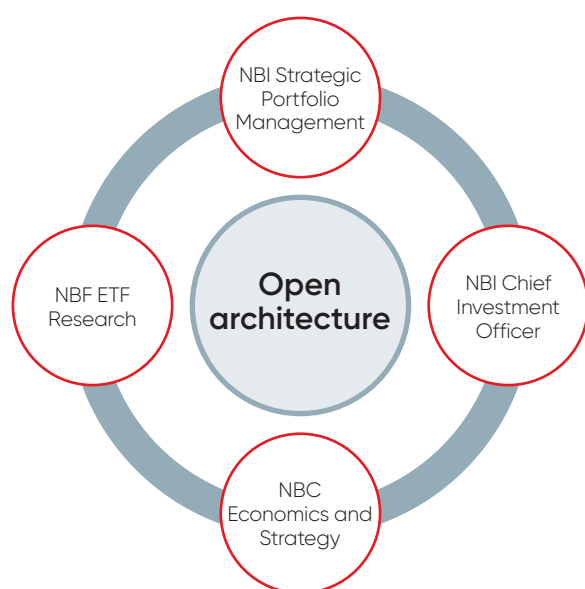


OP4+ A rigorous process



National Bank Investments' open architecture structure uses a highly analytical governance process, called OP4+, to evaluate and select our external portfolio managers. Over the years, we have established a clear series of criteria for identifying strong candidates, vetting their investment strategies and monitoring long-term performance. This ongoing process ensures due diligence and full accountability.

Our accomplished team of investment specialists is dedicated to optimizing our open architecture structure



NBI overview*

- › Over **\$93B** in assets under management
- › Managed by **85** separate teams
- › Divided across **56** portfolio management firms
- › **200** portfolio managers from around the world met annually.

*As at September 30, 2024.

The OP4+ criteria for excellence in portfolio management

Organization	Strong organization with top-tier investment culture
People	Stable team of investment professionals
Process	Proven management processes to select securities, build portfolios and manage risk
Portfolio	Optimized portfolio construction that follows the investment process and ensures sound diversification
Performance	Strong and predictable risk-adjusted returns
ESG+	Integration of E nvironment, S ocial and G overnance criteria

The importance of diversification






We believe that our strategic asset allocation complemented by our tactical deviations represents the best long-term investment alternative. However, short-term markets are difficult to predict, which is why sound diversification across asset classes and geographic regions is essential in portfolio construction.

OP4+ A rigorous process



Portfolio construction: a two-step process

① Optimal asset allocation	
Strategic	Tactical
<p>Used to add value and manage risk for our clients.</p> <ul style="list-style-type: none"> › Optimization factors and objectives of the solution are determined. › Expected returns, volatility and correlation are established. › Optimization using advanced software aims to maximize the expected return per unit of risk. › Annual optimizations are conducted to ensure that asset allocation remains ideal. 	<p>Accounts for market anomalies and protect ourselves against risks that appear to be low-reward.</p> <ul style="list-style-type: none"> › A monthly committee determines the tactical biases. › Deviations are carried out by overweighting or underweighting the funds currently found in the solutions. › Monthly performance attribution ensures no risk dominates the portfolio.

② Efficient portfolio manager selection	
Identifies portfolio managers with a competitive advantage.	
	Investment objective
	Quantitative filter
	Final analysis using the OP4+ criteria
	Portfolio Manager Selection Committee
	Final decision

The Fund Watch List

Funds that do not meet our expectations are added to a watch list. Listed funds are subject to a complete review and a new analysis. A recommendation is then made to the investment committee and, if necessary, an action plan that can include a change in portfolio manager is put forward.



Open architecture.
Endless opportunities.