308% would be applied to each account of the family household.

The rate is calculated in the manner set out below.

Amount applicable to each portion	Service fee rate attributable to the portion	Service fee calculation	Amount of fees applicable	Calculation of the average fee rate to be applied
First $250,000 (Portion 1)	1.50%	0.0150 X $250,000	$3,750	$7,000/$650,000 = 1.07692308%
Next $250,000 (Portion 2)	0.85%	0.0085 X $250,000	$2,125	**Service fees payable ($)** $650,000 x 1.08%*= **$7,000**
$250,000 (exceeding $500,000) (Portion 3)	0.75%	0.0075 X $150,000	$1,125	
			$7,000	

*This figure is rounded off to simplify the illustration of the calculation.

The service fees payable to us for all the assets held by the family household total $7,000, yielding a rate of 1.07692308% applied to each of the accounts held by the investors of the family household.

Therefore, each investor of the primary family household would have to pay us the amounts indicated below.

Primary investor	RRSP account: $200,000 X 1.08%* =	$2,153.85**
	Cash account: $150,000 X 1.08%* =	$1,615.38**
2nd investor (your spouse)	RRSP account: $200,000 X 1.08%* =	$2,153.85**
3rd investor (your father)	RRIF account: $100,000 X 1.08%* =	$1,076.92**
Total		**$7,000****

*This figure is rounded off to simplify the illustration of the calculation. The rate that was applied in the calculation is the following: 1.07692308%.
**These amounts have been rounded.

	The service fees cover, among other things, periodic rebalancing services and tactical positioning in the different profiles offered as part of NBI Private Wealth Management, investment policy and/or restriction drafting services, office facilities and equipment, administrative personnel costs, the payment of trailing commissions to your dealer in connection with the distribution of units, and marketing and promotional activities relating to the sale of the funds. Part of the service fees paid to National Bank Investments Inc. may be paid to National Bank of Canada in connection with the sale of NBI Funds; this payment is similar to a trailing commission. See the *NBI Private Wealth Management Service* section for more information about this service.
Negotiated management fees	***O Series*** A negotiated management fee is paid by holders of *O Series* units. For holders of *O Series* units of all NBI Funds the percentage does not exceed the management fee for the *Advisor Series*. The percentage varies according to the value of the investor's initial investment. These negotiated management fees are in addition, if applicable, to the fixed-rate administration fees.
Other fees and charges	
Registered Account termination fee*	$100

These fees are subject to the GST or HST and to provincial sales tax, if applicable.
* *Only if the registered investment account is with National Bank Investments Inc.*

Management fee reduction

In certain cases, we may reduce the management fee for certain unitholders of a particular series of any NBI Fund. Our decision to reduce the customary management fee depends on a number of factors, including the size of the investment, the expected level of activity in the account and the investor's total investments. We may raise or lower the amount of the reduction for certain investors from time to time.

We reduce the management fee charged to the fund or we reduce the amount charged to the fund for certain expenses and the fund pays an amount equivalent to the reduction to the investors concerned as a special distribution (the "management fee distribution"). These distributions are reinvested in additional units of the same series of the fund. Management fee distributions are paid first out of net income and net realized capital gains of the fund and then out of capital.

For more information about the tax treatment of management fee distributions, see the section *Income tax considerations* or consult your own tax advisor.

Terms and conditions of payment

The management fee reduction is calculated daily as soon as your investment meets one of the eligibility criteria set out above. The amount of the management fee reduction will be calculated automatically based on the daily market value of your assets invested in the applicable NBI Funds. If the market value of your assets falls below the minimum amount on a given day, no management fee reduction will be calculated for that day, unless the book value of your investment remains higher than the minimum amount necessary to qualify for the management fee reduction plan. In such case, the amount of the management fee reduction will still be calculated based on market value.

The management fee distribution or rebate will be applied once per calendar quarter. It will be automatically reinvested in additional units of the same series of the applicable NBI Fund.

If you redeem all of the units of a series in a fund bought under the same purchase option, you will receive any management fee distributions or rebates owing at the redemption date of these units. These amounts will be paid to you in the same manner and at the same time as the proceeds of redemption.

For more information about the tax treatment of these management fee distributions or rebates, see *Income tax considerations* or consult your own tax advisor.

Impact of sales charges

The following table indicates the maximum fees you would have to pay according to the initial sales charge option if you invested $1,000 in a fund over 1, 3, 5 or 10 years and if redemption occurred before the end of that period.

	At the time of purchase	Redemption fee after: 1 year	3 years	5 years	10 years
All Series (except the series below)	–	–	–	–	–
Advisor Series					
Initial sales charge option[1]	$50	–	–	–	–

[1] *In the case where sales charges are 5%.*

Dealer compensation

The National Bank of Canada is paid fees by the manager for services rendered in connection with its participation in the distribution of units of NBI Funds. Such fees are based upon the net asset value of the units of the funds held by the Bank's clients.

Commissions

F, O, N and NR Series

No commission is paid to your dealer for the distribution of these units. Your dealer does not receive any compensation for *F Series* units other than the annual fee that you pay based on the value of the assets in your account.

Advisor Series

Your dealer normally receives a commission each time you buy units in the *Advisor Series* of an NBI Fund. This commission is based on the initial sales charge option. In the case of NBI Funds, you and your dealer agree on the percentage you will pay as a fee at the time you buy units of these series. This percentage varies between 0 and 5%. There are no fees when you purchase units through National Bank Investments Inc. or National Bank Direct Brokerage (a division of National Bank Financial Inc.) See *Fees* for more information.

Switch and conversion fees

You may have to pay fees to your dealer when you switch or convert your units. Refer to the sections *Switching units*, *Converting units* and *Fees and charges payable directly by you* for more information.

Trailing commissions

At the end of each month, we may pay an ongoing trailing commission to your dealer. We assume that the dealers will pay part of that commission to their advisors to compensate them for the services they provide to their clients. These commissions represent a percentage of the average daily value of the units of each fund held by a dealer's clients.

The terms of payments on such units may also be changed from time to time as long as they comply with Canadian securities rules and regulations. We may change or cancel the terms of the traillling commissions at any time without notice and we also reserve the right to change the frequency of these payments at our discretion.

The maximum trailing commission rates are as follows:

	Advisor Series	Maximum annual trailing commissions	
Funds	**Initial sales charge option[1]**	**N Series**	**NR Series**
Global Equity Funds			
NBI Active International Equity Fund	1.00%	0.51%	0.51%
NBI Active Global Equity Fund	1.00%	-	-

[1] Rate applicable for all investments, including systematic investment programs, reinvested distributions and switches.

F and O Series

Your dealer does not receive any trailing commission whatsoever with respect to *F and, O Series* units.

Dealer support plan

Joint marketing — We may pay up to 50% of your dealer's direct costs associated with:

- the publication and distribution of advertising
- holding a seminar for investor education or the promotion of mutual funds or NBI Funds.

Conferences and seminars — In addition to joint marketing, we may:

- organize and hold educational conferences for dealer representatives
- pay registration fees for dealer representatives attending educational conferences organized and held by others
- pay industry organizations up to 10% of expenses directly related to the organization and holding of educational conferences
- pay dealers up to 10% of expenses related to conducting educational conferences.

Dealer compensation from management fees

During the last financial year of National Bank Investments Inc., which ended on October 31, 2021, 7.53% of the management fees of NBI Funds were used to pay dealer sales and trailing commissions and for promotional activities.

Income tax considerations

The following is a summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) ("Tax Act") for the funds and for prospective investors in a fund who, for the purposes of the Tax Act, are individuals (other than trusts) resident in Canada, hold securities of the funds as capital property, are not affiliated with any of the funds and deal with the Funds at arm's length. This summary is based upon the current provisions of the Tax Act and regulations thereunder, all specific proposals to amend the Tax Act and such regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof, and the current published administrative and assessing policies and practices of the Canada Revenue Agency. This summary does not take into account or anticipate any other changes in law whether by legislative, administrative or judicial action and it does not take into account provincial or foreign income tax legislation or considerations.

This summary is of a general nature only and is not exhaustive of all possible income tax considerations. Prospective investors should therefore consult their own tax advisors about their individual circumstances.

This summary is based on the assumption that each of the NBI Active International Equity Fund and the NBI Active Global Equity Fund will be registered as "registered investments" under the Tax Act for RRSPs, RRIFs, and DPSPs effective as of the date of its creation in 2022 and at all material times thereafter. The Manager expects that each of these entities will be registered as a registered investment, as applicable, under the Tax Act at all material times. It is expected that NBI Active International Equity Fund and/or NBI Active Global Equity Fund may not qualify as a mutual fund trust under the Tax Act until sometime after March 2023. This summary also assumes that at any time, no more than 50% of the units of either the NBI Active International Equity Fund or the NBI Active Global Equity Fund will be held by one or more "financial institutions" within the meaning of section 142.2 of the Tax Act.

Taxation of the Funds

Each of the funds is required to compute its net income and net realized capital gains in Canadian dollars for the purposes of the Tax Act and may, as a consequence, realize income or capital gains by virtue of changes in the value of the U.S. dollar or other relevant currency relative to the Canadian dollar. Generally, a fund will include gains and deduct losses on income account in connection with its derivative activities entered into as a substitute for direct investment, including forward contracts, futures contracts and options. Generally, when a sufficient link can be established between derivatives used for hedging purposes on capital assets, the gains and losses resulting therefrom will take on the same tax characteristics as the hedged element. Consequently, gains and losses can be current in nature if the underlying interest is in the revenue account, or capital in nature if the underlying interest is in the capital account. Gains and losses resulting from securities lending, repurchase agreements and short sales by any of the funds will be included in the income, rather than as capital gains and losses.

Each fund will distribute sufficient of its net income and net realized capital gains to investors in each year so that the fund will not be liable in any taxation year for ordinary income tax under Part I of the Tax Act on such net income and net realized capital gains (after taking into account any applicable losses of the fund and the capital gains tax refunds to which the fund is entitled). A fund cannot allocate losses to investors; however, generally, it may deduct losses from capital gains and income realized and earned in future years, subject to the rules in the Tax Act. In certain circumstances, the recognition of losses realized by a fund may be suspended or restricted, and therefore the losses would be unavailable to shelter capital gains or income.

All of a fund's deductible expenses, including expenses common to all series and management and other fees, charges and expenses specific to a particular series of the fund, will be taken into account in determining the income or loss of the fund as a whole.

For taxation years where it is not mutual fund trust under the Tax Act, each of the NBI Active International Equity Fund and the NBI Active Global Equity Fund (i) may become liable for alternative minimum tax under the Tax Act, (ii) may be subject to a special tax under Part XII.2 of the Tax Act on its "designated income" under the Tax Act, and (iii) will not be eligible for capital gains refunds under the Tax Act. As well, as a "registered investment" under the Tax Act, these funds may, in some circumstances, be subject to tax under Part X.2 of the Tax Act if it makes an investment in property that is not a qualified investment for registered plans. These funds do not intend to make any investment, or earn any income, which would result in them becoming subject to tax under Part X.2 or Part XII.2 of the Tax Act.

Taxation of Investors

Distributions

An investor will generally be required to include in the investor's income for tax purposes for any year the amount (computed in Canadian dollars) of income and the taxable portion of net capital gains, if any, paid or payable by a fund to the investor or on the investor's behalf in the year (including any Management Fee Distributions paid out of the fund's income or net capital gains), whether or not such amounts are reinvested in additional units of the fund. Where the amount of distributions paid by a fund in a year exceeds the fund's income and capital gains, such excess amount will not be included in the income of investors (unless the fund elects to treat the excess amount as income) but will be treated as a return of capital and will reduce the adjusted cost base of their units of the fund. To the extent that the adjusted cost base of a unit would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized and the adjusted cost base of the unit to the investor will then be nil.

Each fund will designate to the extent permitted by the Tax Act the portion of the amount distributed to investors as may reasonably be considered to consist of taxable dividends, including eligible dividends, received by the fund on shares of taxable Canadian corporations and net taxable capital gains of the fund. Any such designated amount will be deemed for tax purposes to be received or realized by investors in the year as a taxable dividend, including an eligible dividends, and as a taxable capital gain, respectively. The dividend gross-up and tax credit treatment applicable to taxable dividends paid by a taxable Canadian corporation will apply to amounts so designated as taxable dividends, including in certain instances the enhanced dividend tax credit treatment that applies to eligible dividends received by an individual from a taxable Canadian corporation. Capital gains so designated by a fund will be subject to the general rules relating to the taxation of capital gains described hereinafter. In addition, each fund will make designations in respect of its income from foreign sources, if any, so that, for the purpose of computing any foreign tax credit available to an investor, and subject to the rules in the Tax Act, the investor will be deemed to have paid as tax to the government of a foreign country that portion of the taxes paid by the fund to that country that is equal to the investor's share of the fund's income from sources in that country.

Negotiated management fees paid on *O Series* units will not be deductible for tax purposes. Investors should consult with their own tax advisor regarding the deductibility of the service fees paid on *N* and *NR Series* units.

Investors will be informed each year of the composition of the amounts distributed to them (in terms of net income, taxable dividends, including eligible dividends, net taxable capital gains, foreign source income and non-taxable amounts such as returns of capital, where applicable) and of the amount of any foreign taxes paid by the fund in respect of which the investor may claim a credit for tax purposes to the extent permitted by the Tax Act, where those items are applicable.

Capital gains

Upon the actual or deemed disposition of a unit, including on the redemption of a unit by a fund and the switching of an investor's investment from one fund to another fund, a capital gain (or a capital loss) will generally be realized by the investor to the extent that the proceeds of disposition of the unit exceed (or are exceeded by) the aggregate of the adjusted cost base to the investor of the security and any costs of disposition, all of which will be calculated in Canadian dollars. In the case of a fund with multiple series, a conversion of units from one series to units of another series of the fund that is not effected as a redemption or cancellation of units pursuant to the declaration of trust for the fund (other than the conversion of units from a hedged series to an unhedged series (or vice versa) is not considered to be a disposition of the reclassified units, and consequently, such a conversion does not give rise to a capital gain (or capital loss). While an investor's adjusted cost base per unit will change as a result of such a conversion, the total adjusted cost base of the investor's units will not. A conversion of units from a hedged series to an unhedged series (or vice versa) will be considered a disposition for tax purposes, and will give rise to a capital gain or loss.

Adjusted cost base

The adjusted cost base ("ACB") of an investor's units is an important concept for income tax considerations. This term is used throughout this summary and can be calculated, for a particular series of a fund, according to the following formula in most situations:

Calculation of ACB

- The amount of your initial investment, including any sales charges paid to your dealer, *plus*
- additional investments, including sales charges paid to your dealer, *plus*
- reinvested distributions, *less*
- the portion of any distribution that is a return of capital, *less*
- the ACB of any previous redemptions

equals

the aggregate ACB of your units of a fund.

For the purpose of determining the adjusted cost base to an investor of units, when the investor acquires a unit of a particular fund, whether on the reinvestment of distributions or otherwise, the cost of the newly acquired unit is averaged with the adjusted cost base to the investor of all other units of the fund held by the investor immediately before that time. The adjusted cost base is determined separately for each series.

An investor will be considered to realize a capital gain as a result of distributions designated as such by a fund.

Generally, one-half of a capital gain (a “taxable capital gain”) realized or considered to be realized by an investor will be included in the investor’s income and one-half of a capital loss (an “allowable capital loss”) realized by an investor may be deducted from the investor’s taxable capital gains subject to the detailed rules of the Tax Act.

Minimum Tax

Individuals are subject to an alternative minimum tax, and may be liable for this alternative minimum tax in respect of any Canadian dividends and realized capital gains.

Funds with a high portfolio turnover rate

The higher a fund’s portfolio turnover rate, the greater the likelihood the fund will incur capital gains or losses. In the event a fund realizes capital gains on which it would otherwise be subject to tax, the gains will, in most cases, be distributed to investors and must be included in computing their income for tax purposes for that year. There is not necessarily a relationship between a high portfolio turnover rate and the performance of a fund.

Tax Statements

Taxable investors will be informed each year of the composition of the amounts distributed to them (in terms of net income, taxable dividends, including eligible dividends, net taxable capital gains, foreign source income and non-taxable amounts such as returns of capital, where applicable) and of the amount of any foreign taxes considered to be paid by a fund in respect of which the investor may claim a credit for tax purposes to the extent permitted by the Tax Act, where those items are applicable.

Registered Plans

Distributions from a Fund to an investor that is a registered pension plan, registered retirement savings plan, registered retirement income fund, deferred profit sharing plan, registered disability savings plan, registered education savings plan or tax-free savings account will not be taxable, except in certain limited circumstances; however, amounts withdrawn from such entities will generally be taxable, except for withdrawals from tax-free savings accounts and certain withdrawals from registered education savings plans and registered disability savings plans. Investors should obtain independent advice as to whether units of a fund would be a “prohibited investment” under the Tax Act if held in your RRSP, RRIF, TFSA, RESP or registered disability savings plan in their particular circumstances.

Additional considerations regarding information reporting

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-U.S. Tax Convention entered into between Canada and the U.S. on February 5, 2014 (the “IGA”), and related Canadian legislation, the funds and/or the registered dealers are required to report certain information with respect to unitholders and shareholders who are U.S. residents and U.S.citizens (including U.S. citizens who are residents or citizens of Canada), and certain other “U.S. Persons” as defined under the IGA (excluding registered plans such as RRSPs), to the CRA. It is expected that the CRA will then exchange the information with the U.S. Internal Revenue Service. In addition, to meet the objectives of the Organization for Economic Co-operation and Development Common Reporting Standard (the “CRS”), the funds and/or the registered dealers are required under Canadian legislation to identify and report to the CRA details and certain financial information relating to unitholders in the funds (excluding registered plans such as RRSPs) who are residents in a country outside of Canada and the U.S. which has adopted the CRS. The CRA is expected to provide that information to the tax authorities of the relevant jurisdiction that has adopted the CRS.

What are your legal rights?

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual fund securities within two business days of receiving the Simplified Prospectus or the Fund Facts or to cancel your purchase within 48 hours of receiving confirmation of your purchase order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund securities and get your money back or to make a claim for damages, if the Simplified Prospectus, Fund Facts or financial statements misrepresent any facts about the mutual fund. You must usually take these actions within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

Additional information

Conflicts of Interest

The NBI Funds may be subject to various conflicts of interest given that their respective portfolio managers and/or sub-advisors are involved in many management and advisory activities. The portfolio advisors make investment decisions or give advice relating to assets of any fund independently of other clients or their own investments, if any.

However, the portfolio managers and/or sub-advisors may make the same investment or give the same advice for a fund and one or more other clients. They may sell a security for one client and buy it for another at the same time. The portfolio managers and/or sub-advisors or their employees may have an interest in securities bought or sold for a client.

Where there is a limited supply of a security, the portfolio managers and/or sub-advisors use their best efforts to divide investment opportunities fairly, but cannot guarantee absolute equality. In some cases, these and other conflicts of interest could adversely affect one or more funds.

Exemptions and Approvals

Debt securities

Each of the funds has received an exemption from the Canadian Securities Administrators allowing it to engage in certain transactions in debt securities which, without the exemption, would be prohibited. Pursuant to such exemption, a fund may, with the approval of the IRC as described in *Regulation 81-107 respecting Independent Review Committee for Investment Funds* (“Regulation 81-107”) and subject to compliance with certain other provisions of Regulation 81-107, purchase from or sell to related dealers that are principal dealers in the Canadian debt securities market, non-government debt securities or government debt securities in the secondary market, provided that the purchase or sale is consistent with, or is necessary to meet, the investment objectives of the fund.

Private placements in which a related underwriter participates

Each of the funds has received an exemption from the Canadian Securities Administrators allowing it to purchase equity securities of a reporting issuer during the period of distribution of the securities and for the 60-day period following the period of distribution pursuant to a private placement in which a related underwriter participates. Without the exemption, the transactions in question would be prohibited. Pursuant to such exemption, the funds may affect such transactions subject to obtaining the IRC’s approval, as described in Regulation 81-107, and subject to compliance with certain provisions of Regulation 81-102. The purchase must also comply with the investment objectives of the funds.

Non-exchange-traded related issuer securities

Each of the funds has received an exemption from the Canadian Securities Administrators allowing it to purchase on the secondary market securities of a related issuer which are not exchange traded provided certain conditions are met. In particular, the investment must be consistent with, or necessary to meet, the investment objective of the fund. The investment must also be approved by the IRC as described in Regulation 81-107 and is subject to certain other provisions of Regulation 81-107.

Each of the funds has also received an exemption from the Canadian Securities Administrators allowing it to purchase on the primary market non-exchange-traded related issuer debt securities with a term of 365 days or more, other than asset-backed commercial paper, provided certain conditions are met, in particular the approval of the IRC.

Investments in certain exchange-traded funds

ETFs managed by AlphaPro Management Inc.

Each of the funds has obtained exemptive relief from the Canadian Securities Administrators allowing it to invest in the securities of certain exchange-traded funds managed by AlphaPro Management Inc. that are not index participation units and are not subject to *Regulation 81-101 respecting Mutual Fund Prospectus Disclosure* ("Regulation 81-101)" ("AlphaPro ETFs"). The exemption also allows the funds to pay brokerage commissions when the AlphaPro ETFs are bought and sold on recognized exchanges. This exemption is subject to various conditions including compliance with the fund's investment objective. The securities of an AlphaPro ETF may not be short sold by a fund and the AlphaPro ETFs must not have obtained relief from certain requirements of Regulation 81-102, including those relating to the use of leverage.

Leveraged ETFs

Each of the funds has obtained exemptive relief from the Canadian Securities Administrators allowing it to invest in certain exchange-traded funds, the securities of which are not index participation units according to securities legislation. These exchange-traded funds seek to provide returns similar to a benchmark market index or an industry sector. Unlike typical exchange-traded funds, some of these exchange-traded funds utilize leverage in an attempt to magnify returns by either a multiple or an inverse multiple of the particular benchmark (the "Leveraged ETFs").

Actively Managed Exchange-Traded Funds

Each fund has received an exemption from the Canadian Securities Authorities to permit the fund to invest a portion of its net asset value in Canadian and U.S. actively managed exchange-traded funds that are not index participation units under securities laws and are not subject to Regulation 81-101 (the "Actively Managed ETFs"). The aforementioned exemption is subject to certain conditions, including that a fund is not be entitled to purchase securities of such Actively Managed ETFs if, immediately after the purchase, more than 30% of the net asset value of the fund, taken at market value at the time of purchase, would consist of securities of such Actively Managed ETFs; or more than 10% of the net asset value of the fund, taken at market value at the time of purchase, would consist of securities of U.S. Actively Managed ETFs. A fund is not entitled to purchase securities of Actively Managed ETFs if, immediately after the purchase, more than 10% of the net asset value of the fund, taken at market value at the time of purchase, would consist of a combination of securities of Actively Managed ETFs, the purchase and holding of which are also subject to the above-described Leveraged ETFs exemption.

Inter-fund trades

Pursuant to exemptions received from the Canadian Securities Administrators, the funds may purchase or sell securities (including debt securities) from or to the investment portfolio of an associate of a responsible person or of an investment fund (including investment funds not subject to Regulation 81-102) for which a responsible person acts as an advisor (the "inter-fund trades"). In addition, pursuant to these exemptions, each of the funds is authorized to engage in inter-fund trades in respect of exchange-traded securities with another fund that is subject to Regulation 81-102 at the current market price instead of the closing price. Without these exemptions, such inter-fund trades would be prohibited. The exemptions are subject to various conditions. In particular, the inter-fund trades must be consistent with the fund's investment objective and must be submitted to the funds' IRC in compliance with Regulation 81-107 and must also comply with certain provisions of Regulation 81-107.

Using put options as cover

The funds have obtained an exemption from the Canadian Securities Administrators so that, when opening or maintaining a long position in a debt security that has a component that is a long position in a future or forward contract or when entering into or maintaining a swap position during periods when the funds have a right to receive payments under the swap, the funds can use as cover a right or obligation to sell an equivalent quantity of the underlying interest of the future or forward contract or swap.

This exemption is subject to the condition that the funds hold cash cover (together with margin on account for the position), the aforementioned right or obligation or a combination of such positions that is sufficient, without recourse to other assets of the funds, to enable the funds to satisfy its obligations pursuant to the derivative. The funds' ability to use options as cover is subject to the 10% limit provided for in Regulation 81-102.

Fundamental changes

In accordance with Regulation 81-102 and to the extent permitted under the funds' declarations of trust, securityholders' approval may not be sought by the manager with respect to fundamental changes in the following circumstances:

(i) a fund undertakes a reorganization with, or transfers its assets to, another mutual fund to which Regulation 81-107 applies, which is managed by the manager of NBI Funds or an affiliate of such manager, and the fund ceases to continue after the reorganization or transfer of assets and the transaction results in the securityholders of the mutual fund becoming securityholders in the other mutual fund;

(ii) a fund changes its auditor.

However, in each such circumstance, unitholders of that fund will receive written notice at least sixty (60) days before the effective date of any such change. The IRC of the fund must also approve the change, and all other applicable conditions under Regulation 81-102 must have been met.

Certificate of the Funds, the Manager and the Promoter

This simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

NBI Active International Equity Fund
NBI Active Global Equity Fund

(the "**Funds**")

November 15, 2022

National Bank Investments Inc., as manager, promoter of the Funds and on behalf of the trustee of the Funds

"Éric-Olivier Savoie"	*"Julie Mimeault"*
Éric-Olivier Savoie President and Chief Executive Officer	Julie Mimeault Chief Financial Officer

On behalf of the board of directors of **National Bank Investments Inc.**, as manager, promoter of the Funds and on behalf of the trustee of the Funds

"Joe Nakhle"	*"The Giang Diep"*
Joe Nakhle Director	The Giang Diep Director

Certificate of the Principal Distributor of the Funds with NBI as Principal Distributor

To the best of our knowledge, information and belief, this simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of all provinces and territories of Canada and do not contain any misrepresentations.

NBI Active International Equity Fund
NBI Active Global Equity Fund

(collectively, the "Funds with NBI as Principal Distributor")

November 15, 2022

National Bank Investments Inc., as principal distributor of the Funds with NBI as Principal Distributor

"*Éric-Olivier Savoie*"

Éric-Olivier Savoie
President and Chief Executive Officer

Specific information about each NBI Fund described in this document

What is a mutual fund and what are the risks of investing in a mutual fund?

A mutual fund is a pool of money contributed to by many investors having similar investment objectives. The management of the investment is provided by experts acting as portfolio managers. The portfolio manager invests the assets according to the investment objective of the mutual fund. The portfolio that is built up may be invested in several different securities at the same time, enabling investors to diversify their investments in a manner they might not be able to achieve on their own.

What is a mutual fund and what are funds of funds?

A mutual fund is a pool of money contributed by people with similar investment objectives. People who contribute money become unitholders of the mutual fund.

Funds of funds are mutual funds that are designed to offer dynamic asset allocation and diversification by investing their assets in other mutual funds. These other mutual funds are referred to as underlying funds. Underlying funds may be trusts, corporations or classes of corporations.

A professional portfolio manager of a mutual fund uses the money contributed by investors to buy securities, which in the case of the funds of funds are securities of underlying funds and in the case of the underlying funds are generally stocks, bonds, cash or a combination of these, depending on the underlying fund's investment objective. The portfolio manager makes all the decisions about which securities to buy and when to buy and sell them. Mutual fund securityholders share the fund's income, expenses, and any gains and losses the fund makes on its investments in proportion to the securities they own. The value of an investment in a mutual fund is realized by securityholders when they redeem the securities held.

A mutual fund can be set up as a trust or as a corporation. Both allow you to pool your money with other investors, but there are some differences. When you buy a mutual fund, you purchase units if the mutual fund is a trust or shares if the mutual fund is a corporation. The price of a unit or a share is its net asset value ("NAV"). In mutual funds that have multiple series of units or shares such as the funds, the NAV per unit or per share is calculated by adding up all of the assets of the series, subtracting the liabilities allocated to that series, and dividing the balance by total number of units or shares outstanding for that series.

Mutual funds may issue different series of securities. Each series is intended for different kinds of investors and has different fees and expenses.

Risk-return trade-off

Risk and return are closely related. This means that to obtain a higher return, you may have to accept a higher level of risk. A higher-risk mutual fund is generally less stable and fluctuates more. The more a mutual fund's return fluctuates, the more risk is associated with the mutual fund. It is therefore important to understand what we mean by "fluctuation": within a given period of time, a security may fluctuate, that is, it may suffer losses and realize gains.

High-risk investments generally offer higher long-term returns than safer ones. Since they fluctuate more, high-risk investments may post more negative short-term returns, compared to lower-risk investments.

What are the advantages of investing in a mutual fund?

Professional management. Mutual funds allow you to take advantage of the knowledge and expertise of seasoned portfolio managers. They have access to the research and information required to make sound investment decisions.

Diversification. Most investors do not have enough money to properly diversify their portfolio. Diversification means that you invest in many different securities. With mutual funds, you can invest simultaneously in various securities. If the performance of one security is poor, it may be offset by the better performance of another.

Variety. You can choose from several types of mutual funds, ranging from income and equity funds to balanced and specialized funds. A wide variety of mutual funds are available to meet your investment objectives.

Liquidity. You may purchase or redeem securities quickly and easily.

Monitoring. When you invest in mutual funds, you'll receive regular statements, financial reports and tax slips. These records allow you to easily keep track of your investments.

What are the risks of investing in a mutual fund?

Your investment in any mutual fund is not guaranteed. Therefore, the greatest risk to you as an investor is that you could lose all or part of your investment. Unlike bank accounts or guaranteed investment certificates, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. Furthermore, your investment in an NBI Fund is not guaranteed by National Bank of Canada, Natcan Trust Company, National Bank Trust Inc. or any other affiliated entity.

Mutual funds own different kinds of investments depending on their investment objectives. The value of investments in a mutual fund will fluctuate on a daily basis, reflecting changes in interest rates, economic conditions and markets as well as company news. Therefore, the value of a mutual fund's securities may go up and down. This means that the value of your investment in a mutual fund when you redeem it may be more or less than when you bought it. Also, under certain exceptional circumstances, you may not be able to redeem securities of a mutual fund. Please see *Right to refuse the redemption of fund securities*.

Some of the most usual risks that can affect the value of the securities of a mutual fund are described below.

See *What are the risks of investing in this fund?* in the part that applies to each fund in this Simplified Prospectus a list of the risks to which the fund is exposed.

Risks relating to concentration

If a mutual fund invests a large proportion of its assets in securities issued by one or a few issuers, it will have risk relating to concentration. Because its portfolio is not diversified, it could experience greater volatility and will be strongly affected by changes in the market value of these securities.

Canadian Securities Administrators have established guidelines and restrictions for investments by mutual funds. Among the restrictions is an investment limit of 10% of net assets in a single issuer.

Regulation 81-102 respecting Investment Funds ("Regulation 81-102") allows index mutual funds to invest more than 10% of their net asset value in the securities of a given issuer. However, mutual funds may be authorized to invest more than 10% of their net assets in the securities of a particular issuer if certain conditions are met.

Risks relating to currency

Whenever a mutual fund must buy its assets in a currency other than the currency in which it is offered, there are risks relating to exchange rates. As different currencies change in value in relation to each other, the value of the mutual fund securities purchased in those other currencies will fluctuate.

Some mutual funds determine the value of their securities in U.S. and/or Canadian dollars. These mutual funds may buy and sell assets in different currencies. The value of their securities determined in Canadian dollars and/or in U.S. dollars will fluctuate according to the value of the Canadian dollar and/or U.S. dollar, whichever applies, in relation to the various currencies.

Portfolio managers may use derivatives to reduce the risk of currency fluctuations. See *Risks relating to derivatives* for more information.

The Canada Revenue Agency requires that capital gains and losses be converted into Canadian dollars. As a result, when you redeem securities in U.S. dollars, you need to calculate gains or losses based on the Canadian dollar value of your securities when they were purchased and when they were sold.

In addition, although certain funds distribute their income in U.S. dollars, it must be converted into Canadian dollars for purposes of the *Income Tax Act* (Canada) ("Tax Act"). Consequently, all investment income will be converted into Canadian dollars for income tax purposes. For more information, you may want to consult your own tax advisor.

Risks relating to cybersecurity

With the increased use of technologies such as the internet to conduct business, the manager, the service providers and the mutual fund are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber attacks include, but are not limited to, gaining unauthorized access to digital computer systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cybersecurity breaches may also stem from cyber attacks carried out in a manner that does not require gaining unauthorized access to systems, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the mutual fund, the manager or the mutual fund's service providers (including, but not limited to, the portfolio manager or the portfolio sub-advisor, as the case may be, the registrar and transfer agent, the custodian and any sub-custodian) may cause disruptions and impact each of their respective business operations, potentially resulting in financial losses, interference with the mutual fund's ability to calculate its net asset value, impediments to trading, the inability of Unitholders to transact business with the mutual fund and the inability of the mutual fund to process transactions including redeeming securities, violations of applicable privacy and other laws, regulatory fines or penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs associated with the implementation of any corrective measures. Similar adverse consequences resulting from cyber incidents could also affect the issuers of units in which the mutual fund invests and counterparties with which the mutual fund engages in transactions. In addition, substantial costs may be incurred to prevent any cyber incidents in the future.

While the manager and the NBI Funds have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, inherent limitations exist in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the manager and the NBI Funds cannot control the cyber security plans and systems of the NBI Funds' service providers, the issuers of units in which the NBI Funds invest or any other third parties whose operations may affect the NBI Funds or their unitholders. As a result, the NBI Funds and their Unitholders could be negatively affected.

Risks relating to depositary receipts

Banks or other financial institutions, known as depositaries, issue depositary receipts that represent the value of securities issued by foreign companies. These receipts are better known as ADRs (American Depositary Receipts), GDRs (Global Depositary Receipts), or EDRs (European Depositary Receipts), according to the location of the depositary. Mutual funds invest in depositary receipts to obtain indirect ownership of foreign securities without trading on foreign markets. There is a risk that the value of the depositary receipts may be less than the value of the foreign securities. This difference can result from several factors: fees and expenses related to the depositary receipts; fluctuations in the exchange rate between the currency of the depositary receipts and the currency of the foreign securities; differences in taxes between the depositary receipts' and the foreign securities' jurisdictions; and the impact of the tax treaty, if any, between the depositary receipts' and the foreign securities' jurisdictions. Also, a mutual fund faces the risk that depositary receipts may be less liquid, that the holders of depositary receipts may have fewer legal rights than if they held the foreign securities directly, and that the depositary may change the terms of a depositary receipt, including terminating the depositary receipt, in such a way that a mutual fund would be forced to sell at an inopportune time.

Risks relating to derivatives

What are derivatives?

Derivatives are investment instruments generally seen in the form of a security or an asset. Usually, derivatives grant the right or require the holder to buy or sell a specific asset during a certain period of time for an agreed-upon price. There are several types of derivatives, each based on an underlying asset sold in a market or on a market index. A stock option is a derivative in which the underlying asset is the security of a major corporation. There are also derivatives based on currencies, commodities and market indexes.

How do the funds use derivatives?

All NBI Funds may acquire and use derivatives that comply with their investment objectives and the guidelines set out by the Canadian Securities Administrators on the use of derivatives by mutual funds. Portfolio managers may use derivatives to offset or reduce a risk associated with investments in the mutual fund. Portfolio managers seek to improve the portfolio's rate of return by using derivatives and accepting a lower, more predictable rate of return through hedging transactions, rather than a higher but less predictable potential rate of return. This is called hedging.

Derivatives may not be used for speculation or for the creation of portfolios with excess leverage.

Portfolio managers use derivatives to reduce the risk of currency fluctuations, stock market volatility and interest rate fluctuations. However, there is no guarantee that using derivatives will prevent losses if the value of the underlying investments falls. In some cases, portfolio managers may use derivatives instead of direct investments. This reduces transaction costs and can improve liquidity, increase the flexibility of a portfolio, all the while increasing the speed with which a mutual fund can change such portfolio.

Portfolio managers may also use derivatives for non-hedging purposes, or what is also called "effective exposure". This strategy makes it possible to gain exposure to a security, region or sector, to decrease transaction costs or to provide increased liquidity. In accordance with this concept, derivatives, such as futures contracts, forward contracts, options and swaps, are used instead of the underlying asset. Definitions for such derivative types follow:

Forward contracts: A customized contract between two parties to buy or sell an asset at a specified price on a future date. Unlike futures contracts, a forward contract can be customized to any commodity, amount and delivery date. A forward contract settlement can occur on a cash or delivery basis. Forward contracts do not trade on a centralized exchange and are therefore regarded as over-the-counter (OTC) instruments.

Futures contracts: A contract, generally traded on a centralized exchange, to buy or sell a particular financial instrument at a pre-determined price in the future. Futures contracts detail the quality and quantity of the underlying asset; they are standardized to facilitate trading on a futures exchange. Futures contracts settlement can occur on a cash or delivery basis.

Options: Options are exchange-traded or private contracts involving the right – but not the obligation – of a holder to sell (put) or buy (call) certain assets (such as a security or currency) from another party at a set price and at a set time. A premium, which is a cash payment, is normally paid between parties in order to exchange the option.

Swaps: A swap is a private contract between two or more parties used to exchange periodic payments in the future based on a formula that the parties have agreed upon. Swaps are generally equivalent to a series of forward contracts packaged together. They are not traded on organized exchanges and are not subject to standardized terms and conditions.

Derivatives can help mutual funds increase the speed and flexibility with which they trade, but there is no guarantee that using derivatives will result in positive returns. Mutual funds that use derivatives also face a credit risk. All NBI Funds face this risk when they use derivatives.

What are the risks relating to derivatives?

The following are examples of risks relating to the use of derivatives:

- The use of derivatives to reduce risk associated with foreign markets, currencies or specific stocks, called hedging, is not always effective. There may be an imperfect correlation between changes in the market value of the investment being hedged and the hedging derivative. Furthermore, any past correlation may not be maintained during the hedging period.

- There is no assurance that portfolio managers will be able to sell the derivatives to protect a portfolio. It may not always be possible to close out a derivative position quickly or easily. An over-the-counter market may not exist or may not be liquid. Derivatives traded on foreign markets may be less liquid and take longer to close out and therefore have more risk than derivatives traded on North American markets.
- Speculation in the derivative by investors can affect the price upwards or downwards.
- The change in price of the derivative may be more significant than the change in price of the underlying asset.
- A halt or interruption affecting the trading of a large number of stocks or bonds in an index may affect the derivatives (more specifically the standardized futures contracts and options) that are based on the underlying asset.
- There may be a credit risk associated with those who trade in derivatives. The mutual fund may not be able to complete settlement because the other party cannot honour the terms of the contract.
- There may be credit risk related to the other party to the contract, such as dealers who trade in derivatives. Indeed, if such party went bankrupt, it would lead the mutual fund to lose any deposits made as part of the contract.
- A securities exchange could impose daily limits on trading of derivatives, making it difficult to complete an option, forward or futures contract. Such trading limits can also be imposed by government authorities.
- If the mutual fund is unable to close out its position on options and futures contracts, this can affect its ability to hedge against losses or implement its investment strategy.
- When a price change is expected by the market, it may not be possible to buy or sell the derivative at the desired price.
- If trading in stock index options or futures contracts is restricted by a stock exchange, the mutual fund could experience substantial losses.
- Should a mutual fund be required to give a security interest in order to enter into a derivative transaction, such security interest may be enforced by the other party against the mutual fund's assets.
- Currency hedging does not result in the impact of the currency fluctuations being eliminated altogether.
- Hedging may be expensive.
- Regulation with respect to derivatives is subject to modification which may make it more difficult, or even impossible, for a mutual fund to use certain derivatives.

Risks relating to emerging market investments

Mutual funds that invest in emerging or developing markets are subject to the same risks as noted under *Risks relating to foreign investments*. However, these risks may be greater in emerging markets than in foreign markets due, among other things, to greater market volatility, smaller trading volumes, higher risk of political and economic instability, greater risk of market closure and more government-imposed restrictions on foreign investment compared to the restrictions imposed in developed markets. The fluctuation of prices can therefore be more pronounced than in developed countries, and it may be more difficult to sell securities.

Risks relating to equity securities

The net asset value of mutual fund securities will increase or decrease with the market value of the securities in the mutual fund portfolio. If a mutual fund holds stocks, the value of its securities will fluctuate with the market value of the stocks it holds. The market value of a stock will fluctuate according to the performance of the company that issued the stock, economic conditions, interest rates, stock market tendencies and other factors.

Certain funds may invest in shares issued by way of an initial public offering ("IPO shares"). The market value of IPO shares may be subject to greater fluctuations due to factors such as the absence of a prior public market, unseasoned trading, the small number of shares available for trading and limited information about the issuer. The purchase of IPO shares may involve high transaction costs. IPO shares are subject to liquidity risk.

Common shares are the most frequent type of equity securities. However, equity securities also include preferred shares, securities convertible into common shares and warrants.

A company may distribute part of its income to shareholders in the form of dividends, but is not obliged to do so. In the event that an issuer experiences financial difficulties, its equity securities may decline in value, especially due to the reduced likelihood that its board of directors will declare a dividend.

Historically, equity securities are more volatile than fixed-income securities. Securities of small-market-capitalization companies can be more volatile than securities of large-market-capitalization companies.

Risks relating to exchange-traded funds

Some mutual funds may invest some or all of their assets in other funds that are traded on a North American stock exchange ("exchange-traded funds"). Generally, mutual funds may only invest in exchange-traded funds that issue index participation units, which means that the only purpose of the exchange-traded fund is to hold the securities that are included in a specified widely quoted market index in substantially the same proportions as the index or to invest in a manner so as to replicate the performance of the index. As such, exchange-traded funds seek to provide returns similar to the performance of a particular market index or industry sector.

Exchange-traded funds may not achieve the same return as their benchmark index due to differences in the actual weighting of securities held in the exchange-traded fund versus the weighting in the relevant index and due to operating and management expenses of the exchange-traded funds.

The funds obtained exemptive relief from the Canadian Securities Administrators to allow them to invest in certain exchange-traded funds, the securities of which are not index participation units. These exchange-traded funds seek to provide returns similar to a benchmark market index or industry sector. However, unlike typical exchange-traded funds, some of these exchange-traded funds utilize leverage in an attempt to magnify returns by either a multiple or an inverse multiple of the particular benchmark. Although investment in these exchange-traded funds creates the possibility for greater gains, the investment techniques utilized may also result in magnified losses during adverse market conditions, as well as the potential for increased volatility.

Risks relating to foreign investments

Mutual funds that invest in foreign countries may face increased risk because the standards of accounting, auditing and financial reporting in these countries are not as stringent as in Canada and the U.S. These countries may be less regulated and portfolio managers may get less complete information on the securities they buy.

A change of government or a change in the economy can affect foreign markets. Foreign governments may enter into economic, swap or currency agreements. A fund may be adversely affected by a country's withdrawal from or addition to such an agreement. Governments may impose exchange controls or devalue currencies. This would restrict the ability of a portfolio manager to withdraw investments. Some foreign stock markets are less liquid and more volatile than the North American markets. If a market has lower trading volumes, it can restrict the portfolio manager's ability to buy or sell securities. This increases the risk for mutual funds that invest mainly or exclusively in securities listed on foreign markets.

Risks relating to fund on fund investments

When a mutual fund (a "top fund") invests some or all of its assets in securities of another mutual fund (an "underlying fund"), the underlying fund may have to dispose of its investments at unfavourable prices to meet the redemption requests by the top fund. This could have a harmful effect on the performance of the underlying fund that meets a large redemption. Furthermore, the performance of the top fund is directly linked to the performance of the underlying fund and is therefore subject to the risks of the underlying fund in proportion to the amount of its investment in the underlying fund.

Risks relating to income trusts

Income trusts generally hold securities in, or are entitled to receive royalties from, an underlying active business or investment in property. To the extent that an underlying active business or investment in property is subject to industry risks, interest rate fluctuations, commodity prices and other economic factors, investment returns from an income trust may be similarly affected. Although their returns are neither fixed nor guaranteed, income trusts are structured in part to provide a constant stream of income to investors. As a result, an investment in an income trust may be subject to interest rate risk. There is also a remote risk that where claims against an income trust are not satisfied by that trust, investors in that trust could be held liable for any outstanding obligations.

Risks relating to large investments

If a fund experiences a "loss restriction event", (i) the fund will be deemed to have a year-end for tax purposes (which could result in the fund being subject to tax unless it distributes its income and capital gains prior to such year-end), and (ii) the fund will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, a fund will be subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of the fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of a fund will be a beneficiary whose interest, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, as the case may be, of the fund. Generally, a person is deemed not to become a majority-interest beneficiary, and a group of persons is deemed not to become a majority-interest group of beneficiaries, of a fund if the fund meets certain investment requirements and qualifies as an "investment fund" under the rules.

Risks relating to large redemptions

A mutual fund may have one or more investors who hold a significant amount of securities of the mutual fund. For example, financial institutions or another mutual fund may make significant principal investments in a mutual fund or buy or sell significant numbers of securities of a mutual fund to hedge their obligations relating to guaranteed investment products whose performance is linked to the performance of one or several mutual funds. In addition, several services offered may give rise to large flows into or out of a mutual fund as units are bought and sold. Lastly, retail investors may also own a significant number of securities of a mutual fund.

If an investor or group of investors in a mutual fund make a large transaction, the mutual fund's cash flow may be affected. For example, if an investor or group of investors request the redemption of a large number of units of a mutual fund, the mutual fund may be forced to sell securities at unfavourable prices to pay for the redemption. Such an unexpected sale may have a negative impact on the value of the mutual fund.

Please see under *Additional information — Conflicts of Interest* for a description of considerations relating to certain large holders in particular.

Risks relating to legal, tax and regulatory matters

Changes to laws, regulations or administrative practices could adversely affect the mutual funds and the issuers of securities in which the funds invest.

Risks relating to liquidity

Liquidity refers to the speed and ease with which an asset may be sold and converted into cash. Most of the securities held by a mutual fund may be sold easily at a fair price and thus represent investments which are relatively liquid. However, a mutual fund may invest in securities which are not liquid, i.e., which may not be sold quickly or easily. Some securities may not be liquid because of legal restrictions, the nature of the investment or certain characteristics of the security. The lack of purchasers interested in a given security or market could also explain why a security may be less liquid. The difficulty of selling illiquid securities may result in a loss or a reduced return for a mutual fund.

A mutual fund may invest a limited amount of its portfolio in illiquid assets in accordance with its investment objectives and regulatory requirements. Illiquid assets may be purchased in the public marketplace or may be purchased privately. The valuation of illiquid assets that have not had recent trading activity or for which market quotations are not publicly available has inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investment. The fair value process has an inherent degree of subjectivity and, to the extent that these valuations are inaccurate, investors in a mutual fund that invest in illiquid assets may gain a benefit or suffer a loss when they purchase or redeem securities of the mutual fund.

Risks relating to market disruptions

The market value of a mutual fund's investments may fluctuate depending on corporate-specific events, general market conditions (including the economic conditions of the countries in which the investments are made) or other factors. Political, regulatory, economic and other events or disruptions that affect global markets, including war and any resulting occupation, foreign invasion, armed conflict, terrorism and related geopolitical risks, market manipulations, natural and environmental catastrophes, climate change and public health emergencies (such as outbreaks of infectious diseases, epidemics and pandemics) may cause markets to be more volatile in the short term, lead to unusual concern as to liquidity, and have long-term adverse effects on global economies and markets in general, including in Canada, the United States and other countries. The repercussions of these or other similar events on the economies and markets of various countries cannot be anticipated. These events could also have a significant impact on individual issuers or related groups of issuers. These risks may also adversely affect securities markets, fixed-income markets, inflation and other factors relating to mutual fund securities.

Risks relating to reliance on the manager, portfolio manager and portfolio sub-advisor

Unitholders will be dependent on the ability of the manager to effectively manage the mutual fund in a manner consistent with the investment objective, strategies and restrictions of the mutual fund. There is no certainty that the individuals who are principally responsible for providing administration and portfolio management services to the mutual fund will continue to be employed by the manager, the portfolio manager or the portfolio sub-advisor.

Some mutual funds are actively managed, which means they are dependent on the portfolio manager or the portfolio sub-advisor to select individual securities or other investments and, therefore, are subject to the risk that poor security selection or market allocation will cause the mutual funds to underperform relative to their benchmark index or to other mutual funds with similar investment objectives.

Risks relating to repurchase agreements and reverse repurchase agreements

Repurchase agreements enable the portfolio manager to sell securities in the mutual fund portfolio to a purchaser for cash at one price, with an agreement to buy an identical quantity of the same securities back at a later date for a higher price. These securities are sold to obtain liquidity for the mutual fund. Such a transaction does not normally exceed 30 days. To protect the interests of a mutual fund in a repurchase transaction, the mutual fund will receive, as collateral for the securities sold, a cash consideration equal to 102% of the market value of the securities sold. It should be mentioned that if the value of the securities sold increases, the purchaser would be required to pay an additional amount of money to maintain the collateral at 102% of the market value of the securities sold at all times.

The risk for the mutual fund associated with a repurchase agreement is mainly the purchaser's inability to pay the necessary consideration to maintain the collateral at 102%. If the purchaser is unable to deliver the securities sold by the end of the agreed upon period for the repurchase transaction and the market value of the securities sold increases during this same period, the collateral will no longer be adequate to buy back these same securities on the market. The portfolio manager will then have to use the money in the mutual fund to repurchase the securities and will sustain a loss. The market value of the securities forming part of a repurchase transaction by a mutual fund may not exceed 50% of its net asset value, excluding the value of the collateral.

Reverse repurchase agreements enable the portfolio manager to buy securities for a mutual fund from a seller at one price with an agreement to sell an identical quantity of the same securities back at a higher price at a later date. Such a transaction does not normally exceed 30 days. To protect the interests of a mutual fund in a reverse repurchase agreement, the bought securities must have a market value equal to at least 102% of the amount paid by the mutual fund to purchase them.

The risk for the mutual fund associated with a reverse repurchase agreement is mainly the inability of the seller to maintain the collateral at 102% of the cash consideration paid for the securities. The mutual fund could sustain a loss if the seller is unable to buy back the securities sold at the end of the agreed upon period for the reverse repurchase transaction and the market value of the securities sold decreases during this same period. The amount obtained by selling securities forming part of a reverse repurchase transaction will be less than the cash consideration given by the mutual fund in exchange for the securities, resulting in a loss for the mutual fund.

The risks described above can be minimized by selecting parties with solid credentials, which have undergone a stringent credit evaluation.

Risks relating to securities lending transactions

The portfolio manager may, for a fixed period of time, lend securities of its portfolio in exchange for collateral. This collateral may be in cash, qualified securities or securities that may be immediately converted into the same securities that have been loaned. To limit the risks, the value of the assets given as collateral and held by the fund must at all times be equal to at least 102% of the market value of the loaned securities.

The risk associated with a securities lending transaction is mainly the borrower's inability to pay the necessary consideration to maintain the collateral at 102%. The fund could sustain a loss if the borrower is unable to return the loaned securities by the end of the agreed upon period and the market value of the securities loaned increases before the fund buys back the securities. In this case, the collateral will no longer be sufficient to purchase the same securities on the market. Consequently, the portfolio manager will have to use the money in the fund to buy back the securities and will sustain a loss. The market value of the securities forming part of a securities lending transaction by a fund may not exceed 50% of its net asset value, excluding the value of the collateral.

This risk can be minimized by selecting borrowing parties with solid credentials, which have undergone a stringent credit evaluation.

Risks relating to series

A number of NBI Funds are offered in more than one series, some of which may be offered by way of private placement. Each series has its own fees, which are monitored separately. However, if a series is not able to meet its financial obligations, the other series in that fund will be required to make up any deficiency since the fund as a whole is liable for the financial obligations of all the series.

See *Purchases, switches, conversions and redemptions of securities* and *Fees* for more information on each series and the fees associated with each one. See the *Fund details* section of each fund to find out which series are offered by each fund.

Risks relating to small companies

Small companies can be riskier investments than larger companies. For one thing, they are often newer and may not have a track record, extensive financial resources or a well-established market. This risk is especially true for private companies or companies that have recently become publicly traded. They generally don't have as many shares trading in the market, so it could be difficult for a fund to buy or sell small companies' stock when it needs to. All of this means their share prices can change significantly in a short period of time.

Investment Restrictions

Exceptions Regarding Investment Restrictions and Regular Practices

Standing Instructions by the Independent Review Committee

- Under *Regulation 81-107 – Independent Review Committee for Investment Funds* ("Regulation 81-107"), we established an independent review committee (the "IRC"). The IRC complies with applicable securities legislation, including Regulation 81-107. For more information about the IRC, please see the section entitled "Independent Review Committee".

- Subject to obtaining the approval of the IRC and compliance with the conditions set out in Regulation 81-102 and Regulation 81-107, Canadian securities legislation allows the standard practices and investment restrictions to be modified. In accordance with the requirements of Regulation 81-102 and Regulation 81-107, the IRC has provided its approval of the following actions in respect of the funds:

a) Purchasing or holding securities of a related issuer, including those of National Bank of Canada;

b) Investing in the securities of an issuer where a related entity acts as an underwriter during the offering of the securities or at any time during the 60-day period following the completion of the offering of such securities;

c) Purchasing securities from or selling securities to another investment fund or a managed account that is managed by the manager or an affiliate of the manager;

d) Purchasing debt securities from, or selling debt securities to, related dealers that are principal dealers in the Canadian debt securities market (in accordance with the exemption regarding debt securities described herein).

The manager has implemented policies and procedures to ensure that the conditions applicable to each of the transactions noted above are met. The IRC has granted its approval in respect of such transactions in the form of standing instructions. The IRC reviews these related party transactions at least annually.

Description of Units Offered by the Funds

The Funds

The funds may issue an unlimited number of units. Certain funds issue units in more than one series. The units of a series belonging to the same fund carry equal rights and privileges. All units of a particular series have the right to participate equally in the distributions the fund makes (except in regard to management fee distributions). When a fund is liquidated, all units of a particular series have the right to participate equally in the assets remaining in the fund after payment of any liabilities.

Unitholders of each series are entitled to one vote per whole unit at a meeting of unitholders of the particular series. Fractions of units may be issued and they carry the same rights and privileges and are subject to the same restrictions and conditions applicable to whole units, but do not carry any voting rights.

These rights may only be changed as permitted by applicable law and the funds' declaration of trust.

Voting

An NBI Fund holding securities of an underlying mutual fund can exercise the voting rights associated with those securities. However, we may, if necessary, cause the voting rights attached to the securities of the underlying mutual fund to be flowed through to the unitholders of the relevant NBI Fund in proportion to the unitholders' holdings in this fund. The funds will not exercise the voting rights attached to the securities of underlying mutual funds that are managed by the manager, an affiliate or a related party.

Investor Meetings

None of the funds hold regular meetings. In accordance with securities regulations, we are required to convene a meeting of unitholders to ask them to consider and approve, by not less than a majority of the votes cast at the meeting (either in person or by proxy), any of the following material changes, if they are ever proposed for a fund:

- a change in the basis of the calculation of the fees or expenses charged to the fund or directly to unitholders by the fund or its manager in connection with the holding of securities of a fund in a way that may result in an increase in these charges to the fund or its unitholders, unless certain conditions under Regulation 81-102 are met;

- the introduction of new fees or expenses charged to the fund or which must be charged directly to unitholders by the fund or its manager in connection with the holding of securities of the fund and which may result in an increase in charges to the fund or securityholders, unless certain conditions under Regulation 81-102 are met;

- a change in the fund's manager, unless the new manager is affiliated with the current manager;

- a change in the fundamental investment objectives of the fund;

- a reorganization with another fund or transfer of assets to another mutual fund, if, as a result:

  - the fund no longer exists; and
  - the unitholders become unitholders of the other fund;

  (unless the IRC of the fund has approved the change and all other conditions set forth under Regulation 81-102 have been met, in which case unitholder approval will not be required, but a written notice will be sent to you at least 60 days before the effective date of the merger or transfer of assets);

- a reorganization with another fund or acquisition of assets of this other mutual fund, if, as a result:

– the fund continues to exist;
– the unitholders of the other fund become unitholders of the fund; and
– the change would be considered material by a reasonable investor in determining whether to purchase or continue to hold units of the fund;

- a reduction in the frequency that we calculate the net asset value of the fund's units;

- the fund restructures into a non-redeemable investment fund or an issuer that is not an investment fund;

- any other matter which is required to be submitted to a vote of the unitholders by the Fund's constating documents, or any other document, or by applicable law.

If permitted by the fund's constating documents and the laws applicable to the fund, unitholder approval will not be sought in the following circumstances: (i) prior to certain reorganizations that result in a transfer of the property of the fund to another mutual fund, or from another mutual fund to the fund; or (ii) prior to a change of auditors. However, in each such circumstance, unitholders of that fund will receive written notice at least sixty (60) days before the effective date of any such change. The IRC of the fund must also approve the change, and all other applicable conditions under Regulation 81-102 must have been met.

We will have to obtain the approval of *Advisor Series* unitholders for the following changes: (i) a change in the way of calculating the fees and expenses charged to a fund which has the effect of increasing the charges for the series or the unitholders of the series; or (ii) the introduction of fees or expenses to be charged to a fund or directly to its unitholders which has the effect of increasing the charges for the series or the unitholders of the series, unless the fees or expenses are charged by an entity at arm's length from the fund. If the fees or expenses are charged by such an entity, we will not seek the approval of the unitholders of the *Advisor Series*, but will send them a notice of the change in writing at least sixty (60) days before the effective date of the change.

For all other series, we may change the basis of calculation of the fees or expenses or introduce new fees or expenses in a way that may result in an increase in the charges for these series by giving a notice of the change in writing at least 60 days before the effective date of the change.

Description of Series

The NBI Funds are offered in one or more series. Please see the section called "Fund details" relating to each fund or the cover page of the Simplified Prospectus to determine which series are offered for each fund. Please see the section called "Distribution policy" relating to each fund for more information about the distribution rights.

The series are described hereinafter:

Advisor Series	This series is offered under the initial sales charge option. You pay an initial sales charge which you negotiate with your dealer when you purchase a Fund's units. There are no fees when you purchase units through National Bank Investments Inc. or National Bank Direct Brokerage (a division of National Bank Financial Inc.). If the Manager notes that an investor no longer meets the criteria established for holding the *Advisor* Series units, the Manager may redeem the investor's *Advisor* Series units or redesignate the investor's *Advisor* Series units into units of another series. The Manager will give the investor 30-days notice before proceeding, unless that change is required in order to comply with regulatory requirements. The Manager will not proceed with the resignation or redemption if the investor informs the Manager, within the notice period, that the investor once again meets the criteria for holding *Advisor* Series units or, in the case to comply with regulatory requirements, the redesignation or redemption will be immediate without prior notice.
F Series	This series is offered to investors with a fee-based account with dealers who have entered into an agreement with us. These investors pay their dealer annual compensation based on asset value instead of commissions on each trade. This series is also offered to certain other groups of investors for whom we do not incur significant distribution expenses and to independent investors who have

	accounts with discount brokers that have an arrangement with us or any other broker or investors NBI may determine, at its discretion. This series was created for investors taking part in programs where they were already being charged a fee for services and which did not require us to incur distribution expenses. We can reduce our management fee since our distribution expenses are lower and investors who buy the units of this series have, among other things, already entered into an agreement to pay fees directly to their dealer. Your dealer is responsible for deciding whether you are eligible to subscribe for and continue to hold *F Series* units. If you or your dealer is no longer eligible to hold the units of this series, we can convert them to *Advisor Series* units of the same Fund (depending on the initial sales charge option) upon 30 days' notice or redeem them.
N and NR Series	These series are only available to investors who use the NBI Private Wealth Management Service. National Bank Investments Inc. could, however, at its discretion, offer these units to other types of investors. The distinction between the units of the *N Series* and those of the *NR Series* lies in the distribution policy. *NR Series* units are intended for investors who want to receive regular fixed monthly distributions. Please see the section of the funds concerned called the section "*NBI Private Wealth Management Service"* for more information.
O Series	This series is only available to selected investors that have been approved by us and have entered into an *O Series* units account agreement with National Bank Investments Inc. The criteria for approval may include the size of the investment, the expected level of account activity and the investor's total investments with us. No management fees are charged to the Fund with respect to the *O Series* units. Management fees are negotiated with and paid directly by investors and are in addition to the fixed-rate administration fee. We don't pay any commissions or service fees to dealers who sell *O Series* units. There are no sales charges payable by investors who purchase *O Series* units.

Your choice of series will have an impact on the fees you pay and the compensation your dealer receives. Please see "Fees" and "Dealer compensation" sections for more information. Expenses of each series are tracked separately and a separate net asset value per unit is calculated for each series of a Fund. Although the money you and other investors pay to purchase units of any series is tracked on a series by series basis in a fund's records, the assets of all series of a Fund are combined into a single pool to create one portfolio for investment purposes.

Under the management fee reduction plan for high net worth investors (the "reduction plan"), certain investors may be eligible for a management fee reduction based on the size of their investment in one or more NBI Funds. In order for you to qualify for the reduction plan, we will have to determine whether you satisfy the criteria indicated in section *Eligibility criteria for the management fee reduction plan.* Please see the sections under *Management fee reduction plan for high net worth investors* for a detailed description and the terms and conditions of the reduction plan.

When the Funds were Formed and Other Major Events

The funds were created under declarations of trust pursuant to the laws of the Province of Ontario. The following table shows the date each fund was established and any material changes relating to the funds in the last ten years. The head office of National Bank Investments Inc. is located at 1155 Metcalfe St., 5th Floor, Montréal, Quebec, H3B 4S9.

Name of Fund	***Date Established***	***Former Name(s) (where applicable)***	***Changes (where applicable)***
NBI Active International Equity Fund[1]	November 15, 2022		
NBI Active Global Equity Fund[2]	November 15, 2022		

1. As of November 15, 2022, the declaration of trust of this fund was amended in order to create the *Advisor*, *F*, *N* and *NR Series*.
2. As of November 15, 2022, the declaration of trust of this fund was amended in order to create the *Advisor*, *F* ans *O Series*.

How to read the fund descriptions

Here is a guide to help you read the detailed description of each NBI Fund.

Fund details

This section gives you an overview of each fund, and includes the following information:

- type of fund
- type of units the fund offers you
- whether securities are qualified investments under the Tax Act for registered plans
- annual management fees
- portfolio manager and portfolio sub-advisor (if applicable).

Additional information may be included depending on the fund.

What does this fund invest in?

Investment objective

This section outlines the investment objective of the fund. This will allow you to choose the funds that best match your personal financial objectives.

Investment strategies

This section outlines the strategies we use to achieve the fund's investment objective. For example, we may invest in foreign companies or derivatives to achieve a fund's objective. If we do, we inform you in this section.

What are the risks of investing in this fund?

There are certain risks associated with investing in mutual funds. The degree of risk varies depending on the type of fund. This section lists the risks specific to the fund.

Investment risk classification methodology

To help you determine if a fund is suitable for you, the fund manager classifies the risk of investing in the fund in one or the other of the following categories: low, low to medium, medium, medium to high or high. The risk level of investing in a fund is reviewed at least once a year and each time a material change is made to the fund's investment objective and/or strategies.

The methodology used to determine the risk ratings of the funds for purposes of disclosure in this prospectus is the one provided in the regulations adopted by the Canadian Securities Administrators.

The purpose of the adoption of a standardized mutual fund risk classification method applicable to all mutual funds is to improve the transparency and consistency of risk levels so that investors can more easily compare the investment risk levels of the various mutual funds. This new standardized method is useful to investors, as it provides a consistent and comparable basis for measuring the risk levels of the different mutual funds.

The methodology consists in grading the risk associated with a fund on the five-category scale mentioned above based on the historical volatility of that mutual fund's performance, as measured by the standard deviation of the mutual fund's performance over a 10-year period. A mutual fund's standard deviation is calculated by determining the differential between a mutual fund's yield and its average yield over a given timeframe. A mutual fund with a high standard deviation is usually classified as being risky.

If the historical performance falls short of the 10-year period required by regulation to calculate the standard deviation of a fund, the Manager will substitute the data of a recognized reference index to make up for the fund's missing historical performance. The reference index retained by the Manager must be a recognized index, and have a composition similar to that of the fund's investment portfolio with performances that positively correlate with or bear a resemblance to those of the fund.

You may obtain a copy of the methodology used by the fund manager by calling the toll-free number 1 888 270-3941 or by emailing us at investments@bnc.ca.

Distribution policy

This section outlines how frequently the fund distributes its net income and net realized capital gains. The funds may also make distributions at other times during the year at the discretion of the manager.

Distributions from certain series or from certain funds may include a return of capital component. A return of capital reduces the value of your original investment and is not the same as the return on your investment. Returns of capital that are not reinvested may reduce the net asset value of the fund and the fund's subsequent ability to generate income.

All distributions payable to investors will be invested in additional units of the same fund, unless you ask to be paid in cash, in which case a minimum amount of $25 may be required. However, no distribution may be paid in cash if you hold your units in a registered tax plan. Any special year-end distribution must be re-invested in additional units of the fund.

The dollar amount of the monthly distribution for NR Series unit will be reset at the beginning of each calendar year. This information is published on the site www.nbinvestments.ca and may also be obtained by calling toll-free 1 888 270-3941.

NBI Active International Equity Fund

Fund details

Type of fund	International equity
Type of securities this fund offers you	*Advisor, F, N and NR Series* mutual fund trust units.
Eligibility for registered plans	The units are qualified investments for registered plans.
Management fees	*Advisor Series:* 1.60%
	F Series: 0.60%
	N Series: 0.30%
	NR Series: 0.30%
Portfolio manager	National Bank Trust Inc.
Portfolio sub-advisor	Montrusco Bolton Investments Inc.

What does this fund invest in?

Investment objective

The NBI Active International Equity Fund's investment objective is to provide long-term capital growth. It invests, directly or indirectly through investments in securities of other mutual funds, in a portfolio comprised primarily of common shares of international companies.

Any change to this objective must be approved by a majority of votes cast at a meeting of the unitholders of the fund specifically held for that purpose.

Investment strategies

In order to achieve its investment objective, the NBI Active International Equity Fund invests, directly or indirectly through investments in securities of other mutual funds, in a portfolio comprised primarily of common shares of international large capitalization companies traded on recognized stock exchanges.

The NBI Active International Equity Fund may also invest in:

- preferred shares of international companies;
- securities convertible into common or preferred shares, including rights and warrants;
- income trusts securities; and
- American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs).

The portfolio sub-advisor may choose to invest up to 100% of the net assets of the fund in securities of mutual funds managed by the manager or by third parties, including exchange-traded funds. The criteria used for selecting underlying fund securities are the same as the criteria used for selecting other types of securities.

The NBI Active International Equity Fund's investment process relies on a bottom-up, fundamental-driven investment approach. The securities chosen to compose the portfolio are those of growth-oriented companies, presenting high barriers to entry and having top-notch management teams. In-depth knowledge of the companies allows the portfolio sub-advisor to manage risks without depending on a large diversification and to favor a qualitative selection rather than a quantitative one.

ESG factors are not the primary strategy of the NBI Active International Equity Fund and are not part of the investment objective. Nonetheless, the portfolio sub-advisor takes into account significant environmental risks, social and governance issues of the companies in which they invest. It incorporates these considerations through its own assessment, which is based on a proprietary ESG scorecard as well as dialogue with company management. The portfolio sub-advisor actively engages with company management on material ESG issues and exercises proxy voting rights accordingly. Securities of companies that the portfolio sub-advisor believes generate more than 10% of their direct or indirect income from activities relating to casinos and online gambling, the manufacture of tobacco products, or the manufacture of controversial weapons (i.e., chemical and biological weapons, depleted uranium, cluster munitions, anti-personnel mines, white phosphorous, blinding laser weapons, and non-detectable fragments) are excluded from the fund's investments. Securities of companies that are involved in oil and gas exploration, exploitation, or production in the Arctic as well as new thermal coal mining and processing activities are also excluded. On a best-effort basis, the portfolio sub-advisor applies minimum standards of business practice to the selection of securities based on international norms, including the Organisation for Economic Co-operation and Development guidelines, United Nations Human Rights Declaration, United Nations Security Council sanctions and/or the United Nations Global Compact.

The portfolio sub-advisor has the discretion to select underlying funds, allocate assets among them, change the percentage of holdings held in an underlying fund, remove an underlying fund or add others.

When selecting an underlying fund in which to invest, the portfolio sub-advisor will consider the degree of exposure to the asset class that the underlying fund will provide to the fund, the performance of the underlying fund, and the expenses (if any) payable by the fund which may be associated with the investment. There will be no duplication of fees, particularly sales charges, between the fund and any underlying fund.

The NBI Active International Equity Fund may use derivatives in accordance with its investment objective and in compliance with applicable laws. These derivatives may include options, futures, forward contracts, swaps and other similar instruments used for hedging and non-hedging purposes. The NBI Active International Equity Fund may use these instruments to gain exposure to securities, indices or currencies without investing in them directly. Derivatives may also be used to manage the risks to which the investment portfolio is exposed. See *Risks relating to derivatives* for a description of the risks associated with their use.

The fund may engage in repurchase and reverse repurchase agreements and carry out securities lending transactions. These transactions will be used in combination with the fund's other investment strategies in the manner deemed most appropriate to allow the fund to meet its investment objective and improve its performance. See *Risks relating to repurchase agreements and reverse repurchase agreements* and *Risks relating to securities lending transactions* for a description of these transactions and the strategies to be used by the fund to reduce the risks related to these transactions.

In anticipation of or in response to adverse market conditions, for cash management purposes, for defensive purposes or for purposes of a merger or other transaction, the fund may temporarily hold all or a portion of its assets in cash, money market instruments, securities of affiliated money market funds, bonds or other debt securities. As a result, the fund may not be fully invested in accordance with its investment objective.

The fund has flexibility to invest across different sectors, asset classes and geographic regions. To ensure adequate diversification, the fund will be invested in a minimum number of sectors in most major regions of its benchmark, the MSCI EAFE (CAD) Index. The fund may invest up to 10% in emerging market securities.

This fund may have a relatively high portfolio turnover rate, which means that the portfolio manager may buy and sell investments in the fund frequently. As buying and selling increases, the trading costs of the fund also increase. You are also more likely to receive taxable income and/or capital gains during the year. A high portfolio turnover rate may affect the performance of the fund.

What are the risks of investing in this fund?

The risks of investing in this fund are:

- concentration;
- currency;
- cybersecurity
- depositary receipts;
- derivatives
- equity securities
- emerging markets investment;
- exchange-traded funds
- foreign investments
- fund on fund investments
- income trust;
- large investments
- large redemptions
- legal, tax and regulatory matters;
- liquidity;
- market disruption;
- reliance on the manager, portfolio manager and portfolio sub-advisor;
- repurchase and reverse repurchase agreements;
- securities lending transactions;
- series;
- small companies.

For more details on these risks, as well as the risks of investing in mutual funds, please see page 32.

NBI Active International Equity Fund

The fund's level of risk is medium. Because the fund has less than 10 years of performance history, to calculate the level of risk, the manager uses a reference index similar to the fund's strategy. The manager uses the MSCI EAFE (CAD) Index. The MSCI EAFE (Europe, Australia and Far East) Index is an index that may fluctuate according to the market capitalization of industrialized countries, excluding the United States and Canada. It is composed of indexes of 21 industrialized countries. The index's performance is hedged to the Canadian dollar, thereby minimizing currency risk between foreign currencies and the Canadian dollar. For more information, see *Investment risk classification methodology* in the section *Specific information about each NBI Fund described in this document*.

Distribution policy

For units of series other than the *NR Series*, the fund distributes its net income and net realized capital gains for the year between December 14 and December 31 of each year. All distributions payable to investors will be invested in additional units of the same fund, unless you ask to be paid in cash, in which case a minimum amount of $25 may be required. If you ask for your distributions to be paid in cash, the payment will be made through direct deposit to your bank account.

For *NR Series* units, the fund makes monthly distributions at the end of each month. These monthly distributions are comprised of net income and may also include a significant return of capital component. The amount of the monthly distribution per unit is reset at the beginning of each calendar year. It is a factor of the fund's payout rate, the net asset value per unit at the end of the previous calendar year and the number of units of the fund you own at the time of the distribution. We may adjust the monthly distribution during the year, without prior notification, if market conditions significantly affect the ability to maintain the payout rate for the fund. All distributions payable to investors will be reinvested in additional units of the same fund, unless you ask to be paid in cash, in which case a minimum amount of $25 may be required. Any net income not distributed previously in the year and any capital gains will be distributed by the fund in a special distribution between December 14 and December 31 of each year. This special distribution must be reinvested in additional units of the fund.

The amount of the distributions for the *NR Series* for a year may exceed the net income of the fund. The excess will be treated as a return of capital in the unitholder's hands and will not be taxable in the year of receipt, but will reduce the adjusted cost base of the units and may, in certain situations, give rise to a capital gain. See Income tax considerations for investors for more information.

If you ask for your distributions to be paid in cash, the payment will be made through direct deposit to your bank account. Please refer to the *Description of Units Offered by the Funds* for more information on the units offered by the Fund.

NBI Active Global Equity Fund

Fund details

Type of fund	Global equity
Type of securities this fund offers you	*Advisor, F and O Series* mutual fund trust units
Eligibility for registered plans	The units are qualified investments for registered plans.
Management fees	*Advisor Series:* 1.65%
	F Series: 0.65%
Portfolio manager	National Bank Trust Inc.
Portfolio sub-advisor	Montrusco Bolton Investments Inc.

What does this fund invest in?

Investment objective

The NBI Active Global Equity Fund's investment objective is to provide long-term capital growth. The fund invests, directly or indirectly, through investments in securities of other mutual funds, in a portfolio composed mainly of common shares of companies located around the world.

Any change to this objective must be approved by a majority of votes cast at a meeting of the unitholders of the fund specifically held for that purpose.

Investment strategies

To achieve its investment objective, the NBI Active Global Equity Fund invests its assets, directly or indirectly, through investments in securities of other mutual funds, in a portfolio composed mainly of common shares of companies located around the world. The fund may also invest in:

- preferred shares of foreign companies;
- securities convertible into common or preferred shares, including rights and warrants;
- income trust securities; and
- American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs).

The investment strategy of the NBI Active Global Equity Fund is based on a quality, high conviction “growth at a reasonable price” approach, anchored in fundamental and bottom-up analysis. The portfolio sub-advisor relies on independent thinking to build the investment theses for each investment. The portfolio sub-advisor forecasts inflection points, market misperceptions and catalysts through a replicable process that promotes consistency and sustainability of alpha, across different market conditions. Please refer to the section *Glossary* for more information on “inflection points”, “market misperceptions”, “catalysts” and “alpha”.

ESG factors are not the primary strategy of the NBI Active Global Equity Fund and are not part of the investment objective. Nonetheless, the portfolio sub-advisor takes into account significant environmental risks, social and governance issues of the companies in which they invest. It incorporates these considerations through its own assessment, which is based on a proprietary ESG scorecard as well as dialogue with company management. The portfolio sub-advisor actively engages with company management on material ESG issues and exercises proxy voting rights accordingly. Securities of corporations that the portfolio sub-advisor believes generate more than 10% of their direct or indirect income from activities relating to casinos and online gambling, the manufacture of tobacco products, or the manufacture of controversial weapons (i.e., chemical and biological weapons, depleted uranium, cluster munitions, anti-personnel mines, white phosphorous, blinding laser weapons, and non-detectable fragments) are excluded from the fund’s investments. Securities of corporations that are involved in oil and gas exploration, exploitation, or production in the Arctic as well as new thermal coal mining and processing activities are also excluded. On a best-effort basis, the portfolio sub-advisor applies minimum standards of business practice to the selection of securities based on international norms, including the Organisation for Economic Co-operation and Development guidelines, United Nations Human Rights Declaration, United Nations Security Council sanctions and/or the United Nations Global Compact.

The portfolio sub-advisor may choose to invest up to 100% of the net assets of the fund in securities of underlying mutual funds managed by the manager or by third parties, including exchange-traded funds. The criteria used for selecting underlying fund securities are the same as the criteria used for selecting other types of securities.The fund may use derivatives consistent with its investment objective and in compliance with applicable legislation. Such derivatives may include options, futures, forward contracts, swaps and other similar instruments for hedging and non-hedging purposes. The fund may use such instruments to gain exposure to securities, indices or currencies without otherwise making a direct investment. Derivatives may also be used to manage the risks to which the investment portfolio is exposed. See *Risks relating to derivatives* for a description of the risks associated with their use.

The fund may engage in repurchase and reverse repurchase agreements and carry out securities lending transactions. These transactions will be used in combination with the fund’s other investment strategies in the most appropriate manner to allow the fund to meet its investment objective and improve its performance. See *Risks relating to repurchase agreements and reverse repurchase agreements* and *Risks relating to securities lending transactions* for a description of these transactions and the strategies to be used by the fund to reduce the risks related to these transactions.

In anticipation of or in response to adverse market conditions, for cash management purposes, for defensive purposes or for purposes of a merger or other transaction, the fund may temporarily hold all or a portion of its assets in cash, money market instruments, securities of affiliated money market funds, bonds or other debt securities. As a result, the fund may not be fully invested in accordance with its investment objective.

The fund has flexibility to invest across different sectors, asset classes and geographic regions. To ensure adequate diversification, the fund will be invested in a minimum number of sectors in most major regions of its benchmark, the MSCI World Index. The fund may invest up to 25% in emerging market securities.

This fund may have a relatively high portfolio turnover rate, which means that the portfolio manager may buy and sell investments in the fund frequently. As buying and selling increases, the trading costs of the fund increase. You are also more likely to receive taxable income and/or capital gains during the year. A high portfolio turnover rate may affect the performance of the fund.

What are the risks of investing in this fund?

The risks of investing in this fund are:

- concentration;
- currency;
- cybersecurity;
- depositary receipts;
- derivatives;
- emerging markets investment;
- equity securities;
- exchange-traded funds;
- foreign investments;
- fund on fund investments;
- income trust;
- large investments;
- large redemptions;
- legal, tax and regulatory matters;
- liquidity;
- market disruption;
- reliance on the manager, portfolio manager and portfolio sub-advisor;
- repurchase and reverse repurchase agreements;
- securities lending transactions;
- series;
- small companies.

For more details on these risks as well as the general risks of investing in mutual funds, please see page 32.

The fund's level of risk is medium. Because the fund has less than 10 years of performance history, to calculate the level of risk, the manager uses a reference index similar to the fund's strategy. The manager uses the MSCI World Index. The MSCI World Index is composed of the shares of more than 1,500 companies representing the stock markets of approximately 23 countries and measures the equity market performance of developed markets around the world. For more information, see *Investment risk classification methodology* in the section *Specific information about each NBI Fund described in this document*.

Distribution policy

The fund distributes its net income and net realized capital gains for the year between December 14 and December 31 of each year. All distributions payable to investors will be reinvested in additional units of the same fund, unless you ask to be paid in cash, in which case a minimum amount of $25 may be required.

If you ask for your distributions to be paid in cash, the payment will be made through direct deposit to your bank account.

Please refer to the *Description of Units Offered by the Funds* for more information on the units offered by the Fund.

Glossary

American Depositary Receipts (ADRs)
See Depositary Receipts.

Alpha
The excess return of a strategy (or investment vehicle) relative to the return of its benchmark due to active management and security selection.

Bonds
Debt securities issued by companies, governments and government agencies. The issuer of a bond promises to pay interest throughout the term of the bond on specific dates and to repay the principal at maturity.

Canadian Securities Administrators
Forum composed of the 13 securities regulators of Canada’s provinces and territories.

Catalysts
An event or other news that propels the price of a stock dramatically up or down. Examples of a catalyst can include an earnings report, legislative changes, lawsuits, or mergers and acquisitions.

Capital
The money or property used to carry out business transactions. For an investor, capital is the total amount invested in securities and other assets, plus cash.

Capital gain or capital loss
Profit or loss resulting from the sale of assets classified under the *Income Tax Act* (Canada) as capital assets. Capital assets include shares.

Commercial paper
Short-term debt security issued by a company. Commercial paper is usually not secured by a company’s assets.

Common shares
Securities that represent ownership of a company. Owners of common shares usually have the right to vote in company affairs. When you own common shares, you expect to share in the profits of a company through dividend payments. You may also expect to profit by selling the common shares at a higher price. The words “share” and “stock” are often used interchangeably.

Credit rating
The evaluation of the credit worthiness of a person or company. A credit rating is based on ability to pay and past performance in paying debt.

Debenture
A type of bond issued by companies and municipalities. A debenture is a promise to pay interest and repay the principal, but is not secured by any assets of the issuer.

Debt security
A security where the investor lends money to the issuer who promises to repay the principal plus interest. Debt securities include bonds, debentures, Treasury bills and commercial paper.

Depositary Receipts
A negotiable security issued by a depositary bank representing a specified number of shares of a foreign company that is listed on an exchange.

Depositary receipts issued by U.S. depositary banks are known as American Depositary Receipts (ADRs), are denominated in U.S. dollars and may be traded like regular shares. ADRs were specifically designed to facilitate the purchase, holding and sale of non-U.S. securities by U.S. investors.

Global depositary receipts (GDRs) are issued by international depositary banks. GDRs are commonly used by investors in developed markets to invest in companies from developing or emerging markets.

Derivative
An investment instrument whose value is based on an underlying asset, index or other investment.

Direct family relationship
For the NBI Private Wealth Management Service, “direct family relationship” refers to the relationship between the primary investor and his or her direct family, i.e., his or her spouse residing at the same address, children, grandchildren, great-grandchildren, parents, grandparents and great-grandparents, and their respective spouses residing at the same address. It also includes the direct family of the primary investor’s spouse and any other person or entity selected at the discretion of National Bank Investments. Except for the primary investor’s spouse, it is not necessary to reside at the same address as the primary investor in order to qualify as being in a direct family relationship.

Distribution
Payments made by a mutual fund to investors from interest or dividend income or from selling securities at a profit.

Dividend
The amount a company distributes from its profits to shareholders in proportion to the number of shares they hold. A preferred dividend is usually a fixed amount. A common dividend will fluctuate with the company's profits. A company has no legal obligation to pay dividends.

ESG
ESG refers to environmental, social, and governance factors related to an investment. They represent three major non-financial factors used to identify material risks and/or growth opportunities in various investments. The Environmental criterion evaluates any environmental risks/opportunities a company might face and how the company is managing them. It can concern various topics such as energy use, waste, pollution, contaminated land or treatment of animals. The Social criterion covers the business' relationships with clients, suppliers, employees, the community and any other relevant stakeholders. Employees' working conditions, donations programs or local presence in smaller community are examples of Social aspects evaluated by this criterion. Finally, the Governance section evaluates a company's corporate structure. Transparency, Board composition, executive compensation, ethical standards, conflict of interest management or political contributions can be various examples of this measure.

Forward contract
The purchase or sale of investment instruments with delivery and payment at a specified date in the future.

Futures
A futures contract is an agreement to buy or sell an investment instrument or commodity at a specified price at a specified date in the future. Futures contracts are traded on commodity exchanges, including the Montreal Exchange.

Global Depositary Receipts (GDRs)
See Depositary Receipts.

Hedging
An investment strategy used to offset or reduce risk due to future changes in price, interest rates and exchange rates.

Index
An index tracks the performance of a number of stocks or other securities and is used to measure the performance of the economy or different types of investments.

Inflection Points
A sudden uplift that results in a significant change in the progress of a company, industry or sector. Examples of inflection points can include changes in the historical growth of a company following a new distribution agreement, changes in a company's management and legislative changes.

Market capitalization
The total value of all shares issued by a company that are owned by investors. For example, a company with 10 million shares that trade at $10 each has a market capitalization of $100 million ($10 x 10 million shares).

Market value
The amount that an asset would probably sell for in an open market.

Maturity
The date that a bond, debenture or loan is due and must be paid off.

Market Misperceptions
A different interpretation adopted by a portfolio sub-advisor from the market as to the impact headlines in the news may have on business. Examples of market misperceptions can include a difference in perception as to the earnings per shares forecasted by the financial industry or in the valuation of a company.

Option
A security that gives the investor the right, but not the obligation, to buy or sell certain securities at a specified price within a specified time.

Preferred shares
Securities that represent ownership of a company. Owners of preferred shares receive a specified annual dividend. They also have the first claim to the common shares of the company if the company is liquidated.

Return
Income earned or capital gain made on an investment.

Security
An investment instrument offered by a company, government or other organization. Securities include common and preferred shares, debt securities and mutual fund units.

Senior
Senior loans hold the most senior position in the capital structure of a business entity, and are typically secured with specific collateral and have a claim on the assets and/or stock of the borrower that is senior to that held by subordinated debt holders and stockholders of the borrower.

Style — Bottom-up approach (Equities)
This approach focuses more on the companies than on the industry in which they operate. Contrary to the top-down approach, the proponents of this style believe that a better quality company will offer superior returns over the long term, regardless of its industry sector or the country in which it is located.

Term
The time period to maturity for a bond.

Treasury bill
Debt securities issued by governments, usually for terms of three months to a year.

Volatility
The rate of change in the price of a security over a given time.

Notes

NBI Funds

National Bank Investments Inc.

1155 Metcalfe Street
5th Floor
Montreal, Québec H3B 4S9

Telephone: 514 871-2082 or 1 888 270-3941

Additional information about NBI Funds is available in the financial statements, the Fund Facts and the annual and interim management reports of fund performance. These documents are incorporated herein by reference and are legally considered to be a part of this document just as if they were printed in it.

You can get a copy of the financial statements or the annual and interim management reports of fund performance at no cost from your dealer or by emailing us at investments@nbc.ca. You can also get copies by calling National Bank Investments Advisory Service at 514 871-2082 or, toll-free, at 1 888 270-3941 or by visiting the funds' website at www.nbinvestments.ca.

These documents (as well as proxy circulars and material contracts) and other information about the funds are also available at www.sedar.com.

NBI Active International Equity Fund
NBI Active Global Equity Fund