

**NOTICE OF SPECIAL MEETINGS  
AND  
MANAGEMENT INFORMATION CIRCULAR  
OF ADVISOR SERIES (AND T5 SERIES WHERE NOTED) OF**

**National Bank Money Market Fund  
National Bank U.S. Money Market Fund  
National Bank Short Term Yield Class \*  
National Bank Mortgage Fund  
National Bank Bond Fund  
National Bank Long Term Bond Fund  
National Bank Dividend Fund  
National Bank Global Bond Fund  
National Bank Corporate Bond Fund  
National Bank High Yield Bond Fund\*\*  
National Bank Preferred Equity Income Fund  
National Bank Preferred Equity Fund  
National Bank Monthly Balanced Income Fund  
National Bank High Dividend Fund  
National Bank Canadian Equity Fund  
National Bank Canadian All Cap Equity Fund\*\*  
National Bank Canadian Equity Growth Fund  
National Bank AltaFund Investment Corp.  
National Bank Small Cap Fund**

**National Bank Quebec Growth Fund  
Westwood Global Dividend Fund\*\*  
Westwood Global Equity Fund  
National Bank Global Equity Fund\*\*  
National Bank Global Diversified Equity Fund  
National Bank Consensus American Equity Fund\*\*  
National Bank U.S. Equity Fund\*\*  
National Bank Consensus International Equity Fund\*\*  
National Bank European Equity Fund  
National Bank Asia Pacific Fund  
National Bank Japanese Equity Fund  
Westwood Emerging Markets Fund  
National Bank Global Small Cap Fund  
National Bank Resource Fund  
National Bank Energy Fund  
National Bank Precious Metals Fund  
National Bank Science and Technology Fund  
National Bank Health Sciences Fund**

*\* Class of shares of National Bank Funds Corporation*

*\*\* T5 Series as well*

(collectively, the "Funds")

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**to be held on  
Tuesday, December 16, 2014  
at the offices of National Bank of Canada  
600 de la Gauchetière Street West, Level C  
Montreal, Quebec  
commencing at 9:30 a.m. (Eastern Standard Time)**

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November 3, 2014

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**NOTICE OF SPECIAL MEETINGS OF *ADVISOR SERIES* AND *T5 SERIES*  
SECURITYHOLDERS OF THE FUNDS**

This is notice that special meetings of the investors of the Funds will be held on December 16, 2014 (the “**Meetings**”) at the offices of National Bank of Canada, 600 de la Gauchetière Street West, Level C, Montreal, Quebec at 9:30 a.m. (Eastern Standard Time). If the Meeting in respect of any Fund is adjourned, this notice shall constitute notice of the adjourned meeting, which will be held on December 17, 2014 at the offices of National Bank of Canada, 600 de la Gauchetière Street West, Level C, Montreal, Quebec at 9:30 a.m. (Eastern Standard Time).

The purpose of the Meetings is to consider, and if advisable, pass resolutions to approve the following:

1. a proposal to introduce a fixed-rate administration fee to replace certain operating expenses charged to each Fund, which, up to December 31, 2015, is subject to a transitional adjustment payment, as described in the resolutions attached to the management information circular (the “**Management Information Circular**”) accompanying this notice; and
2. to transact such other business as may properly come before the Meetings.

National Bank Investments Inc. (the “**Manager**”), the manager of the Funds, has provided a complete description of the matters to be considered at the Meetings in the accompanying Management Information Circular. The text of the resolutions authorizing the matter referred to in paragraph 1 is set out in Schedule “A” to the Management Information Circular.

**The Manager recommends that securityholders vote FOR the proposed implementation of the fixed-rate administration fee.**

**The Independent Review Committee of the Funds has reviewed the proposed fixed-rate administration fee matter described in the Management Information Circular and determined that the proposed matter, if implemented, would achieve a fair and reasonable result for each of the Funds. While the Independent Review Committee has determined that the implementation of the proposed fixed-rate administration fee matter would achieve a fair and reasonable result for each of the Funds, it is not the role of the Independent Review Committee to recommend that securityholders vote in favour of the proposed matter. The Independent Review Committee’s determination does not constitute such a recommendation. Securityholders should review the proposed fixed-rate administration fee matter described in the Management Information Circular and make their own decisions.**

We ask investors who are unable to attend the Meetings in person to exercise their right to vote by completing, dating, signing and returning the enclosed form of proxy either in the envelope provided to Computershare Investor Services Inc., 8th Floor,

**100 University Avenue, Toronto, Ontario M5J 2Y1 or by faxing it to 1-866-249-7775 / 416-263-9524 SO THAT IT ARRIVES NO LATER THAN 5:00 P.M. ON DECEMBER 12, 2014.**

*Si vous désirez recevoir la version française de ces documents, veuillez communiquer avec votre conseiller.*

DATED at Montreal this 3<sup>rd</sup> day of November, 2014.

By Order of the Board of Directors of  
National Bank Investments Inc., as manager of the  
Funds and on behalf of Natcan Trust Company as  
trustee of each Trust Fund

*“Jonathan Durocher”*

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Jonathan Durocher  
President and Chief Executive Officer

By Order of the Board of Directors of  
National Bank Funds Corporation, in respect of  
National Bank Short Term Yield Class

*“Jonathan Durocher”*

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Jonathan Durocher  
President and Chief Executive Officer

By Order of the Board of Directors of National  
Bank AltaFund Investment Corp.

*“Josie Pampena”*

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Josie Pampena  
President and Chief Executive Officer

**SPECIAL MEETINGS  
OF ADVISOR SERIES (AND T5 SERIES WHERE NOTED)  
SECURITYHOLDERS OF**

**National Bank Money Market Fund  
National Bank U.S. Money Market Fund  
National Bank Short Term Yield Class \*  
National Bank Mortgage Fund  
National Bank Bond Fund  
National Bank Long Term Bond Fund  
National Bank Dividend Fund  
National Bank Global Bond Fund  
National Bank Corporate Bond Fund  
National Bank High Yield Bond Fund\*\*  
National Bank Preferred Equity Income Fund  
National Bank Preferred Equity Fund  
National Bank Monthly Balanced Income Fund  
National Bank High Dividend Fund  
National Bank Canadian Equity Fund  
National Bank Canadian All Cap Equity Fund\*\*  
National Bank Canadian Equity Growth Fund  
National Bank AltaFund Investment Corp.  
National Bank Small Cap Fund**

**National Bank Quebec Growth Fund  
Westwood Global Dividend Fund\*\*  
Westwood Global Equity Fund  
National Bank Global Equity Fund\*\*  
National Bank Global Diversified Equity Fund  
National Bank Consensus American Equity Fund\*\*  
National Bank U.S. Equity Fund\*\*  
National Bank Consensus International Equity Fund\*\*  
National Bank European Equity Fund  
National Bank Asia Pacific Fund  
National Bank Japanese Equity Fund  
Westwood Emerging Markets Fund  
National Bank Global Small Cap Fund  
National Bank Resource Fund  
National Bank Energy Fund  
National Bank Precious Metals Fund  
National Bank Science and Technology Fund  
National Bank Health Sciences Fund**

*\* Class of shares of National Bank Funds Corporation  
\*\* T5 Series as well*

(collectively, the “Funds”)

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**to be held on  
Tuesday, December 16, 2014  
at the offices of National Bank of Canada  
600 de la Gauchetière Street West, Level C  
Montreal, Quebec  
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November 3, 2014

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## MANAGEMENT INFORMATION CIRCULAR

### SOLICITATION OF PROXIES

The information contained in this Management Information Circular (“**Information Circular**”) is provided by the Board of Directors of National Bank Investments Inc. (the “**Manager**” or “**we**”) in its capacity as manager of the Funds and on behalf of Natcan Trust Company as trustee of the Funds that are established as trusts (each a “**Trust Fund**” and, collectively, the “**Trust Funds**”), on behalf of the Board of Directors of National Bank Funds Corporation (“**NB Funds Corporation**”) in respect of National Bank Short Term Yield Class and on behalf of the Board of Directors of National Bank AltaFund Investment Corp. (“**AltaFund Corporation**” and together with National Bank Short Term Yield Class, the “**Corporate Funds**” and each a “**Corporate Fund**”) **in connection with the solicitation of proxies on behalf of management of the Funds** to be used at the special meetings of *Advisor Series* and *T5 Series* securityholders of the Funds (the “**Meetings**”).

The Meetings are to be held on December 16, 2014, commencing at 9:30 a.m. (Eastern Standard Time) at the offices of National Bank of Canada, 600 de la Gauchetière Street West, Level C, Montreal, Quebec, for the purposes outlined in the Notice attached to this Information Circular. If the Meeting in respect of any Fund is adjourned, the adjourned meeting will be held on December 17, 2014 at the offices of National Bank of Canada, 600 de la Gauchetière Street West, Level C, Montreal, Quebec at 9:30 a.m. (Eastern Standard Time).

We anticipate that the solicitation of proxies will principally be done by mail and telephone. The cost of the solicitation will be borne by the Manager.

The Manager is sending proxy-related materials directly to non-objecting beneficial owners. The Manager intends to pay for intermediaries to forward the proxy-related materials to objecting beneficial owners.

### PURPOSE OF THE MEETINGS

The purpose of the Meetings is to consider, and if advisable, pass resolutions to approve the following:

1. a proposal to introduce a fixed-rate administration fee to replace certain operating expenses charged to each Fund, which, up to December 31, 2015, is subject to a transitional adjustment payment, as described in the resolutions attached to the Information Circular; and
2. to transact such other business as may properly come before the Meetings.

The text of the resolutions referred to in paragraph 1 is set out in Schedule “A” to this Information Circular.

### SUMMARY OF PROPOSED CHANGES

The Manager is proposing to introduce a fixed-rate administration fee to replace certain operating expenses charged to each Fund (the “**Administration Fee**”). The proposal to introduce

the Administration Fee is referred to throughout this Information Circular as the “**Administration Fee Proposal**”. The effect of the Administration Fee Proposal is that the Manager will bear all of the Operating Expenses (as defined below) of the Funds, other than certain expenses described below as Fund Expenses, in return for each Fund’s payment of an Administration Fee. As described in more detail below, up to December 31, 2015, the Administration Fee is subject to a transitional adjustment payment. The Manager is proposing this change such that the management expense ratios (the “**MERS**”) for each series of securities of the Funds will become relatively predictable, easily calculated and more transparent for all future years.

Securityholders of all series of the Funds other than *Advisor Series* and *T5 Series* will receive a written notice providing the details of the introduction of the Administration Fee, as required by securities regulations. *Advisor Series* and *T5 Series* securities of the Funds require prior securityholder approval to implement this change. If the requisite approvals are obtained, it is expected that the proposed changes will be implemented on or about January 1, 2015. The Manager may elect not to proceed with any of the proposed changes if it considers such decision to be in the best interests of securityholders. Further, if approval from the securityholders of *Advisor Series* and/or *T5 Series* (as applicable) is not obtained from all of the Funds, then the Manager, at its discretion, may elect not to proceed with the introduction of the Administration Fee, even if the change can be implemented for some of the Funds or some series of the Funds and even if securityholders of some Funds have approved the introduction of the Administration Fee.

**The Manager recommends that securityholders vote FOR the Administration Fee Proposal.**

**The Independent Review Committee of the Funds has reviewed the Administration Fee Proposal described herein and determined that the proposed matter, if implemented, would achieve a fair and reasonable result for each of the Funds. While the Independent Review Committee has determined that the Administration Fee Proposal would achieve a fair and reasonable result for each of the Funds, it is not the role of the Independent Review Committee to recommend that securityholders vote in favour of the Administration Fee Proposal. The Independent Review Committee’s determination does not constitute such a recommendation. Securityholders should review the Administration Fee Proposal described herein and make their own decisions.**

## **REQUIRED SECURITYHOLDER APPROVAL**

### ***The Administration Fee Proposal***

*Advisor Series* and *T5 Series* securityholders of the Funds are being requested to approve the resolutions set out in Schedule “A” to this Information Circular in relation to the Administration Fee Proposal. **The implementation of the Administration Fee for a Fund will not be effective unless approved by a majority of the votes (i.e., more than 50%) of the outstanding securities of that Fund cast at the Meetings.**

Every *Advisor Series* and *T5 Series* securityholder of a Fund shall have one vote for each whole share or unit held and no votes for fractions of a share or a unit except to the extent that such fractional shares or fractional units may represent in the aggregate one or more whole shares or units held by the holder.

The resolutions set out in Schedule "A" to this Information Circular in relation to the Administration Fee Proposal authorize any one officer or director of the Manager, any one officer or director of Natcan Trust Company, on behalf of the Trust Funds, any one director or officer of NB Funds Corporation, on behalf of National Bank Short Term Yield Class, or any one director or officer of AltaFund Corporation to take all such steps as may be necessary or desirable to give effect to the Administration Fee Proposal. Under such authority, the Manager and Natcan Trust Company as trustee of the Trust Funds will amend the relevant master declaration of trust in respect of the Trust Funds and each of the Manager, Natcan Trust Company, NB Funds Corporation and AltaFund Corporation will amend the management agreement to reflect the implementation of the Administration Fee Proposal.

### ***Proposals Not Approved***

If the proposed introduction of an Administration Fee for a particular Fund does not receive the required approval from securityholders of *Advisor Series* and/or *T5 Series* (as applicable), such Fund will continue to bear its own Operating Expenses (as defined below). In addition, if approval from the securityholders of *Advisor Series* and/or *T5 Series* (as applicable) is not obtained from all of the Funds, then the Manager, at its discretion, may elect not to proceed with the introduction of the Administration Fee, even if the change can be implemented for some of the Funds or some series of the Funds and even if securityholders of some Funds have approved the introduction of the Administration Fee.

### ***Record Date***

Holders of *Advisor Series* and *T5 Series* securities of record at the close of business on October 31, 2014 will be entitled to vote at the Meetings, except to the extent that such securities are redeemed prior to the Meetings or that a transferee of securities after that date complies with the required procedures in order to qualify to vote the transferred securities. If your securities were transferred to you from another holder after October 31, 2014 (this would occur only in unusual circumstances, such as death of a holder), you should contact the Manager to determine the documentation necessary to transfer the securities on the Manager's records. You will only be able to vote the transferred securities after the transfer has been recorded on the Manager's records.

### ***Quorum***

In order for any Meeting of a Trust Fund to be duly constituted, at least two unitholders of such Trust Fund must be present in person or represented by proxy at that Meeting. In order for the Meeting of National Bank Short Term Yield Class to be duly constituted, at least two shareholders of such Corporate Fund must be present in person or represented by proxy at that Meeting. In order for the Meeting of AltaFund Corporation to be duly constituted for the purpose of approving the Administration Fee Proposal, at least two shareholders of such Corporate Fund representing one-twentieth of the shares entitled to vote at the Meeting must be present in person or represented by proxy at that Meeting.

If a quorum is not present at the opening of any Meeting of a Trust Fund, the Meeting in respect of that Fund may be adjourned to a fixed time and place but no business may be transacted in respect of that Fund. If any Meeting of a Trust Fund is adjourned due to lack of quorum, securityholders present in person or represented by proxy at the adjourned Meeting, whatever their number and the number of securities held by them, will form a quorum.

If a quorum is not present at the opening of the Meeting of National Bank Short Term Yield Class, the Meeting in respect of that Corporate Fund may be adjourned to a fixed time and place but no business may be transacted in respect of that Corporate Fund. If the Meeting of such Corporate Fund is adjourned due to lack of quorum, at least two shareholders present in person or represented by proxy at the adjourned Meeting will form a quorum.

If a quorum is not present at the opening of the Meeting of AltaFund Corporation for the purpose of approving the Administration Fee Proposal, provided at least one shareholder of such Corporate Fund is present in person or represented by proxy, the Meeting in respect of that Corporate Fund may be adjourned to a fixed time and place but no business may be transacted in respect of that Corporate Fund. If the Meeting of such Corporate Fund is adjourned due to lack of quorum, at least two shareholders present in person or represented by proxy at the adjourned Meeting representing one-twentieth of the shares entitled to vote at the Meeting will form a quorum.

## **PROPOSED INTRODUCTION OF FIXED-RATE ADMINISTRATION FEE TO REPLACE CERTAIN OPERATING EXPENSES**

### ***Introduction***

The Manager is proposing to introduce the Administration Fee to replace certain operating expenses charged to each Fund. The Administration Fee is equal to a percentage of the net asset value of a series of a Fund, calculated and paid in the same manner as the management fee for each series. The proposed Administration Fee for each series is set out below:

<b>Funds</b>	<b>Advisor Series</b>	<b>T5 Series</b>
National Bank Money Market Fund	0.08%	-
National Bank U.S. Money Market Fund	0.08%	-
National Bank Short Term Yield Class*	0.10%	-
National Bank Mortgage Fund	0.10%	-
National Bank Bond Fund	0.14%	-
National Bank Long Term Bond Fund	0.19%	-
National Bank Dividend Fund	0.14%	-
National Bank Global Bond Fund	0.20%	-
National Bank Corporate Bond Fund	0.19%	-
National Bank High Yield Bond Fund	0.05%	0.05%
National Bank Preferred Equity Income Fund	0.14%	-
National Bank Preferred Equity Fund	0.14%	-
National Bank Monthly Balanced Income Fund	0.10%	-
National Bank High Dividend Fund	0.19%	-
National Bank Canadian Equity Fund	0.19%	-
National Bank Canadian All Cap Equity Fund	0.19%	0.19%
National Bank Canadian Equity Growth Fund	0.19%	-
National Bank AltaFund Investment Corp.	0.22%	-
National Bank Small Cap Fund	0.22%	-

<b>Funds</b>	<b>Advisor Series</b>	<b>T5 Series</b>
National Bank Quebec Growth Fund	0.22%	-
Westwood Global Dividend Fund	0.22%	0.22%
Westwood Global Equity Fund	0.22%	-
National Bank Global Equity Fund	0.24%	0.24%
National Bank Global Diversified Equity Fund	0.20%	-
National Bank Consensus American Equity Fund	0.19%	0.19%
National Bank U.S. Equity Fund	0.24%	0.24%
National Bank Consensus International Equity Fund	0.19%	0.19%
National Bank European Equity Fund	0.24%	-
National Bank Asia Pacific Fund	0.29%	-
National Bank Japanese Equity Fund	0.29%	-
Westwood Emerging Markets Fund	0.22%	-
National Bank Global Small Cap Fund	0.29%	-
National Bank Resource Fund	0.23%	-
National Bank Energy Fund	0.23%	-
National Bank Precious Metals Fund	0.23%	-
National Bank Science and Technology Fund	0.24%	-
National Bank Health Sciences Fund	0.24%	-
<i>* Class of shares of National Bank Funds Corporation</i>		

The effect of the Administration Fee Proposal is that the Manager will bear all of the Operating Expenses (as defined below) of the Funds, other than certain expenses described below as Fund Expenses, in return for each Fund's payment of an Administration Fee. Up to December 31, 2015, the Administration Fee is subject to a transitional adjustment payment, as described below under the sub-heading "*Transitional Adjustment Payment*".

If the Administration Fee Proposal had been in effect during the most recent interim financial period of the Funds, it would have resulted in the annualized MER for the interim period ending June 30, 2014 being equal to or lower than what was charged. However, as it is difficult to predict whether Fund assets will rise or fall in the future or to predict what the cost to the Manager will be to provide services in the future, it is also not possible to predict whether MERs in the future would be higher or lower absent the implementation of the Administration Fee.

Schedule "B" of the Information Circular contains a table that summarizes the following: (a) the Administration Fee that is being proposed for *Advisor Series* and *T5 Series* (as applicable) of each Fund; (b) the current MER for *Advisor Series* and *T5 Series* (as applicable) as disclosed in the interim Management Report of Fund Performance (both before and after any expense waivers or absorptions by the Manager) as at June 30, 2014; (c) the MER for *Advisor Series* and *T5 Series* (as applicable) as at June 30, 2014 had the Administration Fee Proposal been in place since January 1, 2014; (d) the MER for *Advisor Series* and *T5 Series* (as applicable) as disclosed in the annual Management Report of Fund Performance (both before and after any expense waivers or absorptions by the Manager) as at December 31, 2013; and (e) the MER for *Advisor Series* and *T5 Series* (as applicable) as at December 31, 2013 had the Administration Fee Proposal been in place since January 1, 2013.

If the Administration Fee Proposal is implemented, the MER of each series of each Fund will consist of its applicable management fee, the Administration Fee and the Fund Expenses

(which include GST/HST and provincial sales tax, if applicable), and the Funds will begin paying Administration Fees as of January 1, 2015.

**Summary of Fees**

The costs, expenses and fees currently paid by each Fund and the costs, expenses and fees payable by each Fund if the Administration Fee Proposal is implemented are summarized in the following table.

Costs, Expenses and Fees Currently Payable by each Fund	Costs, Expenses and Fees Payable by each Fund under the Administration Fee Proposal
<p><i>Operating Expenses*:</i></p> <ul style="list-style-type: none"> <li>• transfer agency and recordkeeping costs,</li> <li>• custodial costs,</li> <li>• accounting and valuation fees,</li> <li>• audit fees,</li> <li>• legal fees,</li> <li>• the costs of preparing and distributing financial reports, simplified prospectuses, annual information forms, fund facts, continuous disclosure materials and other investor communications, and</li> <li>• the costs of trustee services relating to registered tax plans, as applicable,</li> </ul> <p>(collectively, the “<b>Operating Expenses</b>”).</p>	<p><i>Operating Expenses:</i></p> <ul style="list-style-type: none"> <li>• Paid directly by the Manager.**</li> </ul>
<p><i>Other Costs:</i></p> <ul style="list-style-type: none"> <li>• taxes (including, but not limited to, GST/HST and provincial sales tax, if applicable, and income tax);</li> <li>• fees, costs and expenses associated with compliance with any changes to existing governmental or regulatory requirements;</li> <li>• fees, costs and expenses associated with compliance with any new governmental or regulatory requirements, including any new fees;</li> <li>• interest and borrowing costs;</li> <li>• fees and expenses relating to the board of directors for each of NB Funds Corporation and AltaFund Corporation (as applicable); and</li> <li>• fees, costs and expenses related to external services not commonly charged in the Canadian mutual fund industry; and</li> <li>• fees and expenses of the Independent Review Committee (the “<b>IRC</b>”), including compensation paid to IRC members, travel expenses, insurance premiums and costs associated with their continuing education,</li> </ul> <p>(collectively, the “<b>Other Costs</b>”).</p>	<p><i>Fund Expenses:</i></p> <ul style="list-style-type: none"> <li>• taxes (including, but not limited to, GST/HST and provincial sales tax, if applicable, and income tax);</li> <li>• fees, costs and expenses associated with compliance with any changes to existing governmental or regulatory requirements introduced after September 23, 2014;</li> <li>• fees, costs and expenses associated with compliance with any new governmental or regulatory requirements, including any new fees introduced after September 23, 2014;</li> <li>• interest and borrowing costs;</li> <li>• fees and expenses relating to the board of directors (for NB Funds Corporation and AltaFund Corporation), including compensation paid to board members and any travel expenses, insurance premiums and costs associated with their continuing education;</li> <li>• fees, costs and expenses related to external services that were not commonly charged in the Canadian mutual fund industry as at September 23, 2014;</li> <li>• fees and expenses of the IRC, including compensation paid to IRC members, travel expenses, insurance premiums and costs associated with their continuing education; and</li> <li>• fees, costs and expenses relating to operating expenses beyond the normal course of business of the Funds;</li> </ul> <p>(collectively, the “<b>Fund Expenses</b>”).</p>

<b>Costs, Expenses and Fees Currently Payable by each Fund</b>	<b>Costs, Expenses and Fees Payable by each Fund under the Administration Fee Proposal</b>
<i>Portfolio Transaction Costs***:</i>	<i>Portfolio Transaction Costs***:</i>
<ul style="list-style-type: none"> <li>• Costs associated with the purchase and sale of securities and other property</li> </ul>	<ul style="list-style-type: none"> <li>• Costs associated with the purchase and sale of securities and other property</li> </ul>
<i>Fees:</i>	<i>Fees:</i>
<ul style="list-style-type: none"> <li>• Management Fee</li> </ul>	<ul style="list-style-type: none"> <li>• Management Fee</li> <li>• Administration Fee</li> </ul>

\* This list of Operating Expenses is non-exhaustive.

\*\* Provided such Operating Expenses are incurred in the normal course of business of the Funds.

\*\*\* Portfolio transaction costs are not currently included in the MER of a series of a Fund. Please refer to the paragraphs below for specific examples of portfolio transaction costs.

Currently, each Fund pays its Operating Expenses, Other Costs, the portfolio transaction costs associated with the purchase and sale of securities and other property and the applicable management fee. Some of the Operating Expenses are for services provided by the Manager for which the Manager determines its costs and allocates those costs back to the Funds, and some of the Operating Expenses are for services provided by third parties for which the Funds pay the third parties directly. The Manager is proposing to pay for all Operating Expenses, provided such expenses are incurred in the normal course of business of the Funds, and instead charge each Fund an Administration Fee. The Funds will continue to pay for other expenses, being the Fund Expenses listed in the table above. Fund Expenses will be allocated among the Funds subject to the Administration Fee and among each series of such Funds in a fair and equitable manner. The Manager may decide, in its discretion, to waive some or all of the Administration Fee and/or Fund Expenses. The Manager will determine whether to waive these amounts each year without notice to securityholders.

In addition to the Administration Fee and Fund Expenses, each Fund will continue to pay its portfolio transaction costs, which include brokerage commissions and other securities 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 currently included in the MER of a series of a Fund. Each Fund will also continue to pay management fees to the Manager.

### ***Rationale for Adopting the Administration Fee Proposal***

#### ***Increased MER Predictability and Clarity***

Under the current model of calculation of operating expenses, it can be difficult for securityholders to predict or estimate the Operating Expenses of a Fund until it releases its annual or semi-annual financial statements.

Currently the MER for each series of a Fund consists of its applicable management fee, Operating Expenses and Other Costs. As discussed above, the Operating Expenses of the Funds include, among other things, transfer agency and recordkeeping costs, custodial costs, accounting and valuation fees, audit fees, legal fees, the costs of preparing and distributing financial reports, simplified prospectuses, annual information forms, fund facts, continuous disclosure materials and other investor communications and the costs of trustee services relating to registered tax plans, as applicable. The Operating Expenses for a Fund vary from year to year and, therefore, it is not possible to predict the MER for a series of a Fund in a given year. Historically, the MER of

various series of securities of the Funds has varied considerably from year to year, with the MER increasing in some years and declining in others.

MER is a function of several factors, including the actual expenses incurred by the Manager, external expenses incurred by a Fund and the asset size of a Fund (since the MER is a ratio of expenses to assets). The assets of a Fund can fluctuate as a result of net sales or redemptions and positive or negative investment returns. Therefore, even if the actual expenses decline in a year, the MER could still increase if a Fund's net assets decline. The MER could also increase if expenses increase at a faster rate than the net assets of a Fund. Conversely, the MER could decline if a Fund's net assets increase at a faster rate than expenses or if expenses decrease at a faster rate than a Fund's net assets.

These factors combine to produce uncertainty with respect to the reporting of expenses and MERs. As a result of this uncertainty, it can be difficult for investors to determine their ongoing costs with respect to their investment in securities of a Fund. The effect of the Administration Fee Proposal is to eliminate most of this uncertainty and lack of clarity.

As is further described under the sub-heading "*Transitional Adjustment Payment*", during the period from January 1, 2015 to December 31, 2015 (the "**Implementation Period**"), the MER may be less predictable and transparent than after December 31, 2015 as a result of the transitional adjustment provisions that may apply in certain circumstances.

*Transfer the Risk of Future Changes in Operating Expense to the Manager*

By, in effect, fixing as a percentage of a Fund's net assets, the majority of a Fund's operating expenses, the Manager is assuming the risk that the cost of these services will increase or that those costs might stay the same and overall assets under management decrease, which could occur in poorly performing markets or during a period of net redemptions. Historically, in those events, the MER would have been expected to increase on the impacted funds. In a poorly performing market, therefore, not only may an investor have suffered poor investment performance, but this would have been further impacted by the expenses charged to the Fund, which are not related in any way to fund performance. Of course, if a Fund's assets increase or if the Manager is able to provide these services or to arrange for others to provide these services more efficiently, then the Manager may benefit from the Administration Fee Proposal. This potential conflict of interest has been considered by the Funds' Independent Review Committee in the course of its review of the Administration Fee Proposal and the Independent Review Committee has determined that the Administration Fee Proposal, if implemented, would achieve a fair and reasonable result for each of the Funds.

The benefit of the Administration Fee Proposal to securityholders of the Funds is seen in Schedule "B" to this Information Circular. As demonstrated in Schedule "B", the Administration Fee for each series has been set at a level that ensures that, had the Administration Fee been in place during the most recent interim period of each Fund (i.e. during the period from January 1, 2014 to June 30, 2014), all securityholders would have benefited from an equal or lower annualized MER.

### ***Transitional Adjustment Payment***

Under the Administration Fee Proposal, if in any month from January 1, 2015 to December 31, 2015, the aggregate month-end net asset value of all of the Participating Series (defined below) falls below 90% of the Starting Asset Level (defined below), the Manager will be entitled to receive a transitional adjustment payment (the “**Transitional Adjustment Payment**”) for that month from all of the Participating Series, in addition to the Administration Fee. In all cases, in the event that the Transitional Adjustment Payment is payable in any month, the maximum amount that a Participating Series’ Administration Fee may increase is 0.06% for the year ended on December 31, 2015.

The Transitional Adjustment Payment in any month, if payable, will be equal to: (i) the Administration Fee that would have been payable to the Manager had the aggregate month-end net asset value of all the Participating Series equalled 90% of the Starting Asset Level at month end; (ii) less the Administration Fee payable for that month. The Transitional Adjustment Payment is payable monthly.

The Transitional Adjustment Payment for any month will be allocated proportionately among all of the Participating Series based on the Administration Fee payable for that month by each Participating Series and therefore each Participating Series will pay its proportionate share of a Transitional Adjustment Payment regardless of whether such Participating Series’ net asset value has remained constant, increased or decreased since January 1, 2015.

For the purpose of the description of the Transitional Adjustment Payment, the terms mentioned above have the following meanings:

- “**Participating Series**” means each series of the Funds that, as of January 1, 2015, is subject to an Administration Fee; and
- “**Starting Asset Level**” means the aggregate net asset value of the Participating Series as of the close of business on January 1, 2015.

#### *Illustrative Example*

Below is an example, for illustrative purposes only, to demonstrate the differences to an investor who has a \$1,000 investment in *Advisor Series* securities of a Fund under the current fee arrangement and under the Administration Fee Proposal. This example assumes an Administration Fee of 0.20% per annum for the series and that the Starting Asset Level was \$100 million. For simplicity’s sake, we have also assumed that the investor is the only investor in the series of the Fund.

Assuming a starting position based on the current operating expenses and a Starting Asset Level of \$100 million for all Participating Series, a 20% drop in the aggregate net asset value of all Participating Series in any month will result, under the current fee arrangement, in an approximately 0.04% increase in the percentage of actual operating expenses charged in per annum terms and, under the Administration Fee Proposal, in a Transitional Adjustment Payment equal to approximately 0.025% in per annum terms in circumstances in which the Transitional Adjustment Payment is triggered.

Unless otherwise indicated, we have expressed the data in the example below in annualized terms.

	<b>Impact to an Investor with \$1,000 in Advisor Series securities of a Fund in the Month</b>			
	<b>Actual Operating Expense Ratio (ER) and Fee Impact under Current Fee Arrangement</b>		<b>Administration Fee rate and Fee Impact to Investor under the Proposal, including Transitional Adjustment Payment (AP) <sup>(1)</sup></b>	
In a month with no change in the Starting Asset Level <sup>(2)</sup>	ER:	0.20%	Rate:	0.20%
	Total Expense:	1/12th of \$2.00	Admin Fee:	\$2.00
In a month with 10% drop in net asset levels from the Starting Asset Level to \$90 million <sup>(3)</sup>	ER:	0.22%	AP:	Nil
	Total Expense:	1/12th of \$2.20	Total Fee:	1/12th of \$1.80
In a month with 20% drop in net asset levels from the Starting Asset Level to \$80 million <sup>(4)</sup>	ER:	0.24%	Rate:	0.20%
	Total Expense:	1/12th of \$2.40	Admin Fee:	\$1.60
In a month with 10% increase in net asset levels from the Starting Asset Level to \$110 million	ER:	0.18%	Max AP:	0.025%
	Total Expense:	1/12th of \$1.80	Total Fee:	1/12th of \$1.80

Notes:

(1) A Transitional Adjustment Payment may only be payable during the Transition Period of January 1, 2015 to December 31, 2015, and therefore after December 31, 2015 no Transitional Adjustment Payment may be payable. **The Manager has instituted a maximum limit on the effect of the Transitional Adjustment Payment to the Participating Series, such that in all cases, in the event that the Transitional Adjustment Payment is payable in any month, the maximum amount that a Participating Series' Administration Fee can increase above the rate set out in the table under the section "Proposed Introduction of Fixed-Rate Administration Fee to Replace Certain Operating Expenses – Introduction" is 0.06% for the year ended December 31, 2015.**

(2) Under the current fee arrangement, the operating expenses are paid for directly by each series of the Funds and indirectly by securityholders of each such series and there is no Administration Fee. In our example, the actual amount of operating expenses paid for by Advisor Series securities of the Fund was 0.20% for the year ended December 31, 2014. As such, for that year, the Fund would have paid \$2.00 in operating expenses in per annum terms, or 1/12<sup>th</sup> of the expense ratio for any given month, payable directly by the Fund. Under the proposed fixed-rate administration fee arrangement, the Operating Expenses of the Funds are paid for directly by the Manager in exchange for the payment of the Administration Fee by each Participating Series. In our example, the Administration Fee for Advisor Series securities of the Fund is 0.20%. The Administration Fee payable by the series in any given month will be 1/12<sup>th</sup> of 0.20%. Until December 31, 2015, a Participating Series may pay a Transitional Adjustment Payment to the Manager in the event there is a significant drop in assets.

(3) If in any month up to December 31, 2015, the aggregate monthly net assets at month end in all of the Participating Series (the "Monthly Net Assets") were to decrease to \$90 million (which is 90% of the Starting Asset Level in the above example), securityholders of each Participating Series would still continue to pay an Administration Fee equal to the fee listed in the table under the section "Proposed Introduction of Fixed-Rate Administration Fee to Replace Certain Operating Expenses – Introduction" for that month, which for the purposes of our example we have assumed to be 0.20%. No Transitional Adjustment Payment would be payable as the Monthly Net Assets would not have fallen below 90% of the Starting Asset Level.

(4) If in any month up to December 31, 2015, the Monthly Net Assets of all Participating Series were to fall to \$80 million (which is 80% of the Starting Asset Level in the above example), the Manager would be entitled to receive a Transitional Adjustment Payment, equal to the Administration Fee revenue that the Manager would have received for that month had the net assets of all the Participating Series equaled 90% of the Starting Asset Level, less the Administration Fee payable for that month.

## MANAGEMENT OF THE FUNDS

Management of the Funds' day-to-day affairs is the responsibility of the Manager pursuant to an amended and restated master management agreement between the Manager, Natcan Trust Company as trustee of each of the Trust Funds, NB Funds Corporation on behalf of National Bank Short Term Yield Class, and AltaFund Corporation. The Funds pay fees to the Manager for the services provided to the Funds.

The head office of the Manager is located at 1100 University Street, 10th Floor, Montréal, Quebec, H3B 2G7.

The financial year end of the Funds is December 31. The auditor of the Funds is Raymond Chabot Grant Thornton LLP.

The aggregate management fees (inclusive of applicable taxes) paid to the Manager during the period from the beginning of the most recently completed financial year of the Funds to October 20, 2014 (i.e. the period from January 1, 2013 to October 20, 2014) by each Fund in respect of all of series of securities were as follows:

<b>Name of Fund</b>	<b>Management Fees Paid During the Financial Year Ended December 31, 2013</b>	<b>Management Fees Paid During the Period January 1, 2014 to October 20, 2014</b>
National Bank Money Market Fund	\$2,096,756	\$1,356,332
National Bank U.S. Money Market Fund	\$87,479	\$55,215
National Bank Short Term Yield Class	\$65,582	\$29,546
National Bank Mortgage Fund	\$13,372,590	\$6,350,272
National Bank Bond Fund	\$21,761,746	\$17,453,629
National Bank Long Term Bond Fund	\$2,949,884	\$1,272,709
National Bank Dividend Fund	\$19,666,416	\$15,946,306
National Bank Global Bond Fund	\$3,074,026	\$2,767,800
National Bank Corporate Bond Fund	\$7,472,930	\$6,575,205
National Bank High Yield Bond Fund	\$13,704,447	\$13,010,069
National Bank Preferred Equity Income Fund	\$6,227,693	\$3,942,693
National Bank Preferred Equity Fund	\$774,192	\$762,486
National Bank Monthly Balanced Income Fund	\$3,587,564	\$3,186,692
National Bank High Dividend Fund	\$2,422,343	\$2,495,758
National Bank Canadian Equity Fund	\$5,902,040	\$5,462,105
National Bank Canadian All Cap Equity Fund	\$10,544,570	\$10,889,036
National Bank Canadian Equity Growth Fund	\$14,620,426	\$13,795,374
National Bank AltaFund Investment Corp.	\$831,263	\$684,081
National Bank Small Cap Fund	\$10,791,230	\$10,825,364
National Bank Quebec Growth Fund	\$636,068	\$780,475
Westwood Global Dividend Fund	\$643,982	\$501,360
Westwood Global Equity Fund	\$150,342	\$75,731
National Bank Global Equity Fund	\$12,769,860	\$11,677,146
National Bank Global Diversified Equity Fund	\$11,127,493	\$10,223,905
National Bank Consensus American Equity Fund	\$3,110,329	\$3,841,662
National Bank U.S. Equity Fund	\$887,184	\$1,000,031
National Bank Consensus International Equity Fund	\$3,116,808	\$3,863,970
National Bank European Equity Fund	\$636,307	\$553,712
National Bank Asia Pacific Fund	\$691,367	\$547,762
National Bank Japanese Equity Fund	\$155,341	\$121,059
Westwood Emerging Markets Fund	\$7,807,254	\$8,100,612
National Bank Global Small Cap Fund	\$982,175	\$1,218,557

<b>Name of Fund</b>	<b>Management Fees Paid During the Financial Year Ended December 31, 2013</b>	<b>Management Fees Paid During the Period January 1, 2014 to October 20, 2014</b>
National Bank Resource Fund	\$2,324,083	\$1,760,361
National Bank Energy Fund	\$352,199	\$287,080
National Bank Precious Metals Fund	\$854,410	\$651,165
National Bank Science and Technology Fund	\$813,699	\$751,847
National Bank Health Sciences Fund	\$490,450	\$471,213

The following table lists the directors and officers of the Manager including the province in which they live and their positions with the Manager.

<b>Name and Province of Residence</b>	<b>Position with the Manager</b>
Geneviève Beauchamp Québec	Chief Compliance Officer (for the activities of National Bank Investments Inc. as an investment fund manager)
Martin-Pierre Boulianne Québec	Corporate Secretary
Gilles Corriveau Québec	Director
Jean-Denis Côté Québec	Director
Jonathan Durocher Québec	President, Chief Executive Officer, Director and Ultimate Designated Person (for the activities of National Bank Investments Inc. as an investment fund manager)
Geneviève Drouin Québec	Chief Compliance Officer (for the activities of National Bank Investments Inc. as a mutual fund dealer)
Louis-Simon Duval Québec	Vice-President, Marketing and Communications
Alain Legris Québec	Chief Financial Officer and Director
Diane Giard Québec	Executive Vice-President, Head of Distribution, Director and Ultimate Designated Person (for the activities of National Bank Investments Inc. as a mutual fund dealer)
Dominic Martin Québec	Vice-President, Investment Solutions Engineering
Luc Paiement Québec	Chairman of the Board and Director
Josie Pampena Québec	Vice-President, Administration
Jean-Stéphane Parent Québec	Senior Manager, Investment Solutions
Lucie Rainville Québec	Officer responsible for financial planning
Annamaria Testani Québec	Vice-President, Advisor Distribution
Tina Tremblay-Girard Québec	Assistant Chief Financial Officer

## APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers and/or employees of the Manager. **You have the right to appoint some other person (who need not be an investor of a Fund) to attend or act on your behalf at the Meetings by striking out the printed names and inserting the name of such other person in the blank space provided in the form of proxy, or by completing another proxy in the proper form. To be valid, proxies must be mailed, or deposited with, Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 or be faxed to 1-866-249-7775 / 416-263-9524 in each case so as to arrive no later than two business days before the start of the Meetings (i.e. by 5:00 p.m. on Friday, December 12, 2014) or any adjourned, postponed or continued Meetings.**

If you give a proxy, you may revoke it in relation to any matter, provided a vote has not already been taken on that matter. You can revoke your proxy by:

- completing and signing a proxy bearing a later date and depositing it as described above;
- depositing a written revocation executed by you, or by your attorney who you have authorized in writing to act on your behalf, at the above address at any time up to and including the last business day preceding the day of the Meetings, or any postponement(s), adjournment(s) or continuance(s), at which the proxy is to be used, or with the chair of the Meetings prior to the beginning of the Meetings on the day of the Meetings or any postponements(s), adjournment(s) or continuance(s); or
- any other manner permitted by law.

## EXERCISE OF DISCRETION BY PROXIES

The management representatives designated in the enclosed form of proxy will vote the securities for which they are appointed proxy in accordance with your instructions as indicated on the form of proxy.

**In the absence of such direction, such securities will be voted by the management representatives in favour of the resolutions set out in Schedule “A” to this Information Circular.**

The enclosed form of proxy confers discretionary authority on the designated management representatives relating to amendments to or variations of matters identified in the Notice attached to this Information Circular and relating to other matters which may properly come before the Meetings. At the date of this Information Circular, the Manager does not know of any such amendments, variations or other matters.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

National Bank Short Term Yield Class is a class of NB Funds Corporation. Each class of shares is divided into various series, the number of shares of each series being unlimited in number. AltaFund Corporation has one class of shares that is divided into various series, the

number of shares of each series being unlimited in number. The Trust Funds are organized as trusts and each Trust Fund is divided into various series with an unlimited number of units.

As at the close of business on October 20, 2014, each Fund had the following approximate numbers of issued and outstanding securities of *Advisor Series* and *T5 Series*:

<b>Name of Fund</b>	<b>Number of Securities Issued and Outstanding</b>	
	<b>Advisor Series</b>	<b>T5 Series</b>
National Bank Money Market Fund	1,025,311.20	-
National Bank U.S. Money Market Fund	1,089.91	-
National Bank Short Term Yield Class	13,760.40	-
National Bank Mortgage Fund	16,618,208.48	-
National Bank Bond Fund	473,699.28	-
National Bank Long Term Bond Fund	42,624.70	-
National Bank Dividend Fund	665,371.97	-
National Bank Global Bond Fund	10,080.22	-
National Bank Corporate Bond Fund	226,629.40	-
National Bank High Yield Bond Fund	15,383,697.39	101.69
National Bank Preferred Equity Income Fund	28,553,154.10	-
National Bank Preferred Equity Fund	6,574,433.45	-
National Bank Monthly Balanced Income Fund	1,849,697.25	-
National Bank High Dividend Fund	16,031,199.94	-
National Bank Canadian Equity Fund	322,138.07	-
National Bank Canadian All Cap Equity Fund	1,328,891.07	41,720.08
National Bank Canadian Equity Growth Fund	9,483.60	-
National Bank AltaFund Investment Corp.	3,262.37	-
National Bank Small Cap Fund	72,856.37	-
National Bank Quebec Growth Fund	67,346.93	-
Westwood Global Dividend Fund	1,421,887.16	101.67
Westwood Global Equity Fund	105,524.42	-
National Bank Global Equity Fund	219,368.52	101.69
National Bank Global Diversified Equity Fund	48,372.08	-
National Bank Consensus American Equity Fund	22,955,441.15	101.66
National Bank U.S. Equity Fund	377,652.48	101.64
National Bank Consensus International Equity Fund	29,714,022.61	36,222.51
National Bank European Equity Fund	40,203.97	-
National Bank Asia Pacific Fund	6,012.66	-
National Bank Japanese Equity Fund	82,765.24	-
Westwood Emerging Markets Fund	3,725,431.10	-
National Bank Global Small Cap Fund	18,298.50	-
National Bank Resource Fund	40,465.95	-
National Bank Energy Fund	19,444.32	-
National Bank Precious Metals Fund	231,154.03	-
National Bank Science and Technology Fund	21,028.56	-
National Bank Health Sciences Fund	5,452.55	-

Each whole *Advisor Series* and *T5 Series* security of a Fund entitles the holder to one vote on all matters relating to that Fund.

The Manager on behalf of Natcan Trust Company as trustee of each of the Trust Funds, and the Board of Directors of NB Funds Corporation and AltaFund Corporation have fixed October 31, 2014 to be the date for determining which investors of the Funds are entitled to receive notice of the Meetings and to vote.

To the knowledge of the directors and senior officers of the Manager, as of the close of business on October 20, 2014, no person or company entitled to vote at the Meetings beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the voting rights attached to the securities of any Fund.

As of the close of business on October 27, 2014, the Manager owned the following issued and outstanding securities of the Funds:

Fund	Series	Number Held	Percentage of the Series	Percentage of Advisor and T5 Series (as applicable) in Aggregate	Percentage of the Fund
National Bank U.S. Money Market Fund	Advisor	100.00	8.40%	8.4040%	0.0127%
National Bank Short Term Yield Class	Advisor	9.4049	0.07%	0.0687%	0.0154%
National Bank Long Term Bond Fund	Advisor	48.9237	0.11%	0.1122%	0.0008%
National Bank Global Bond Fund	Advisor	110.9878	0.69%	0.6949%	0.0005%
National Bank High Yield Bond Fund	T5	102.1208	100.00%	0.0008%	0.0001%
National Bank Canadian All Cap Equity Fund	T5	102.0867	0.25%	0.0029%	0.0002%
National Bank Canadian Equity Growth Fund	Advisor	23.0840	0.07%	0.0732%	0.0001%
National Bank AltaFund Investments Corp.	Advisor	24.4260	0.56%	0.5568%	0.0027%
Westwood Global Dividend Fund	T5	102.1094	100.00%	0.0057%	0.0011%
National Bank Global Equity Fund	T5	102.1117	100.00%	0.0462%	0.0002%
National Bank Global Diversified Equity Fund	Advisor	95.2381	0.18%	0.1795%	0.0002%
National Bank Consensus American Equity Fund	T5	102.0852	100.00%	0.0004%	0.0004%
National Bank U.S. Equity Fund	T5	102.0354	100.00%	0.0150%	0.0016%
National Bank European Equity Fund	Advisor	53.9665	0.12%	0.1204%	0.0034%
National Bank Asia Pacific Fund	Advisor	55.4939	0.59%	0.5923%	0.0033%
National Bank Japanese Equity Fund	Advisor	208.3333	0.29%	0.2874%	0.0160%
National Bank Global Small Cap Fund	Advisor	92.6784	0.46%	0.4556%	0.0014%
National Bank Energy Fund	Advisor	53.2481	0.26%	0.2647%	0.0084%
National Bank Science and Technology Fund	Advisor	73.4214	0.34%	0.3407%	0.0022%
National Bank Health Sciences Fund	Advisor	43.3088	0.79%	0.7880%	0.0043%

Any securities of any Fund that are held by the Manager will be used for quorum purposes. **These securities will only be voted by the Manager to the extent that no other securityholder of the applicable Fund exercises its right to vote on a resolution.** Securities of any Fund that are held by other mutual funds managed by the Manager will not be voted at the Meetings.

As of the close of business on October 20, 2014, the directors and officers of the Manager owned less than 1% of any series of any Fund. None of these individuals received any form of compensation from the Funds and none of them was indebted to or had any transaction or arrangement with the Funds during the most recently completed financial year of the Funds.

## ADDITIONAL INFORMATION

Additional information about the Funds is available in their simplified prospectus, annual information form, fund facts, management report of fund performance and financial statements. You can get a copy of these documents upon request and at no cost, by calling the Manager toll-free at 1-888-270-3941, from your dealer or by e-mail at [investments@nbc.ca](mailto:investments@nbc.ca).

These documents and other information about the Funds, such as information circulars and material contracts, are also available on the Funds' website [www.nbc.ca/investment](http://www.nbc.ca/investment) or at [www.sedar.com](http://www.sedar.com).

## GENERAL

The contents of this Information Circular and the sending of it to securityholders of the Funds have been approved by the Board of Directors of the Manager, as manager of the Funds and on behalf of Natcan Trust Company as trustee of each of the Trust Funds, the Board of Directors of NB Funds Corporation on behalf of National Bank Short Term Yield Class, and the Board of Directors of AltaFund Corporation.

By Order of the Board of Directors of  
National Bank Investments Inc., as manager of the  
Funds and on behalf of Natcan Trust Company as  
trustee of each Trust Fund

*“Jonathan Durocher”*

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Jonathan Durocher  
President and Chief Executive Officer

By Order of the Board of Directors of  
National Bank Funds Corporation, in respect of  
National Bank Short Term Yield Class

*“Jonathan Durocher”*

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Jonathan Durocher  
President and Chief Executive Officer

By Order of the Board of Directors of National  
Bank AltaFund Investment Corp.

*“Josie Pampena”*

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Josie Pampena  
President and Chief Executive Officer

November 3, 2014

**Schedule “A” – Administration Fee Proposal Resolutions**

*Resolution of each Fund in Relation to the Administration Fee Proposal*

**WHEREAS it is in the best interests of the Fund and its securityholders to change the manner in which operating expenses are charged to the Fund as hereinafter provided;**

**For each Fund that is a Trust Fund**

BE IT RESOLVED THAT:

1. the introduction of a fixed-rate administration fee to replace certain operating expenses charged in respect of the *Advisor Series* and *T5 Series* (as applicable) of the Trust Fund, by replacing the current method in which costs are charged in respect of each such series of the Trust Fund with a fixed-rate administration fee (the “**Administration Fee**”) equal to the annual rate set forth in Schedule “B” of the Management Information Circular of the Trust Fund dated November 3, 2014 (the “**Information Circular**”), calculated and paid in the same manner as the management fee for the series, is approved;
2. the Administration Fee, subject to a transitional adjustment payment during the transition period (as described in the Information Circular), shall be effective as of January 1, 2015 or such other date as National Bank Investments Inc. (the “**Manager**”), as manager of the Trust Fund, shall determine;
3. all amendments to the master declaration of trust, to the management agreement and to any other agreement to which Natcan Trust Company (the “**Trustee**”), as trustee of the Trust Fund, or the Manager is a party that are required to give effect to the matters approved in this resolution be and are hereby authorized and approved;
4. any one officer or director of the Trustee and any one officer or director of the Manager, as appropriate, be and is hereby authorized and directed, on behalf of the Trust Fund, to execute and deliver all such documents and do all such other acts and things as may be necessary or desirable for the implementation of this resolution; and
5. the Manager be and is hereby authorized to revoke this resolution for any reason whatsoever in its sole and absolute discretion, without further approval of the securityholders of the Trust Fund, at any time prior to the implementation of the changes described above if it is considered to be in the best interests of the Trust Fund and its securityholders not to proceed.

**For National Bank Short Term Yield Class (the “Corporate Fund”) that is a class of shares of National Bank Funds Corporation (“NB Funds Corporation”)**

BE IT RESOLVED THAT:

1. the introduction of a fixed-rate administration fee to replace certain operating expenses charged in respect of the *Advisor Series* of the Corporate Fund by replacing the current method in which costs are charged in respect of such series of the Corporate Fund with a

fixed-rate administration fee (the “**Administration Fee**”) equal to the annual rate set forth in Schedule “B” of the Management Information Circular of the Corporate Fund dated November 3, 2014 (the “**Information Circular**”), calculated and paid in the same manner as the management fee for the series, is approved;

2. the Administration Fee, subject to a transitional adjustment payment during the transition period (as described in the Information Circular), shall be effective as of January 1, 2015 or such other date as National Bank Investments Inc. (the “**Manager**”), as manager of the Corporate Fund, shall determine;
3. all amendments to the management agreement and to any other agreement to which NB Funds Corporation or the Manager is a party that are required to give effect to this resolution are approved;
4. any one officer or director of NB Funds Corporation and any one officer or director of the Manager, as appropriate, be and is hereby authorized and directed, on behalf of the Corporate Fund, to execute and deliver all such documents and do all such other acts and things as may be necessary or desirable for the implementation of this resolution; and
5. the Manager be and is hereby authorized to revoke this resolution for any reason whatsoever in its sole and absolute discretion, without further approval of the securityholders of the Corporate Fund, at any time prior to the implementation of the changes described above if it is considered to be in the best interests of the Corporate Fund and its securityholders not to proceed.

**For National Bank AltaFund Investment Corp. (“AltaFund Corporation”)**

BE IT RESOLVED THAT:

1. the introduction of a fixed-rate administration fee to replace certain operating expenses charged in respect of the *Advisor Series* of AltaFund Corporation, by replacing the current method in which costs are charged in respect of such series of AltaFund Corporation with a fixed-rate administration fee (the “**Administration Fee**”) equal to the annual rate set forth in Schedule “B” of the Management Information Circular of AltaFund Corporation dated November 3, 2014 (the “**Information Circular**”), calculated and paid in the same manner as the management fee for the series, is approved;
2. the Administration Fee, subject to a transitional adjustment payment during the transition period (as described in the Information Circular), shall be effective as of January 1, 2015 or such other date as National Bank Investments Inc. (the “**Manager**”), as manager of AltaFund Corporation, shall determine;
3. all amendments to the management agreement and to any other agreement to which AltaFund Corporation or the Manager is a party that are required to give effect to this resolution are approved;

4. any one officer or director of AltaFund Corporation and any one officer or director of the Manager, as appropriate, be and is hereby authorized and directed, on behalf of AltaFund Corporation or the Manager, to execute and deliver all such documents and do all such other acts and things as may be necessary or desirable for the implementation of this resolution; and
5. the Manager be and is hereby authorized to revoke this resolution for any reason whatsoever in its sole and absolute discretion, without further approval of the securityholders of AltaFund Corporation, at any time prior to the implementation of the changes described above if it is considered to be in the best interests of AltaFund Corporation and its securityholders not to proceed.

### Schedule “B”– Proposed Fixed-Rate Administration Fee Schedule

<b>Funds</b>	<b>Fixed-Rate Administration Fee Proposed</b>	<b>MER (June 30, 2014)</b>	<b>MER before waivers (June 30, 2014)</b>	<b>Pro Forma MER as at June 30, 2014**</b>	<b>MER (December 31, 2013)</b>	<b>MER before waivers (December 31, 2013)</b>	<b>Pro Forma MER as at December 31, 2013***</b>
National Bank Money Market Fund	0.08%	0.94%	0.98%	0.94%	0.94%	0.98%	0.94%
National Bank U.S. Money Market Fund	0.08%	-0.01%	1.25%	0.95%	0.04%	1.19%	0.49%
National Bank Short Term Yield Class*	0.10%	0.95%	1.31%	0.95%	0.92%	1.92%	0.96%
National Bank Mortgage Fund	0.10%	1.80%	1.80%	1.80%	1.79%	1.79%	1.81%
National Bank Bond Fund	0.14%	1.59%	1.59%	1.59%	1.56%	1.56%	1.59%
National Bank Long Term Bond Fund	0.19%	1.33%	1.34%	1.33%	1.28%	1.28%	1.33%
National Bank Dividend Fund	0.14%	1.88%	1.88%	1.88%	1.88%	1.88%	1.88%
National Bank Global Bond Fund	0.20%	1.95%	2.23%	1.95%	1.95%	2.26%	1.95%
National Bank Corporate Bond Fund	0.19%	1.94%	1.99%	1.94%	1.94%	1.99%	1.94%
National Bank High Yield Bond Fund	0.05%	2.04%	2.22%	2.04%	2.09%	2.23%	2.04%
National Bank Preferred Equity Income Fund	0.14%	1.58%	1.58%	1.56%	1.48%	1.48%	1.56%
National Bank Preferred Equity Fund	0.14%	1.56%	1.56%	1.56%	1.57%	1.62%	1.56%
National Bank Monthly Balanced Income Fund	0.10%	1.84%	1.84%	1.82%	1.84%	1.84%	1.82%
National Bank High Dividend Fund	0.19%	2.14%	2.14%	2.14%	2.12%	2.12%	2.14%
National Bank Canadian Equity Fund	0.19%	2.50%	2.68%	2.50%	2.50%	2.69%	2.50%
National Bank Canadian All Cap Equity Fund	0.19%	2.50%	2.51%	2.50%	2.51%	2.53%	2.50%
National Bank Canadian Equity Growth Fund	0.19%	2.46%	2.46%	2.46%	2.45%	2.47%	2.46%
National Bank AltaFund Investment Corp.	0.22%	2.42%	2.43%	2.41%	2.41%	2.43%	2.41%
National Bank Small Cap Fund	0.22%	2.54%	2.54%	2.52%	2.54%	2.54%	2.52%
National Bank Quebec Growth Fund	0.22%	2.56%	2.56%	2.54%	2.56%	2.56%	2.54%
Westwood Global Dividend Fund	0.22%	2.52%	2.58%	2.50%	2.57%	2.83%	2.50%
Westwood Global Equity Fund	0.22%	2.51%	4.16%	2.49%	2.57%	6.04%	2.49%
National Bank Global Equity Fund	0.24%	2.85%	2.85%	2.85%	2.80%	2.81%	2.85%
National Bank Global Diversified Equity Fund	0.20%	2.51%	2.52%	2.51%	2.60%	2.60%	2.51%
National Bank Consensus American Equity Fund	0.19%	2.15%	2.15%	2.15%	2.14%	2.14%	2.15%
National Bank U.S. Equity Fund	0.24%	2.48%	2.48%	2.48%	2.49%	2.49%	2.48%
National Bank Consensus International Equity Fund	0.19%	2.15%	2.15%	2.15%	2.14%	2.15%	2.15%
National Bank European Equity Fund	0.24%	2.49%	2.58%	2.49%	2.50%	2.62%	2.49%

<b>Funds</b>	<b>Fixed-Rate Administration Fee Proposed</b>	<b>MER (June 30, 2014)</b>	<b>MER before waivers (June 30, 2014)</b>	<b>Pro Forma MER as at June 30, 2014**</b>	<b>MER (December 31, 2013)</b>	<b>MER before waivers (December 31, 2013)</b>	<b>Pro Forma MER as at December 31, 2013***</b>
National Bank Asia Pacific Fund	0.29%	2.53%	2.57%	2.53%	2.54%	2.59%	2.53%
National Bank Japanese Equity Fund	0.29%	2.55%	2.96%	2.55%	2.54%	3.00%	2.55%
Westwood Emerging Markets Fund	0.22%	3.06%	3.27%	3.06%	3.11%	3.35%	3.09%
National Bank Global Small Cap Fund	0.29%	2.56%	2.56%	2.56%	2.57%	2.60%	2.56%
National Bank Resource Fund	0.23%	2.47%	2.48%	2.47%	2.39%	2.39%	2.48%
National Bank Energy Fund	0.23%	2.66%	2.78%	2.65%	2.66%	2.80%	2.66%
National Bank Precious Metals Fund	0.23%	2.46%	2.46%	2.46%	2.43%	2.43%	2.46%
National Bank Science and Technology Fund	0.24%	2.52%	2.66%	2.49%	2.52%	2.74%	2.49%
National Bank Health Sciences Fund	0.24%	2.77%	2.84%	2.77%	2.77%	2.90%	2.77%

*\*Class of shares of National Bank Funds Corporation*

**\*\*The MER for each series as at June 30, 2014 had the Administration Fee Proposal been in place since January 1, 2014.**

**\*\*\*The MER for each series as at December 31, 2013 had the Administration Fee Proposal been in place since January 1, 2013.**