

## **NBI Funds**

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

**Simplified Prospectus dated October 4, 2024**

### **SHORT-TERM AND INCOME FUND**

NBI Senior Loan Fund

NBI Sustainable Global Bond Fund

### **GLOBAL EQUITY FUND**

NBI Global Climate Ambition Fund

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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 mutual funds managed by National Bank Investments Inc. and offered by simplified prospectus, including the NBI Funds, are referred to as “funds” or “Funds” and, individually, a “fund” or “Fund”.

If you invest in the NBI 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 the 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 35, contains information about the NBI Funds and information that applies to mutual funds in general. The second part, from page 36 to page 60, is called *Specific information about each NBI Fund described in this document* and contains detailed information about each NBI Fund described in this document.

You can find more information about each NBI Fund in:

- the most recently filed Fund Facts;
- the most recently filed annual financial statements;
- any interim financial report filed after those annual financial statements;
- the most recently filed annual management report of fund performance; and
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated herein by reference into this document 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](mailto:investments@nbc.ca) or visiting the NBI Funds’ designated website <http://www.nbinvestments.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. 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 NBI Funds on the website of the *System for Electronic Document Analysis and Retrieval + (SEDAR+)* at [www.sedarplus.ca](http://www.sedarplus.ca) or on our website at [www.nbinvestments.ca](http://www.nbinvestments.ca).

## Responsibility for Mutual Fund Administration

### *Management of the NBI Funds*

National Bank Investments Inc., an investment fund manager (the “Manager” or “we”) and mutual fund dealer in each of the Canadian provinces and territories, acts as the investment fund manager of each of the NBI Funds. We are responsible for the management of the business and affairs of the NBI Funds. We are also responsible for the investment decisions for the NBI Funds, but have retained the services of a portfolio manager 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 NBI Funds are responsible for paying us management fees, which vary by NBI Fund and series and are a percentage of the daily average net asset value of each series. For more information on this subject and the various operating expenses, please refer to the section *Fees and Expenses - Fees and charges payable by the NBI Funds*.

The head office of National Bank Investments Inc. is located at 800 Saint-Jacques Street, Transit 43671, Montreal, Quebec, H3C 1A3. 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](http://www.nbinvestments.ca) and our e-mail address is [investments@nbc.ca](mailto:investments@nbc.ca).

National Bank Investments Inc. has entered into a management agreement with Natcan Trust Company and 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, the Manager of a NBI Fund cannot be changed without the approval of a majority of the unitholders at a meeting of unitholders of the NBI Fund. However, such approval is not required 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 by alphabetical order 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.

<b><i>Name and Municipality of Residence</i></b>	<b><i>Position with the Manager</i></b>
Corinne Bélanger Saint-Bruno-de-Montarville, Quebec	Vice-President, NBI Investment Solutions and Advanced Analytics, and Director
Marie Brault Montreal, Quebec	Vice-President, Legal Services and Corporate Secretary
Jean-Philippe Cadieux Longueuil, Quebec	Vice-President, NBI Governance and <i>MaaS</i> , and Director
The Giang Diep Candiac, Quebec	Director
Bianca Dupuis Varenes, Quebec	Officer responsible for approval of publication and Director
Martin Felton Candiac, Quebec	Vice-President, National Sales
Nathalie Fournier <sup>2</sup> Laval, Quebec	Chief Compliance Officer (for National Bank Investments Inc. as an investment fund manager)
Olivier Goyette Mont Saint-Hilaire, Quebec	Chief Compliance Officer (for the activities of National Bank Investments Inc. as a mutual fund dealer)
Simon Ledoux <sup>1</sup> Longueuil, Quebec	Ultimate Designated Person (for the activities of National Bank Investments Inc. as a mutual fund dealer), Executive Vice-President, Chief Distribution Officer, and Director
Nancy Paquet <sup>1</sup> La Prairie, Quebec	Chair of the Board of Directors
Lucie Rainville Chambly, Quebec	Senior Manager Investment
Sébastien René Saint-Bruno-de-Montarville, Quebec	Chief Financial Officer
Éric-Olivier Savoie <sup>1</sup> Montreal, Quebec	President, Chief Executive Officer, Director and Ultimate Designated Person (for the activities of National Bank Investments Inc. as an investment fund manager)
Tina Tremblay-Girard <sup>3</sup> Saint-Anne-des-Lacs, Quebec	Director

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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 the NBI Funds***

Established in 1987, National Bank Investments Inc. is the investment fund 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 NBI Funds, and manage the money deposited into and withdrawn from the NBI Funds and transfers between the Funds. We establish the investment objectives and strategies for the NBI 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***

The 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 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 National Bank Trust Inc. is located at 800 Saint-Jacques Street, Transit 17791, Montreal, Quebec, H3C 1A3. We will pay National Bank Trust Inc. a fee based on a percentage of the net asset value of the NBI Funds it manages. The NBI Funds do not pay any fees to National Bank Trust Inc.

The following table lists in alphabetical order 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.

<b><i>Name</i></b>	<b><i>Title</i></b>	<b><i>Length of Service</i></b>
Terry Dimock	Chief Portfolio Manager	9 years
Louis Lajoie	Senior Portfolio Manager	5 years
Martin Lefebvre	Chief Investment Officer and VP Strategist	12 years
Christian Nols	Manager	8 years
Sandrine Th�roux	Managing Director, Indexing and Systematic Strategies	15 years

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

National Bank Trust Inc. has retained the services of AlphaFixe Capital Inc. to act as portfolio sub-advisor of the assets of the NBI Senior Loan Fund, Amundi Canada Inc. to act as portfolio sub-advisor of the assets of the NBI Global Climate Ambition Fund and Nuveen Asset Management, LLC to act as portfolio sub-advisor of the assets of the NBI Sustainable Global Bond Fund.

### ***1.1 AlphaFixe Capital Inc.***

National Bank Trust Inc. retained the services of AlphaFixe Capital Inc. ("AlphaFixe") to act as portfolio sub-advisor of the assets of the NBI Senior Loan Fund. The head office of AlphaFixe is located at 1800 McGill College Avenue, Suite 2420, Montreal, Quebec H3A 3J6.

The Sub-Advisory Agreement entered into with AlphaFixe may be terminated at any time by either party, upon giving a 60-day prior written notice. The agreement may also be terminated without prior notice and at any time by either party in certain specific circumstances.

The following table lists in alphabetical order the individuals employed by AlphaFixe who are responsible for the daily fund activities. Included are their respective names, titles and length of service.

<i>Name</i>	<i>Title</i>	<i>Length of Service</i>
Sébastien Rhéaume	CIO and Managing Director	16 years
Diane Favreau	Managing Director	13 years
Julie Prémont	Senior Portfolio Manager, Partner	11 years

Decisions relating to portfolio securities are subject to the oversight, approval or ratification by the AlphaFixe Investment Committee, which considers the reports prepared by the research team in making decisions.

### **1.2 Amundi Canada Inc. and Amundi Ireland Limited**

National Bank Trust Inc. retained the services of Amundi Canada Inc. (“Amundi”) to act as portfolio sub-advisor for the NBI Global Climate Ambition Fund. The head office of Amundi is located at 2000 McGill College Avenue, Suite 1920, Montreal, Quebec, Canada H3A 3H3.

The Sub-Advisory Agreement entered into with Amundi may be terminated at any time by either party, upon giving a 30-day prior written notice. The agreement may also be terminated without prior notice and at any time by either party in certain specific circumstances.

Amundi has retained the services of Amundi Ireland Limited as delegated portfolio sub-advisor for the NBI Global Climate Ambition Fund. Amundi is responsible for the investment advice given by Amundi Ireland Limited. There may be difficulty enforcing legal rights against Amundi Ireland Limited because it resides outside Canada and all or a substantial portion of its assets are situated outside Canada.

The following table lists in alphabetical order the individuals employed by Amundi who are responsible for the daily fund activities. Included are their respective names, titles and length of service.

<i>Name</i>	<i>Title</i>	<i>Length of Service</i>
Peter O’Donoghue	Senior Portfolio Manager	1 year
Piergaetano Iaccarino	Head of Equity Solutions and Senior Portfolio Manager	26 years*

\*Piergaetano Iaccarino joined Pioneer Investments Ltd. in 1998. Pioneer Investments Ltd. was acquired by Amundi in 2017.

Decisions relating to portfolio securities are not subject to the oversight, approval or ratification of a committee.

### **1.3 Nuveen Asset Management, LLC**

National Bank Trust Inc. has retained the services of Nuveen Asset Management, LLC (“Nuveen”) to act as portfolio sub-advisor for the assets of the NBI Sustainable Global Bond Fund. The head office of Nuveen is located at 333 West Wacker Drive, Chicago (Illinois) 60606 USA.

There may be difficulty enforcing legal rights against Nuveen because it resides outside Canada and all or a substantial portion of its assets are situated outside Canada. As portfolio manager of the NBI Sustainable Global Bond Fund, National Bank Trust Inc. will, at all times, have overall responsibility for the management of the investment portfolio of this fund, subject to the control and direction of the trustee and the Manager of the fund.

The sub-advisory agreement entered into with Nuveen may be terminated at any time by National Bank Investments Inc. or National Bank Trust Inc., upon giving a 30 days’ prior written notice. Nuveen may terminate the sub-advisory agreement by giving a 60 days’ prior written notice. The agreement may also be terminated without prior notice and at any time by either party in certain specific circumstances.

The following table lists the employees of Nuveen who are responsible for the day-to-day management of the NBI Sustainable Global Bond Fund. Included are their respective names, titles and length of service.

<i>Name</i>	<i>Title</i>	<i>Length of Service</i>
Jessica Zarzycki	Managing Director and Portfolio Manager	16 years
Stephen Liberatore	Senior Managing Director, Portfolio Manager	20 years

The decisions made by these individuals are not subject to the oversight, approval or ratification of a committee.

### ***Decisions Regarding Brokerage Arrangements for the NBI Funds***

The portfolio manager and the portfolio sub-advisors of the NBI Funds, as applicable (the “Portfolio Manager”), make 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 and total transaction costs. In certain cases, the nature of the markets, the degree of anonymity and dealer administrative resources may be taken into account. The objective is to minimize transaction costs, including commissions.

The Portfolio Manager 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 NBI 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 NBI 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 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 NBI Funds it manages 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. is the principal distributor of the NBI Funds. We are responsible for decisions regarding the distribution and sale of the NBI 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 NBI Funds. These fees are calculated on the net asset value of the units of the NBI Funds held by National Bank of Canada’s clients.

The NBI 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 NBI Funds and, as such, holds the securities and other assets of the NBI 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. This agreement 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 NBI 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 800 Saint-Jacques Street, Transit 17791, Montreal, Quebec, H3C 1A3.

The names and municipalities of residence of the principal executive officers of Natcan Trust Company as well as their positions with Natcan Trust Company are as follows:

<i>Name and Municipality of Residence</i>	<i>Position and Office Held with Natcan Trust Company</i>
Marie-Soleil Lemieux Montreal, Quebec	President and Chief Executive Officer
Nathalie Fournier Laval, Quebec	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, Montreal, 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 Montreal, Quebec.

Under the agreement, 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 agreement provides 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 sixty (60) days' written notice to the other party.

### ***Administrative and Operational Services***

In accordance with a service agreement between the Manager and Natcan Trust Company, Natcan Trust Company provides administrative and operational services (including NAV calculation) to the NBI Funds, performs valuation of the units of the NBI Funds and performs the NBI Funds' accounting. This agreement may be terminated by either party upon 90 days' prior notice. The head office of Natcan Trust Company is located at 800 Saint-Jacques Street, Transit 17791, Montreal, Quebec, H3C 1A3.

### ***Independent Review Committee***

As required by *Regulation 81-107 respecting Independent Review Committee for Investment Funds* ("Regulation 81-107"), the NBI Funds have an independent review committee. The IRC reviews conflict of interest matters submitted by the Manager with which the Manager is confronted in operating the 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.



- 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.
- Stéphanie Raymond-Bougie has more than 15 years of experience in finance, securities and business law sector. Over the years, she has sat on the boards of directors of several entities, including the Société des alcools du Québec and the non-profit organizations Les Amis du Devoir and Entreprendre Ici. Ms. Raymond-Bougie has been a member of the Quebec Bar Association since 2004 and holds a Master's degree in business law from McGill University.

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 the NBI Funds by calling us at 514 871-2082 or, toll-free, at 1 888 270-3941 or by asking your dealer. You may also obtain a copy of this report by visiting our website at [www.nbinvestments.ca](http://www.nbinvestments.ca), by sending an e-mail to [investments@nbc.ca](mailto:investments@nbc.ca), or by visiting the website [www.sedarplus.ca](http://www.sedarplus.ca).

### ***Affiliated Companies***

National Bank Financial Inc. (including its National Bank Direct Brokerage division) is a dealer through which units may be acquired and a member of the National Bank of Canada 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 the NBI Funds and the registrar, transfer agent and custodian of the NBI Funds. Natcan Trust Company also provides administrative and operational services to the NBI Funds. National Bank Trust Inc. is the portfolio manager 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 National Bank of Canada, no other person or company that provides services to the NBI Funds, or to us in our capacity as Manager of the NBI 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 NBI Funds for the amount of fees paid by the NBI 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 NBI Fund has adopted the standard investment restrictions and practices imposed by applicable law, including *Regulation 81-102 respecting Investment Funds* ("Regulation 81-102"). These restrictions and practices are designed in part to ensure that the investments of each NBI Fund are

diversified and relatively liquid, and to ensure that the NBI Funds are properly managed. The NBI 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 NBI Funds are dealer-managed investment funds. As such, and subject to certain exceptions or prior authorizations to the contrary, the NBI 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 NBI 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 Administrators.

The Manager is responsible for setting policies that set out the objectives and goals for the use of derivatives by the NBI Funds as well as the risk management procedures applicable to the use of derivatives. The portfolio manager or an affiliate of the Manager engaged to manage the use of derivatives by the NBI 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 NBI 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 NBI 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 NBI 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 an agency agreement in connection with securities lending transactions (the “agreement”) on behalf of the NBI Funds with the custodian of the NBI Funds, Natcan Trust Company, as agent (the “agent”). Natcan Trust Company will manage securities lending transactions for the NBI Funds. The agreement complies 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 the part entitled *Specific information about each NBI Fund described in this document*. The agreement also provides 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 NBI Funds concerned in connection with a securities lending transaction and the liquid assets or other securities held by the NBI 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 NBI 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 NBI 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. AlphaFixe Capital Inc.**

AlphaFixe Capital inc. (“AlphaFixe”), as portfolio sub-advisor of the NBI Senior Loan Fund is responsible for managing the proxy voting for the NBI Senior Loan Fund in accordance with the proxy voting policy adopted by AlphaFixe (the “AlphaFixe Policy”).

Since the NBI Senior Loan Fund is generally composed of non-voting securities, decisions on future proxies and corporate events will be made on a case-by-case basis by one member of the AlphaFixe Investment Committee. The decisions of the Investment Committee shall be documented in writing.

AlphaFixe will comply with the AlphaFixe Policy, whether on routine matters (e.g. election of directors, appointment of auditors or receipt of financial statements) and extraordinary circumstances (e.g. changes in structure, control, management, etc.).

In general, AlphaFixe will vote in accordance with the recommendations of the issuer’s management to the extent that AlphaFixe believes that they promote the long-term financial strength of the issuer and are in the best interests of the NBI Senior Loan Fund. However, special circumstances may lead AlphaFixe to vote differently from these recommendations, or to abstain from voting.

AlphaFixe aims to avoid material conflicts of interest in the management of the exercise of voting rights and has a set of policies and procedures establishing rules and principles designed, in particular, to effectively manage conflicts of interest that may arise in its activities. On an ongoing basis, AlphaFixe will identify any material conflicts of interest between AlphaFixe and its clients, including the NBI Senior Loan Fund, and will treat them in the best interests of its clients in accordance with its policies and procedures and applicable legislation.

The AlphaFixe Policy is available upon request, free of charge, by calling the toll-free number 1 888 270 3941 or by emailing the following address: [investments@nbc.ca](mailto:investments@nbc.ca). Any unitholder may also obtain, free of charge, the proxy voting records of the NBI Senior Loan Fund for the most recent period ended June 30, upon request at any time after August 31 of the same year. The AlphaFixe Policy and proxy voting record are also available on the National Bank Investments website at [www.nbinvestments.ca](http://www.nbinvestments.ca).

## **2. Amundi Canada Inc. and Amundi Ireland Limited**

Amundi Asset Management (“Amundi”) has centralized the exercise of voting rights within the Voting & Corporate Governance team at Amundi, which is composed of experts in charge of coordinating all voting-related tasks for most Amundi affiliates, including Amundi Canada Inc. and Amundi Ireland Limited. These voting-related tasks encompass activities such as monitoring annual general meetings, managing relations with custodians and proxy voting companies, analyzing proposals and calling and leading the Voting Committee. Amundi Canada Inc. and Amundi Ireland Limited have delegated to this team the proxy voting of the NBI Global Climate Ambition Fund in accordance with the guidelines established under the Amundi proxy voting policy (“Proxy Voting Policy”), which is a key tool for implementing Amundi’s Global Responsible Investment Policy. Such centralization aims to harmonize the implementation of Amundi’s Proxy Voting Policy.

In addition to its Proxy Voting Policy, Amundi has a Voting Committee which is chaired by the ESG Supervisor (a member of Amundi’s General Management Committee) and includes Senior Managers from investment, financial and extra financial analysis, as well as external advisors. The Proxy Voting Policy is reviewed annually, following recommendations from Amundi’s Corporate Governance Team. The latter submits proposals for changes to their voting practices on the following main pillars: 1) shareholders' rights; 2) boards, committees and governing bodies, 3) financial structure, 4) remuneration policy and 5) environmental and social issues. Policy changes are approved by the Voting Committee.

The exercise of voting rights and shareholder dialogue are essential elements of Amundi’s fiduciary responsibility and its role as a responsible investor. Amundi’s voting strategy relies on an integrated approach to perform its assessment of a company by examining issues such as social responsibility, sustainable development and governance. The Proxy Voting Policy covers different topics that shareholders need to opine on during general meetings, such as:

- Operational items: These address the core functioning of the company over a fiscal year and allow to communicate on the company’s performance, its progress, and future direction.
- Board of directors (“Board”): The Board brings in expertise to ensure that the company’s activities are in line with shareholders’ interests, while complying with regulations, as well as environmental, societal, and corporate governance (ESG) standards. Amundi considers that the Board must be balanced and composed with regards to diversity, independency, responsiveness, and members’ roles in other organizations.
- Compensation/remunerations: Amundi believes executive remuneration must be reasonable and acceptable from a societal point of view, and economically justified. Remunerations for executives must also take into consideration an ESG strategy performance criteria, and for sectors highly exposed to climate change (oil & gas, industrials, and transportation) a climate-related criterion must be accounted for.
- Capital structure: Amundi addresses capital structure proposals as an opportunity for investors to help companies minimize their cost of capital while maximizing shareholder value.
- Environmental and social issues: Amundi has made responsible investment a cornerstone of its corporate strategy and believes the adoption of climate strategies by companies is a critical factor for investment of which shareholders should be fully informed. Amundi may decide to oppose the discharge of the board or vote against some Board member re-elections at a selection of companies with lagging ESG practices.

In order to avoid any perceived or actual conflict of interest, measures have been put in place when Amundi encounters a potential conflict to ensure that the voting decisions are based on the clients’ best interests and are not the product of a conflict. Certain situations may lead to a negative vote or abstention by Amundi.

A copy of Amundi’s policies and principles is available upon request, free of charge, by calling the toll-free number 1 888 270 3941 or by emailing the following address: [investments@nbc.ca](mailto:investments@nbc.ca). Any unitholder may also obtain, free of charge, the proxy voting records of the fund 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](http://www.nbinvestments.ca).

## **3. Nuveen Asset Management, LLC**

Nuveen, as portfolio sub-advisor of the NBI Sustainable Global Bond Fund, is responsible for managing the proxy voting on behalf of the fund, in accordance with its proxy voting policies and procedures.

Nuveen's Proxy Voting Committee provides oversight of Nuveen's proxy voting policies and procedures, including providing an administrative framework to facilitate and monitor the exercise of such proxy voting, and to fulfill obligations of reporting and recordkeeping under the federal securities laws.

Nuveen leverages the expertise and services of an internal group within Nuveen to help administer Nuveen's proxy voting activities. Nuveen has adopted proxy voting guidelines which are reasonably designed to ensure Nuveen votes proxies in the best interests of its clients. Nuveen considers the research and recommendations of one or more proxy advisors to help Nuveen to formulate its substantive positions on recurring proxy issues and criteria for addressing non-recurring issues. Nuveen maintains the fiduciary responsibility for all of its proxy voting decisions. From time to time, a Nuveen portfolio manager may initiate action to override a proxy advisor's recommendation for a particular vote. Any such override will be reviewed for material conflicts.

Nuveen's policy permits it to refrain from voting in certain circumstances, including where it determines that it would be in the client's overall best interest not to vote (e.g., where proxy voting would result in a financial, legal, regulatory, or operational disability or burden that outweighs the potential benefit to the client of voting); with respect to securities on loan through a securities lending program; and with respect to legacy securities and securities in accounts where Nuveen's advisory services have been terminated.

In special circumstances, Nuveen may vote a proxy with the consent or based on the instructions of the client or its representative. Nuveen's ability to vote proxies is subject to timely receipt of the proxy from the client's custodian or other party, and, in the case of proxies relating to certain non-U.S. securities, subject to the client or its custodian establishing any necessary local documentation (e.g., power of attorney).

Nuveen recognizes that there are circumstances where it has a perceived or real conflict of interest in voting the proxies of issuers or proxy proponents (e.g., a special interest group) who are clients or potential clients of its affiliates. Directors and officers of such companies may have personal or familial relationships with Nuveen, its affiliates and/or their employees that could give rise to potential conflicts of interest. Nuveen will vote proxies in the best interest of its clients regardless of such real or perceived conflicts of interest. Nuveen attempts to minimize the risk of conflicts by using the services of a proxy advisor and establishing appropriate procedures.

If it is concluded that a material conflict does exist for Nuveen, the Proxy Voting Committee will seek to address the conflict. Such actions could include, but are not limited to: (1) obtaining instructions from the affected clients on how to vote the proxy; (2) disclosing the conflict to the affected clients and seeking their consent to permit Nuveen to vote the proxy; (3) voting in proportion to the other shareholders; (4) recusing the relevant person associated with the conflict from discussion or consideration of the matter, if the material conflict is due to such person's actual or potential conflict of interest; or (5) following the recommendation of a different proxy advisor.

A copy of Nuveen's policies and principles is available upon request, free of charge, by calling the toll-free number 1 888 270 3941 or by emailing the following address: [investments@nbc.ca](mailto:investments@nbc.ca). Any unitholder may also obtain, free of charge, the proxy voting records of the NBI Sustainable Global Bond Fund 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](http://www.nbinvestments.ca).

### ***Material Contracts***

The material contracts entered into by or on behalf of the NBI Funds are as follows:

- Amended and Restated Master Declaration of Trust (NBI-E) between National Bank Trust Inc. and Natcan Trust Company dated October 4, 2024;
- Amended and Restated Master Management and Distribution Agreement between Natcan Trust Company, National Bank Trust Inc. and National Bank Investments Inc., dated October 4, 2024;
- Amended and Restated Portfolio Management Agreement between National Bank Investments Inc. and National Bank Trust Inc., for certain NBI Funds, dated October 4, 2024;
- Amended and Restated Sub-Advisory Agreement between National Bank Investments Inc., National Bank Trust Inc. and AlphaFixe Capital Inc., dated August 9, 2024;
- Amended and Restated Sub-Advisory Agreement between National Bank Investments Inc., National Bank Trust Inc. and Nuveen Asset Management, LLC, dated August 9, 2024;
- Sub-Advisory Agreement between National Bank Investments Inc., National Bank Trust Inc. and Amundi Canada Inc., dated August 2, 2024;
- Amended and Restated Depositary and Custodial Services Agreement between National Bank Investments Inc. and Natcan Trust Company, dated October 4, 2024; and

- Amended and Restated Service Agreement between National Bank Investments Inc. and National Bank Trust Inc., dated October 4, 2024.

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

National Bank Investments Inc.  
National Bank Investments Advisory Service  
800 Saint-Jacques Street, Transit 44331  
Montreal, Quebec  
H3C 1A3

### ***Legal and Administrative Proceedings***

From time to time, the Manager, the NBI Funds and/or the principal distributor (the “Entities”) may be party to legal proceedings and regulatory matters in the ordinary course of business. While there is inherent difficulty in predicting the outcome of these proceedings, management does not expect the outcome of any of these proceedings, individually or in the aggregate, to have a material adverse effect on the consolidated financial position or the results of operations of the Entities.

### ***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](http://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**

The value of foreign currency accounts is expressed in Canadian dollars taking into account:

- the value of investments and other assets established based on the exchange rate in effect on the valuation date; and
- the value of purchases and sales of investments, income and expenses recognized based on the exchange rate in effect on the date of these transactions.

We use the following principles in calculating the net asset value of each NBI Fund:

### ***Assets***

- for cash, subscriptions receivable, demand notes, proceeds from sale of investments receivable, prepaid expenses, interest receivable, dividends receivable and other assets receivable, we use their face value which is deemed to correspond to their full amount or what the Manager believes to be the fair value;
- for bonds, mortgage-backed securities, loans and debentures, we use the closing price on the valuation day established by market makers when the closing price is within the security’s bid-ask spread. If the last traded price is not within the bid-ask spread, we establish the price within the bid-ask spread that represents fair value when available. These prices are obtained from a recognized valuation service. 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 traded on a stock exchange, including common shares, preferred shares and exchange-traded fund securities, we use the closing price on the stock exchange on which the securities are primarily listed the valuation day (except for exchange-traded funds securities whose manager is NBI, we use the price calculated by NBI). If no closing price on the stock exchange 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, including common shares, preferred shares and exchange-traded fund securities, we use the closing price on the stock exchange on which the securities are primarily listed the valuation day, plus a fair value adjustment factor obtained from an independent pricing provider;
- 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 NBI 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;
- for interest rate swaps, we use the applicable discount rate based on the Canadian Overnight Repo Rate Average (CORRA) 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.

### ***Liabilities***

NBI Funds’ liabilities include:

- Bank overdraft;
- Redeemed units payable;
- Accrued expenses, including management and administration fees;
- Interests payable;
- Dividends payable;
- Investments payable;
- Distributions payable;
- Value of the security deposit payable on future contracts.

Units of the NBI Funds are always deemed to be outstanding on the day we receive a request for their redemption. They are valued at the redemption price par unit in effect on that date, but are only considered fund liabilities after the close of business on that date.

## **How We Calculate Net Asset Value of Units**

Whether you’re buying, switching, converting or redeeming units of a NBI Fund, we base the transaction on the asset value of a NBI Fund security. The net asset value of a NBI Fund and the net asset value per security are calculated in accordance with *Regulation 81-106 respecting Investment Fund Continuous Disclosure* (“Regulation 81-106”). Thus, each net asset value is established (in Canadian dollars) 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 NBI Funds 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.

The net asset value per unit for each series of a NBI Fund is calculated, on a valuation day, as follows:



- We allocate to each series in the NBI Fund the NBI Fund property that is referable to that series less an amount equal to the total liabilities of the NBI 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 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 NBI Fund because the management fee rate and operating expenses attributable to each series are different.

The price of each series of units of a NBI 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 NBI Fund. When distributions are declared by a NBI Fund, the net asset value per unit is reduced by the distribution amount per unit on the payment date.

The net asset value of NBI 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 NBI Funds in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (hereafter the “IFRS Accounting Standards”) 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 NBI Fund under IFRS Accounting Standards 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 Accounting Standards, the NBI 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 Accounting Standards could differ from the values used to calculate the net asset value of the NBI 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 NBI Fund or series selected):

- National Bank Investments Inc. (including its division, National Bank Insurance Firm), 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 [www.nbc.ca](http://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. The unitholders likely to be refused are those who frequently transact in fund securities in a short period of time. The funds have policies and procedures designed to prevent and detect short-term trading. These policies and procedures include surveillance measures allowing detection and follow-up on short-term trading, as well as providing the possibility to impose short-term trading fees in certain circumstances. For more details, please see section *Short-term Trading* below. Any decision to reject an order or to impose short-term trading fees will be made within one day of receipt of the order. If we reject an order, all money received will be returned immediately without interest.

Under some circumstances, we may redeem on your behalf the units of a NBI Fund you bought. This will happen if we do not receive your payment within the deadlines set out above. If we redeem the units for more than you paid for them, we will pay the excess to the NBI Fund. If we redeem the units for less than you paid for them, we will collect the difference plus costs, charges and expenses directly from you or from the dealer who placed the buy order. The dealer may have the right to collect this amount from you under the terms of your account agreement with the dealer.

We do not issue certificates when you purchase units of the NBI Funds.

The minimum initial investment required minimum balance and minimum amounts for purchases and redemptions are indicated in the section *Purchases, switches, conversions and redemptions of units - Minimum Purchase and Redemption Amounts*. You can purchase units in amounts less than the minimum if you purchase them through our Systematic Investment Plan.

If you bought your units through another registered dealer, you may instruct the dealer to send us a request to redeem units. This request may be sent to us electronically in accordance with our requirements. Your dealer will send the request to us on the day he receives your request. We will mail the money from the redemption to the dealer or deposit it into the dealer's account without charge.

You may redeem all your units. If you hold less than the minimum amount for a particular NBI Fund, you will be required to redeem your investment in that NBI Fund or invest an additional amount in that NBI Fund to meet the minimum amount.

When we receive your request to redeem units of a NBI 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.

Under some circumstances, we may purchase back on your behalf the units you redeemed before we pay you for the units. This will happen if we do not receive the instructions necessary to complete the transaction within ten business days of the redemption. If we buy the units back for less than you redeemed them for, we will pay the excess to the NBI Fund. If we purchase the units back for more than you redeemed them for, we will collect the difference plus costs, charges and expenses from the dealer who placed the order. The dealer may have the right to collect this amount from you under the terms of your account agreement.

We may also redeem units of a NBI Fund on your behalf or refuse part or all of an order to buy units of a NBI Fund if your participation, in the reasonable opinion of National Bank Investments Inc., has the potential to cause regulatory or tax liability to it, including if you do not provide a valid taxpayer identification number or self-certification for purposes of a fund's compliance with the *Foreign Account Tax Compliance Act* as implemented in Canada by the *Canada-United States Enhanced Tax Information Exchange Agreement* and *Part XVIII of the Income Tax Act (Canada)* (the "Tax Act"), or the *Organization for Economic Co-operation and Development's Common Reporting Standard* as implemented in Canada by *Part XIX of the Tax Act* (referred to as "CRS"). These measures are necessary to preserve the intended tax treatment of a fund. Redeeming units of a NBI Fund is considered a disposition for income tax purposes and may trigger a capital gain or capital loss. See section *Additional considerations regarding information reporting* and *Income tax considerations* for more information.

Generally, we do not charge any fees when you redeem units of a NBI Fund, except for short-term trading fees (which may apply in certain cases should you attempt to effect operations on units of the NBI Funds too often). Please refer to the section *Short-term trading* below for more information.

For more details on some exceptional circumstances, please see section *Purchases, switches, conversions and redemptions of units - Right to refuse the redemption of fund units* below.

## ***Establishing the price of a unit***

Whether you're buying, switching, converting or redeeming a NBI 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 NBI Fund is established (in Canadian dollars ) 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 *How We Calculate Net Asset Value of Units* for more specific details and information.

## ***Minimum purchase and redemption amounts***

### ***Advisor and F Series***

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 NBI Fund for a minimum of \$50. You may also set up a 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 NBI 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 NBI Fund. In such a case, you will be notified by mail or by telephone that the value of your investment in the NBI 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.

### ***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:

- issuance of a warning letter to inform clients about the consequences of continuing this type of trading activity;
- imposition of short-term trading fees;
- monitoring of trading activity and refusal of trades;
- fair value pricing of securities held by a fund.

See *Fees and charges payable directly by you* for the short-term trading fees 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 or derivatives exchange within or outside Canada where the fund has securities or certain derivatives representing more than 50% of its total assets, and if these securities 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 NBI Fund to be redeemed in order to purchase units in the same series (and under the same purchase option, if applicable) of another 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 expenses* 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 is a disposition for tax purposes and may result in a capital gain or loss. See *Income tax considerations* 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, an initial sale charge will apply 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 does not constitute a disposition for income tax purposes and does not result in a capital gain (or capital loss).

See *Fees and expenses* and *Income tax considerations* for more information.

## **Optional services**

### ***Systematic Investment Plan***

Our 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 Systematic Investment Plan**

<b>Funds</b>	<b>Minimum initial investment</b>	<b>Minimum subsequent purchase</b>
NBI Funds (except the O Series)	–	\$25

### ***O Series***

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

You may request that a copy of the NBI Funds’ Simplified 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](mailto:investments@nbc.ca) or by contacting your dealer. You may also obtain the Simplified Prospectus, Fund Facts and any amendments at [www.sedarplus.ca](http://www.sedarplus.ca) or through our website at [www.nbinvestments.ca](http://www.nbinvestments.ca).

When you make subsequent purchases under the Systematic Investment Plan, you will only receive a copy of the NBI 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 Simplified Prospectus or Fund Facts.

## ***Systematic Withdrawal Plan***

You may opt to make systematic withdrawals from a NBI 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. 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**

<b>Funds</b>	<b>Minimum initial investment</b>	<b>Minimum that must be kept in fund</b>	<b>Minimum periodic withdrawal</b>
NBI Funds (except the O Series)	\$10,000	\$500	\$50

### ***O Series***

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

### ***Registered plans***

To the extent that a NBI 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 expected that units of each of the NBI 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)
- first home savings account (FHSA)
- prescribed retirement income fund (PRIF)
- restricted retirement income fund (RLIF)
- restricted locked-in registered retirement savings plan (RLSP)

There are no annual administration fees for our registered plans.

The fees associated with terminating these plans are shown under *Fees and expenses – Other fees and charges*.

## **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 NBI 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 NBI Funds. Management fees are charged as a percentage of the net asset value of the NBI 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 NBI Fund or directly to its unitholders by a NBI 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 NBI 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 NBI 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.

For more information concerning the particularities of each Series you may hold, please see section *Description of Units Offered by the Funds - Description of Series*.

***Fees and charges payable directly by the NBI Funds***

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Management fees

Each NBI Fund pays annual management fees to National Bank Investments Inc. in consideration of its management services. 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. Management fees vary by NBI 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. Please see *Fund details* under *Specific information about each NBI Fund described in this document* for the maximum management fee for each NBI Fund. For the *O Series* units, no management fees are charged directly to the NBI 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 *Fees and Expenses - Management fee reduction*.

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Operating expenses

National Bank Investments Inc. pays, with the exception of the expenses “fixed-fee fund expenses” defined below, the operating expenses of the NBI 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 NBI 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 NBI 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 NBI Funds are comprised of:

- sales and income taxes;
- fees, costs and expenses associated with compliance with any changes or new governmental or regulatory requirements;
- interest and borrowing costs;
- fees, costs and expenses associated with external services that were not commonly charged in the Canadian mutual fund industry;
- 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 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 NBI Funds.

Fixed-fee fund expenses are allocated among the NBI Funds and among each series of a NBI 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 NBI Funds and is calculated and paid in the same manner as the management fee for each series. The administration fee is subject to applicable sales taxes. The administration fee for each series is set out in the following table.

<b>Administration fee rate for each series<sup>1</sup></b>		
<b>NBI Funds</b>	<b>Advisor and F Series</b>	<b>O Series</b>
NBI Senior Loan Fund	0.10%	0.02%
NBI Global Climate Ambition Fund	0.20%	0.02%
NBI Sustainable Global Bond Fund	0.10%	0.02%

<sup>1</sup> This fee is subject to GST or QST and applicable provincial sales taxes.

### **Portfolio transaction costs**

The NBI 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), foreign exchange transactions and transaction costs from the underlying funds, as applicable. Portfolio transaction costs are not considered to be operating expenses and are not included in the MER of a series of a NBI Fund.

### **Independent Review Committee compensation and reimbursement of the 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 NBI Funds, certain fees and expenses are payable by the underlying funds held by the NBI Funds. Each NBI Fund indirectly bears its share of such fees and expenses. However, a NBI 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 NBI Fund for the same service. In addition, a NBI 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 NBI Fund.

### ***Fees and charges payable directly by you***

Sales charges, switch fees and conversion fees

#### ***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 or conversion.

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**Advisor Series**

For units of this series of a 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 these 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 may be charged by your dealer. You negotiate these fees with your dealer.

There are never any sales charges, 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.).

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**O Series**

For *O Series* units you do not pay any fees when you buy, switch, convert or redeem your units.

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**Short-term trading fees**

If you redeem or switch units of a 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, deferred sales charge, low 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.

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**Negotiated management fees****O Series**

A negotiated management fee is paid by holders of *O Series* units. For holders of *O Series* units of the 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.

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**Other fees and charges**

Registered Account termination fee*	\$100
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These fees are subject to sales taxes, 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 *Taxation of the Funds* and *Taxation of the Investors* under the heading *Income Tax Considerations* or consult your own tax advisor.

## **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 National Bank of Canada's clients.

For more information concerning the particularities of each Series you may hold, please see section *Description of Units Offered by the Funds - Description of Series*.

### ***Commissions***

#### ***F and O Series***

No commission is paid to the dealer for the distribution of the *F Series* and *O Series* units. For the *F Series* units, your dealer does not receive any compensation 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 a NBI Fund. This commission is based on the initial sales charge option under which you invest in the NBI Fund.

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* and *Converting* under *Purchases, switches, conversions and redemptions of units* and *Fees and charges payable directly by you* under *Fees and Expenses* 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 NBI 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 trailing 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:

<b>Funds</b>	<b>Advisor Series Initial sales charge option<sup>1</sup></b>
<b>Short Term and Income Funds</b>	
NBI Senior Loan Fund	0.50%
NBI Global Climate Ambition Fund	1.00%
NBI Sustainable Global Bond Fund	0.50%

<sup>1</sup> 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 and/or for the promotion of NBI and its mutual 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 third party persons or companies;
- 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 the dealer conducting its own educational conferences.

### **Dealer compensation from management fees**

During the last financial year of National Bank Investments Inc., which ended on October 31, 2023, 5.17% of the management fees of the 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) for the NBI Funds and for prospective investors in a NBI Fund who, for the purposes of the Tax Act, are individuals (other than trusts) resident in Canada, hold units of the NBI Funds as capital property, are not affiliated with any of the NBI Funds and deal with the NBI 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 (“Tax Proposals”), and the current published administrative and assessing policies and practices of the Canada Revenue Agency (the “CRA”). 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. In particular, this summary does not address Quebec provincial income tax legislation or considerations for the NBI Funds, or prospective investors who are subject to tax in Quebec, although it is not expected that such provincial tax considerations would be materially different than the federal income tax considerations discussed below.

**This summary is of a general nature only and is not exhaustive of all possible income tax considerations. The income and other tax consequences of acquiring, holding or disposing of units of the NBI Funds will vary depending on the particular circumstances applicable to each prospective investor. Accordingly, this summary is of a general nature only and is not and is not intended to be legal or tax advice to any particular prospective investor. 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 Funds are or will be effective from the date of their creation registered as “registered investments” under the Tax Act for RRSPs, RRIFs, and DPSPs. The Manager expects that each of these entities will qualify as a “mutual fund trust” or be registered as a registered investment, as applicable, under the Tax Act at all material times. This summary also assumes that at any time no more than 50% of the units of a NBI 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 NBI Fund will be subject to tax under Part I of the Tax Act on its taxable income for its taxation year, including net realized taxable capital gains, less the portion thereof that the NBI Fund deducts in respect of amounts paid or payable to investors in the NBI Fund in the taxation year. Each NBI Fund will distribute a sufficient amount of its net income and net realized capital gains to investors in each year so that the NBI 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 NBI Fund and any capital gains refunds to which the NBI Fund is entitled).

Each of the NBI 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 NBI 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 from derivative activities may be taxed on income account or as capital gains and losses depending on the circumstances. Gains and losses resulting from securities lending and repurchase agreements by any of the NBI Funds will be taxed on income account, rather than as capital gains and losses.

A NBI 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 NBI Fund may be suspended or restricted, and therefore the losses would be unavailable to shelter capital gains or income.

All of a NBI 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 NBI Fund, will be taken into account in determining the income or loss of the NBI Fund as a whole.

In the event a NBI Fund that is a mutual fund trust would otherwise be liable for tax on its net taxable capital gains realized in a taxation year, it will be entitled for such taxation year to reduce (or receive a refund in respect of) its liability, if any, for such tax by an amount determined under the Tax Act based on the redemption of units during the year (the "capital gains refund"). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset a NBI Fund's tax liability for the taxation year arising in connection with the disposition of its property on the redemption of units. To alleviate this issue, the declaration of trust for a NBI Fund may provide that all or a portion of any capital gain realized by the NBI Fund in connection with such redemptions may, at the discretion of the Manager, be treated as capital gains paid to, and designated as capital gains of, the redeeming investor. An amount so allocated and designated to a redeeming investor will generally only be deductible to a NBI Fund that is a mutual fund trust to the extent of the capital gain that would otherwise be realized by the redeeming investor upon the redemption of their units. The Manager does not intend to allocate capital gains to redeeming investors in a manner that would result in the allocated amounts being non-deductible to a NBI Fund.

If a NBI Fund does not qualify as a mutual fund trust under the Tax Act, the NBI 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) would not be eligible for capital gains refunds under the Tax Act. In addition, a NBI Fund that does not qualify as a mutual fund trust and that is as a "registered investment" under the Tax Act 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.

The NBI 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 their 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 NBI Fund to the investor in the year (including any management fee distributions paid out of the NBI Fund's income or net capital gains), whether such amounts are received in cash or reinvested in additional units of the NBI Fund. Where the amount of distributions paid by a NBI Fund in a year exceeds the NBI Fund's income and capital gains, such excess amount will not be included in the income of investors (unless the NBI 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 NBI Fund. To the extent an investor's adjusted cost base of a unit would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the investor and the adjusted cost base of the unit to the investor will then be nil.

Each NBI 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 NBI Fund on shares of taxable Canadian corporations and net taxable capital gains of the NBI 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, where applicable, as an eligible dividend), or 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 NBI Fund will be subject to the general rules relating to the taxation of capital gains described below. In addition, each NBI 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 NBI Fund to that country that is equal to the investor's share of the NBI Fund's income from sources in that country.

Negotiated management fees paid by investors on *O Series* units will not be deductible for tax purposes.

### *Capital gains*

Upon the actual or deemed disposition of a unit, including on the redemption of a unit by a NBI Fund and the switching of an investor's investment from one NBI 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 unit and any reasonable costs of disposition, all of which will be calculated in Canadian dollars. In the case of a NBI Fund with multiple series, a conversion of units from one series to units of another series of the NBI Fund that is not effected as a redemption or cancellation of units pursuant to the declaration of trust for the NBI Fund should not be considered to be a disposition of the converted units and, consequently, such a conversion should not give rise to a capital gain (or capital loss). While an investor's adjusted cost base per unit may change as a result of such a conversion, the total adjusted cost base of the investor's units will not.

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

Currently, one-half of a capital gain (a "taxable capital gain") realized or deemed 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. Currently, one-half of any unused capital losses may generally be deducted by an investor against the taxable portion of any capital gains arising in the three immediately preceding taxation years or in any subsequent taxation year, subject to the detailed rules in the Tax Act.

For capital gains realized on or after June 25, 2024, Tax Proposals released on June 10, 2024 (the "Capital Gains Amendments") would generally increase the capital gains inclusion rate from one-half to two-thirds for individuals on the portion of capital gains realized, including capital gains realized indirectly through a trust or partnership (including a NBI Fund), in a taxation year (or the portion of the year beginning on June 25, 2024, in the case of the 2024 taxation year) that exceeds \$250,000. The Capital Gains Amendments also provide for corresponding adjustments to the inclusion rate of capital losses and capital losses carried forward from prior years (such that a capital loss realized prior to the rate change would fully offset an equivalent capital gain realized after the rate change), as well as for transitional rules and other consequential amendments. Investors who may be subject to the increased inclusion rate for capital gains as a result of the Capital Gains Amendments should consult their own tax advisors.

### *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 NBI Fund, according to the following formula in most situations:

#### **Calculation of ACB**

- The amount of the investor's initial investment, including any sales charges paid to their dealer, *plus*
- additional investments, including sales charges paid to their dealer, *plus*
- reinvested distributions, *plus*
- the ACB of units converted from another series of the same NBI Fund on a tax-deferred basis, and the net asset value of the units received on a taxable switch from another Fund, *less*
- the portion of any distribution that is a return of capital, *less*
- the ACB of any units previously redeemed, switched for units of another Fund, or converted into units of another series of the same NBI Fund

*equals*

the aggregate ACB of an investor's units of a series of the NBI Fund.

The adjusted cost base of an investor's units is determined separately for each series. When an investor acquires a unit of a particular series of a NBI 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 same series of such NBI Fund held by the investor immediately before that time.

#### *Alternative Minimum Tax*

Capital gains realized by an investor that is an individual (other than certain trusts) on the disposition of units and amounts paid by a NBI Fund to such an investor and designated by the NBI Fund as net taxable capital gains or Canadian dividends may increase the investor's liability for alternative minimum tax under the Tax Act.

#### *Funds with a high portfolio turnover rate*

The higher a NBI Fund's portfolio turnover rate, the greater the likelihood the NBI Fund will incur capital gains or losses. In the event a NBI 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 NBI Fund.

#### *Buying Units Late in the Year*

The net asset value per unit of a NBI Fund at the time an investor acquires units may include income and/or capital gains that the NBI Fund has accrued, earned or realized, but not yet distributed. Investors will be taxable on distributions of a NBI Fund's income and capital gains even if such income and capital gains are attributable to a time before the investor acquired the units. This could be particularly significant if an investor purchases units of a NBI Fund late in the year, or on or before the date on which a distribution will be paid.

#### *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 NBI 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 NBI Fund to an investor that is a registered pension plan, RRSP, RRIF, deferred profit sharing plan, registered disability savings plan, RESP, TFSA or FHSA will not be taxable, except in certain limited circumstances. However, amounts withdrawn from such entities will generally be taxable, except for withdrawals from TFSAs and certain withdrawals from RESPs, FHSAs and registered disability savings plans. Investors should obtain independent advice as to whether units of a NBI Fund would be a "prohibited investment" under the Tax Act if held in a RRSP, RRIF, TFSA, RESP, FHSA 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 NBI Funds and/or the registered dealers are required to report certain information with respect to investors 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's Common Reporting Standard ("CRS"), the NBI 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 investors in the NBI Funds (excluding registered plans such as RRSPs) who are residents in a country outside of Canada and the U.S. The CRA is expected to provide that information to the relevant tax authority of any 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 the portfolio manager and the portfolio sub-advisors are involved in many management and advisory activities. The portfolio manager and portfolio sub-advisors make investment decisions or give advice relating to assets of any NBI Fund independently of other clients or their own investments, if any.

However, the portfolio manager and portfolio sub-advisors may make the same investment or give the same advice for a NBI 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 manager and sub-advisor 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 manager and portfolio 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.

## **Responsible Investing**

Responsible investing refers to the integration of environmental, social and governance criteria (“ESG Criteria”) in the selection and management of investments. The ESG Criteria may include elements such as energy efficiency, greenhouse gas emissions, water management, waste management, human capital, diversity and inclusion, health and safety, board composition, compensation and financial governance, among other issues. This is an important pillar in our portfolio managers’ and portfolio sub-advisors’ assessments. We believe that the consideration of ESG Criteria, in conjunction with traditional financial analysis, allow for a better assessment of risks and long-term growth opportunities.

The portfolio managers and portfolio sub-advisors that we have selected for the Funds each have their own approach to responsible investing, which may be at the firm-level and/or at the fund-level. As such, each portfolio manager and portfolio sub-advisor prioritizes different objectives, ranging from avoiding exposure to companies or economic sectors deemed harmful to aligning portfolios with themes related to sustainable development. Please see the part entitled *Specific information about each NBI Fund described in this document* for more information regarding each Fund. Sustainable development, as defined by the United Nations, refers to developments that meet the needs of the present without compromising the ability of future generations to meet their own needs. In the context of investing, this means seeking to obtain a return on investment while making a positive contribution to sustainable development. This plurality in responsible investment approaches brings richness to our platform of Funds and allows us to consider the particularities of each asset class, since certain investment instruments do not permit responsible investment approaches.

For greater clarity, 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.

### **Responsible investing Approach**

NBI’s approach to responsible investment relies on the following components:

1. Portfolio manager and portfolio sub-advisor selection and monitoring processes
2. Portfolio managers’ and portfolio sub-advisors’ responsible investment approaches
3. Funds with a responsible-focused investment objective
4. Funds with no fundamental investment objectives related to ESG.

## 1. *Portfolio manager and portfolio sub-advisor selection and monitoring processes*

As part of our process of selecting and monitoring portfolio managers and portfolio sub-advisors, we assess the quality of responsible investment approaches in investment processes using a proprietary scoring system with a scale of 1 to 5, where the higher the score the better. The proprietary scoring system is based on various criteria such as the identification and evaluation processes put in place by the portfolio managers and portfolio sub-advisors with regard to material ESG issues and risks that can affect the businesses of the issuers, and the evidence that ESG Criteria truly influence their portfolio selection decisions. Among other elements considered in the overall evaluation of the portfolio managers and portfolio sub-advisors and their respective responsible investment practices are the use of stewardship activities such as proxy voting and dialogues. These are used as levers of improvement in corporate social responsibility. We monitor and review the portfolio managers and portfolio sub-advisors' ESG integration process as part of due diligence reviews, when investment instruments allow it. ESG integration means the inclusion of ESG considerations within financial analysis and investment decisions. This may be done in various ways, tailored to the investment style and approach of the portfolio manager or the portfolio sub-advisor. For more information, please consult NBI's Responsible Investment Policy available on our website [nbinvestments.ca](http://nbinvestments.ca).

## 2. *Portfolio managers' and portfolio sub-advisors' responsible investment approaches*

The portfolio managers and portfolio sub-advisors that we select and monitor may adopt different responsible investment approaches depending on their investment objectives, strategies, styles and philosophies. NBI has adopted the responsible investment approaches defined by the Canadian Investment Funds Standards Committee ("CIFSC") in its Responsible Investment Identification Framework.

The below approaches are not mutually exclusive and may be combined or used in conjunction with other conventional investment approaches. The approaches mentioned below are not exhaustive. NBI can add or make changes to the responsible investment approaches described below at its discretion in order to reflect NBI's changing positions on ESG and other related issues. Please see the part entitled *Specific information about each NBI Fund described in this document* for more information regarding each Fund. To obtain a copy of a Fund's Simplified Prospectus or for more information, visit our website at [nbinvestments.ca](http://nbinvestments.ca) and consult the NBI Responsible Investment Policy also available on our website.

### (a) ESG integration:

The systematic incorporation of material ESG Criteria into investment analysis and decision-making processes.

### (b) Negative screening (or Exclusions):

NBI recognizes that certain assets are likely to harm people and the planet and therefore seeks to apply normative exclusions. It does so by asking its portfolio managers and portfolio sub-advisors to apply the "NBI normative exclusions". Information about Funds that apply these exclusions can be found under the part entitled *Specific information about each NBI Fund described in this document* of each Fund's Simplified Prospectus. More specifically, this means seeking to exclude from the investible universe companies that generate more than 5% of their revenue from the production of tobacco, the mining of thermal coal or the exploration and extraction of oil & gas in offshore Arctic regions and companies that are involved (i.e., generating more than 0% revenue) in the manufacturing of controversial weapons. Controversial weapons are: cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons and incendiary weapons. NBI also seeks to exclude from its funds companies that have violated UN Global Compact Principles ("UN Global Compact Principles", see section *Glossary* for more details), based on the evaluation framework from an outside ESG data provider or based on a portfolio manager and portfolio sub-advisor's ESG evaluation framework.

NBI relies on determinations by third-party data providers to define the aforementioned normative exclusions. NBI will also not be deemed in breach of any obligation to this restriction resulting from the acts or omissions of third-party data providers. Omission includes but is not limited to new issues or new issuers to which data providers would not yet have data mapped at a security level. During the period of time that ESG data is not available for an issuer, such issuer will be excluded from compliance with the above normative exclusions. In the course of gathering their data, providers, portfolio managers and portfolio sub-advisors may assume certain value judgements (e.g. regarding the adequacy of a company's program for addressing an ESG issue or exclusion). NBI does not verify those judgements, nor quantify their impact upon the aforementioned normative exclusions.

The portfolio managers and portfolio sub-advisors with whom we do business will also not be deemed in breach of any obligation to this restriction and shall incur no liability for losses resulting from the reliance on third-party data providers or on another methodology, providing that they have made reasonable efforts to apply the aforementioned normative exclusions.

The portfolio managers and portfolio sub-advisors with whom we do business may sometimes impose additional restrictions on their investment decisions. For example, they may exclude investing in certain sectors or certain companies that are deemed harmful based on their proprietary criteria. These investment restrictions may apply at the fund's investment strategy level or at the firm level. We support the exclusions applied by the portfolio managers and the portfolio sub-advisors including, but not limited to, those based on national and international legislation, bans or treaties or norms. Please see the part entitled *Specific information about each NBI Fund described in this document* of our Funds' Simplified Prospectus for more information regarding each Fund.

(c) Stewardship activities:

The portfolio managers and portfolio sub-advisors use of influence to promote better management of ESG issues and improve long-term shareholder value. Stewardship activities also include proxy voting and dialogue. See section *Glossary* for more details on ESG Stewardship activities, Proxy voting and Dialogue.

- Proxy voting:

The exercise of voting rights attached to shares owned by an investor. Proxy voting enables shareholders to participate in corporate governance decisions. The portfolio managers and portfolio sub-advisors are mandated to exercise their voting rights in the best interests of their investors and in accordance with the fund's investment strategy and their internal proxy voting policies.

Information about the proxy voting policies of the portfolio managers and the portfolio sub-advisors can be found under the section *Responsibility for Mutual Fund Administration – Proxy Voting Policies* above.

- Dialogue:

The engagement of shareholders with companies on various ESG issues, either individually or collectively, to communicate their views and expectations, and to monitor and influence the company's practices and disclosures. Dialogue can also involve collaboration with other stakeholders. Along with NBI's internal engagement activities, we also encourage portfolio managers and portfolio sub-advisors to participate in dialogues with companies to improve their ESG practices, on an individual level or via collaborative initiatives and to report on these activities annually.

(d) Positive screening (or Best-in-class):

The inclusion of certain sectors, companies or practices in a fund or portfolio based on ESG Criteria that are desirable relative to industry peers. This can be achieved by applying filters to a universe of securities, issuers, investments, sectors or other financial instruments to rule them in, based on their positive performance on ESG Criteria relative to industry peers or specific ESG Criteria.

(e) Thematic investing:

The investment in companies, organizations, or funds that stand to benefit from one or many disruptive themes or assets specifically related to sustainability (e.g. clean energy, climate change mitigation, sustainable agriculture, health system, green bonds, social bonds, UN Sustainable Development Goals' ("UNSDGs", see section *Glossary* for more details about UNSDGs) alignment, etc.).

(f) Impact investing:

The investment in companies, organizations or funds with the intention to generate positive measurable social and/or environmental impact alongside a financial return. Examples of metrics used to track positive impact include renewable electricity capacity added, increase in water treated, saved, or provided, increase in affordable housing units, etc.

### 3. *Funds with a responsible-focused investment objective*

Funds with a responsible-focused investment objective, or sustainable Funds, are managed by portfolio sub-advisors with a fundamental investment objective related to a responsible approach to investing. The portfolio sub-advisors of sustainable funds use ESG integration, negative screening (exclusion), and stewardship activities, as defined in section *Portfolio managers' and portfolio sub-advisors' responsible investment approaches*. In addition, the portfolio sub-advisors also use one or more responsible investment approaches between positive screening (Best-in-class), thematic investing and impact investing, as defined in section *Portfolio managers' and portfolio sub-advisors' responsible investment approaches*.

This is evaluated through a due diligence process that complies with NBI's Responsible Investment Policy and NBI's Portfolio manager selection and monitoring process (see section 1 above). NBI evaluates the integration of ESG Criteria and other responsible investment approaches that are part of the portfolio manager or the portfolio sub-advisor's investment strategies (see section *Portfolio managers' and portfolio sub-advisors' responsible investment approaches* above). NBI makes

sure that a minimum score on NBI's proprietary scoring system is maintained with regards to the integration of ESG Criteria and all other applicable responsible investment approaches in the underlying funds' investment strategies. In addition, each underlying fund must be managed by a Principles for Responsible Investment ("PRI", see section *Glossary* for more details) signatory.

For the NBI Sustainable Global Bond Fund and the NBI Global Climate Ambition Fund, which have a responsible-focused investment objective, please refer to these Funds' investment objectives and investment strategies which articulate their responsible investing parameters.

#### ***4. Funds with no fundamental investment objectives related to responsible investing***

For the NBI Senior Loan Fund, which is actively managed but whose fundamental investment objective is not related to responsible investing, the Fund's portfolio manager and portfolio sub-advisor have full discretion in determining whether and how relevant and material these ESG Criteria are to issuer evaluation, consistent with its investment objectives, investment strategies and investable universe.

A fund with no fundamental investment objectives related to ESG may use a responsible investment approach, as defined in section 2 above. This approach being one of many components of the investment strategies used to help achieve the fund's investment objective. The responsible investment approach and ESG Criteria are not part of the fund's investment objective and, therefore, are not the principal strategy of the fund.

## **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 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.

### ***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.

### ***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.

### ***Concentration in securities of a sovereign state or a supranational agency***

The NBI Sustainable Global Bond Fund has obtained an exemption from the Canadian Securities Administrators so that it can invest up to:



- a) 20% of its net asset value at the time of the transaction in debt securities of an issuer if the debt securities are issued or fully guaranteed as to principal and interest by supranational agencies or by governments other than the government of Canada, the government of a jurisdiction of Canada or the government of the United States of America and are rated AA by Standard & Poor's Rating Services (Canada) (S&P) or an affiliate of the designated rating organization or have an equivalent rating by one or more other designated rating organizations or their affiliates; and
- b) 35% of its net asset value at the time of the transaction in debt securities of a single issuer if the debt securities are issued or fully guaranteed as to principal and interest by supranational agencies or by governments other than the government of Canada, the government of a jurisdiction of Canada or the government of the United States of America and are rated AAA by Standard & Poor's Rating Services (Canada) (S&P) or an affiliate of the designated rating organization or have an equivalent rating by one or more other designated rating organizations or their affiliates.

The afore-mentioned exemption is subject to the following conditions: (a) paragraphs (a) and (b) above cannot be combined with respect to an issuer; (b) any security that is purchased by the fund pursuant to the exemption will be traded on a mature and liquid market; and (c) the acquisition of the securities will comply with the fundamental investment objective of the funds.

#### ***Investments in Rule 144A Securities***

Each of the Funds has obtained exemptive relief from certain requirements relating to the purchase and holding of illiquid assets under NI 81-102 for fixed-income securities that qualify for, and may be traded pursuant to, the exemption from the registration requirements of the Securities Act of 1933, as amended (the "US Securities Act"), as set out in Rule 144A of the US Securities Act for resales of certain fixed income securities (the "144A Securities") to "qualified institutional buyers" (as defined in the US Securities Act). With the relief, subject to certain conditions, the Funds can invest in 144A Securities without the need to factor these fixed income securities into the limits on holdings of illiquid assets under NI 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 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 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.

Though unitholders may not be called upon to approve such changes, which will, however, require the approval of the IRC, unitholders will be notified at least 60 days before the date the changes take effect.

## 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 Senior Loan Fund  
NBI Global Climate Ambition Fund  
NBI Sustainable Global Bond Fund

(the “**Funds**”)

October 4, 2024

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

*“Éric-Olivier Savoie”*

Éric-Olivier Savoie  
President and Chief Executive Officer

*“Sébastien René”*

Sébastien René  
Chief Financial Officer

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

*“Corinne Bélanger”*

Corinne Bélanger  
Director

*“The Giang Diep”*

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 Senior Loan Fund  
NBI Global Climate Ambition Fund  
NBI Sustainable Global Bond Fund

(collectively, the “Funds with NBI as principal distributor”)

October 4, 2024

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

*“Éric-Olivier Savoie”*

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Éric-Olivier Savoie  
President and Chief Executive Officer

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## Specific information about each NBI Fund described in this document

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### 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 (such as the NBI Portfolios, the NBI Sustainable Portfolios and the Meritage Portfolios) 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 a 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 *Purchases, switches, conversions and redemptions of units - 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 for a list of the risks to which the fund is exposed.

### ***Risks relating to asset-backed and mortgage-backed securities***

Asset-backed securities are debt obligations that are backed by pools of consumer or business loans. Some asset-backed securities are short-term debt obligations, called asset-backed commercial paper ("ABCP"). Mortgage-backed securities are debt obligations backed by pools of mortgages on commercial or residential real estate. If there are changes in the market's perception of the issuers of these types of securities, or in the creditworthiness of the parties involved, then the value of the securities may be affected. In addition, for ABCP, there is a risk that there may be a mismatch in timing between the cash flow of the underlying assets backing the security and the repayment obligation of the security upon maturity. In the use of mortgage-backed securities, there is also a risk that there may be a drop in the interest rates charged on mortgages, a mortgagor may default on its obligations under a mortgage or there may be a drop in the value of the property secured by the mortgage.

Certain funds may invest in mortgage-backed securities issued or guaranteed by The Federal National Mortgage Association ("Fannie Mae") or The Federal Home Loan Mortgage Corporation ("Freddie Mac"), which are not backed by the full faith and credit of the U.S. government and the actions of the U.S. government may not be adequate for their needs. The maximum potential liability of such entities may greatly exceed their current resources, and it is possible that they will not be able to meet their obligations in the future. Concerns about Freddie Mac's and Fannie Mae's solvency during the volatility and disruption that impacted the capital and credit markets during late 2008 and into 2009 led to Freddie Mac and Fannie Mae being placed under the conservatorship of the Federal Housing Finance Agency ("FHFA") and receiving a capital infusion from the U.S. Treasury. While the U.S. Treasury Department has said that it will ensure that both agencies can maintain a positive net worth and fulfill all of their financial obligations, the value of the mortgage-backed securities issued or guaranteed by Freddie Mac or Fannie Mae held by the Fund may be affected by future actions taken by the FHFA, the U.S. Treasury or the U.S. government with respect to these entities and market perceptions. For example, in February 2011, the U.S. Department of Treasury issued a White Paper that lays out proposals to limit or potentially wind down the role that Fannie Mae and Freddie Mac play in the mortgage market. Any such proposals, if enacted, may have broad adverse implications for the mortgage-backed securities market. Any changes to the nature of their guarantee obligations could redefine what constitutes an agency mortgage-backed security and could have adverse implications for the market. Any reduction in the supply of agency mortgage-backed securities could negatively affect the pricing of such securities and the ability to acquire such securities.

To the extent that the funds invest in mortgage-backed securities offered by private issuers, such as commercial banks, savings and loan institutions, private mortgage insurance companies, mortgage bankers and other secondary market issuers, the funds may be subject to additional risks. Timely payment of interest and principal of non-governmental issuers is supported by various forms of private insurance or guarantees, including individual loan, title, pool and hazard insurance purchased by the issuer. There can be no assurance that private insurers can meet their obligations under such policies.

### ***Risks relating to commodities***

Some funds and some underlying funds may invest directly in certain commodities, such as gold, silver, platinum and palladium, or indirectly in companies engaged in the energy or natural resource industries, such as gold, silver, platinum, palladium, oil and gas, or other commodity-focused industries (including grain, livestock and agricultural commodities). These investments, and therefore the value of a mutual fund's investment in these commodities or in these companies and the unit value of the mutual fund, will be affected by changes in the price of commodities, which can fluctuate significantly in short time periods. Commodity prices can change as a result of a number of factors, including supply and demand, speculation, government and regulatory activities, international monetary and political factors, central bank activity and changes in interest rates and currency values. Direct purchases of bullion by a mutual fund may generate higher transaction and custody costs than other types of investments, which may impact the performance of the mutual fund.

### ***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 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 counterparties***

Risks relating to counterparties are associated with the possibility of a counterparty, pursuant to a derivative contract in which a clearing house does not intervene, not being able to fulfill its obligations on time or at all, which may result in a loss for the mutual fund.

### ***Risks relating to credit***

A mutual fund can lose money if the issuer of a bond or other fixed-income security can't pay interest or repay principal when it is due. This risk is higher if the fixed-income security has a low credit rating or no rating at all. Fixed-income securities with a low credit rating usually offer a better return than securities with a high credit rating, but they also have the potential for substantial loss. These are known as "high-yield securities".

### ***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). 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 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.

### ***Risk relating to ESG integration strategy***

Each portfolio manager or sub-advisor uses its own ESG integration process with its own methods to integrate material ESG factors into their investment analysis and decision making, with different sources and types of ESG information. Furthermore, ESG data is known to vary widely and risks being incomplete, outdated, estimated, or modeled, and/or subjectively interpreted, which may impact the portfolio manager or portfolio sub-advisor's ESG assessment. Therefore, the funds or underlying funds may invest in issuers that do not align with convictions and assessments of any given investor. In addition, integrating ESG factors in an investment strategy does not eliminate exposure to issuers that may be perceived as having negative ESG characteristics.

### ***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, except for the NBI Money Market Fund, 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 floating-rate debt securities***

The liquidity of floating-rate debt securities, including the volume and frequency of trading in these securities on the secondary market, can vary significantly over time and from one floating-rate debt security to the next. For example, if the credit rating of a floating-rate debt security is significantly and unexpectedly downgraded, trading in that floating-rate debt security on the secondary market may also decline for a certain time. During periods of irregular trading, it may be hard to determine a floating-rate debt security's valuation and buying or selling the security could be difficult and even delayed. Difficulty in selling a floating-rate debt security may result in a loss. Some floating-rate debt securities may be redeemed before maturity. In such an event, the floating-rate debt security may yield less income or provide less potential for capital gains, or both.

### ***Risks relating to floating-rate loans***

In addition to risks generally associated with floating-rate debt securities, investments relating to floating-rate loans are subject to other risks.

Although a floating-rate loan may be fully collateralized at the time of acquisition, the collateral may decline in value, be relatively illiquid, or lose all or substantially all of its value subsequent to investment.

Many floating-rate loans are subject to legal or contractual restrictions on resale and may be relatively illiquid and difficult to value. There is less readily available, reliable information about most loan investments than is the case for many other types of securities, and the portfolio manager relies primarily on its own evaluation of a borrower's credit quality rather than on any available independent sources.

The ability of the funds to realize full value in the event of the need to sell a loan investment may be impaired by the lack of an active trading market for certain loans or adverse market conditions limiting liquidity. Floating-rate loans are not traded on a stock exchange, and purchasers and sellers rely on certain market makers, such as the administrative agent, to trade them. To the extent that a secondary market does exist, the market may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. Settlement of floating-rate loan transactions may take up to three weeks and sometimes more.

Substantial increases in interest rates may cause an increase in floating-rate loan defaults.

With respect to floating-rate loan participations, the funds may not always have direct recourse against a borrower if the borrower fails to pay scheduled principal and/or interest; may be subject to greater delays, expenses and risks than if the funds had purchased a direct obligation of the borrower; and may be regarded as the creditor of the agent lender (rather than the borrower), subjecting the funds to the creditworthiness of that lender as well as the ability of the lender to enforce appropriate credit remedies against the borrower.

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. Nevertheless, senior loans are usually rated below investment grade. Because second lien loans are subordinated or unsecured and thus lower in priority of payment to senior loans, they are subject to the additional risk that the cash flow of the borrower and property securing the loan or debt, if any, may be insufficient to meet scheduled payments after giving effect to the senior secured obligations of the borrower. This risk is generally higher for subordinated unsecured loans or debt, which are not backed by a security interest in any specific collateral. Second lien loans generally have greater price volatility than senior loans and may be less liquid.

Floating-rate loans are subject to early repayment risk. The borrower's repayment of the principal before maturity may reduce the return on the loan.

### ***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 unfavorable 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.

### ***Risk 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 index funds***

Index funds are managed with the intention of tracking an index. In accordance with the regulations of the Canadian Securities Administrators, they may invest more than 10% of their assets in the securities of one issuer in order to reach their investment objective and track an index more closely. Because of this concentration, index funds may tend to be more volatile and less liquid than other, more diversified mutual funds.

In the event of redemption of a large number of securities by their holders, it could be more difficult to obtain a reasonable price for the securities of certain issuers.

Index funds seek to produce a return similar to that of their benchmark index. However, expenses associated with the investments and management of index funds can reduce their overall returns. Those expenses include transaction fees, management fees and other expenses of the mutual funds. Consequently, a perfect correlation between the return of an index fund and the return of its benchmark index is not likely.

### ***Risks relating to interest rate fluctuations***

Interest rate risk is the risk that fixed income securities and other instruments, such as preferred shares, in a mutual fund's portfolio will decline in value because of an increase in interest rates. As nominal interest rates rise, the value of certain securities held by the mutual fund, directly or indirectly, is likely to decrease. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. The values of equity and other non-fixed income securities may also decline due to fluctuations in interest rates.

Certain fixed-income securities, including mortgage-backed or other asset-backed securities, can be prepaid before maturity. If the prepayment is unexpected or if it occurs faster than predicted, the fixed-income security may pay less income and its value may decrease. In addition, because issuers generally choose to repay when interest rates are falling, a mutual fund may have to reinvest this money in securities that have lower rates.

### ***Risks relating to international advisors***

Some portfolio managers are not registered as portfolio managers pursuant to the relevant securities legislation in effect in Canada and are acting respectively as portfolio advisors and/or sub-advisors to certain NBI funds pursuant to international advisor and/or sub-advisor exemptions. As a result, members of these advisory and/or sub-advisory teams may not meet the same proficiency requirements as other 90 persons registered under applicable securities legislation in Canada, and investors in these NBI funds may not have the same protection that they would have were these advisors and/or sub-advisors registered as advisors under applicable securities legislation. In addition, it may be difficult to enforce legal rights against them because these advisors and/or sub-advisors are resident outside of Canada and all, or substantially all, of their assets are situated outside of Canada.

### ***Risks relating to large investments***

Rules in the Tax Act that apply to "loss restriction events" (as defined in the Tax Act) of certain trusts ("LRE Rules") may have an impact on a fund in certain circumstances. 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 has met certain investment requirements and has qualified as an “investment fund” under the LRE Rules at all times. An “investment fund” for this purpose includes a trust that meets certain conditions, including satisfying certain of the conditions necessary to qualify as a “mutual fund trust” for purposes of the Tax Act, not using any property in the course of carrying on a business and complying with certain asset diversification requirements. No assurance can be given that any particular fund will meet or continue to meet the “investment fund” definition.

### ***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 real estate investment trust investments***

Real estate investment trusts are pooled investment vehicles that hold, and usually manage, real estate investments. Investments in real estate investment trusts are subject to the general risks associated with real property investments. Real property investments are affected by various factors including general economic conditions (such as the availability of long term mortgage funds) and local conditions (such as oversupply of space or a reduction in demand for real estate in the area), the attractiveness of the properties to tenants, competition from other available space, etc. The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants. A real estate investment trust's income and funds available for distributions to its securityholders would be adversely affected if a significant number of tenants were to become unable to meet their obligations to the real estate investment trust or if the real estate investment trust were unable to lease a significant amount of available space in its properties on economically favorable lease terms.

Certain real estate investment trusts may invest in a limited number of properties, in a restricted market or in a single type of property, which increases the risk that the funds will be adversely affected by the poor performance of a single investment or market or a single type of investment. Finally, real estate investment trusts may be affected by changes to their tax status and may be disqualified from preferential tax treatment and other exemptions.

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

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

Funds that are actively managed, which means they are dependent on the portfolio manager or the portfolio sub-advisor to select individual securities or other investments, are subject to the risk that poor security selection or market allocation will cause the 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.

The securities lent out may not always be recalled in advance of a shareholder vote. In such case, the portfolio manager and/or the portfolio sub-advisor of a fund may be limited in its capacity to advance its priorities disclosed in its proxy voting policy, including its ESG priorities, as it may not be able to cast its proxy voting rights during a shareholder vote. Notwithstanding the foregoing, all funds have the option to recall any securities lent out on demand. For more information, see the sections entitled *Securities Lending, Repurchase and Reverse Repurchase Transactions* and *Proxy Voting Policies* under *Responsibility for Mutual Fund Administration*.

### ***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 section *Fund details* in the fund specific section of each NBI Fund to find out which series are offered by each NBI 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.

### ***Risks relating to specialization***

Some mutual funds have a mandate to invest in a particular sector, asset class, industry or geographical area. When a mutual fund specializes in this way, it can be more volatile. Specialization lets the portfolio manager focus on specific areas of the economy, which will affect the performance of the mutual fund depending upon changes in the sector and the companies in the sector. An economic downturn affecting that sector, asset class, industry or geographical area may have a greater effect on the mutual fund than if the mutual fund had been more diversified.

### ***Risk relating to sustainable investment objective***

Since the sustainable funds have a sustainable focus, the portfolio composition of those funds may differ from investment funds that do not use a sustainable approach to investing, which could result in performance divergence.

The sustainability assessment of securities held in each of the sustainable funds' portfolio is done in aggregate and certain securities may exhibit a below average score on specific ESG metrics.

In addition, the information and data used to evaluate certain sustainable investing characteristics of a company or sector may be incomplete, inaccurate, or unavailable, which may impact the portfolio manager or portfolio sub-advisor's sustainability assessment. Investors may also have different views on what constitutes positive or negative ESG characteristics or sustainable investing. Accordingly, the methodology employed for the sustainable funds may not reflect the values of any particular investor.

The sustainable approach to investing applicable to sustainable funds may change from time to time, at the discretion of the portfolio manager.

## **Investment Restrictions**

### **Exceptions Regarding Investment Restrictions and Regular Practices**

*Standing Instructions by the Independent Review Committee*

- Under 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* under *Responsibility for Mutual Fund Administration*.

- 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 NBI Funds may issue an unlimited number of units. The NBI Funds can issue units in more than one series. The units of a series belonging to the same NBI Fund carry equal rights and privileges. All units of a particular series have the right to participate equally in the distributions the NBI Fund makes (except in regard to management fee distributions). When a NBI Fund is liquidated, all units of a particular series have the right to participate equally in the assets remaining in the NBI 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 NBI Funds’ declaration of trust.

### ***Voting***

A 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 NBI Fund. The NBI 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 NBI 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 NBI Fund:

- a change in the basis of the calculation of the fees or expenses charged to the NBI Fund or directly to unitholders by the NBI Fund or the Manager in connection with the holding of securities of a NBI Fund in a way that may result in an increase in these charges to the NBI Fund or its unitholders, unless certain conditions under Regulation 81-102 are met;
- the introduction of new fees or expenses charged to the NBI Fund or which must be charged directly to unitholders by the NBI Fund or the Manager in connection with the holding of securities of the NBI Fund and which may result in an increase in charges to the NBI Fund or securityholders, unless certain conditions under Regulation 81-102 are met;

- a change in the NBI Fund’s manager, unless the new manager is affiliated with the current manager;
- a change in the fundamental investment objectives of the NBI Fund;
- a reorganization with another fund or transfer of assets to another mutual fund, if, as a result:
  - the NBI Fund no longer exists; and
  - the unitholders become unitholders of the other fund;

(unless the IRC of the NBI 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 NBI Fund continues to exist;
  - the unitholders of the other fund become unitholders of the NBI Fund; and
  - the change would be considered material by a reasonable investor in determining whether to purchase or continue to hold units of the NBI Fund;
- a reduction in the frequency that we calculate the net asset value of the NBI Fund’s units;
- the NBI 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 NBI Fund’s constating documents, or any other document, or by applicable law.

If permitted by the NBI Fund’s constating documents and the laws applicable to the NBI 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 NBI Fund to another mutual fund, or from another mutual fund to the NBI Fund; or (ii) prior to a change of auditors. However, in each such circumstance, unitholders of that NBI Fund will receive written notice at least sixty (60) days before the effective date of any such change. The IRC of the NBI 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 the F and O 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 *Fund details* relating to each NBI Fund or the cover page of the Simplified Prospectus to determine which series are offered for each NBI Fund. Please see the section entitled *Distribution policy* relating to each NBI Fund for more information about the distribution rights.

The series are described hereinafter:

#### *Advisor Series*

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This series is offered under the initial sales charge option.

Under the initial sales charge option, you pay an initial sales charge which you negotiate with your dealer when you purchase a NBI 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.).

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If the Manager notes that an investor no longer meets the criteria established for holding the *Advisor* units, the Manager may redeem the investor's *Advisor* Series units. The Manager will give the investor 30-day's notice before proceeding, unless that change is required in order to comply with regulatory requirements. The Manager will not proceed with the 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, to comply with regulatory requirements, the redemption will be immediate without prior notice.

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*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. It 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 these 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.

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*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.

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Your choice of series will have an impact on the fees you pay and the compensation your dealer receives. Please see *Fees and Expenses* 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 NBI 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 NBI Fund's records, the assets of all series of a NBI Fund are combined into a single pool to create one portfolio for investment purposes.

## When the Funds were Formed and Other Major Events

The NBI Funds were created under a declaration of trust pursuant to the laws of the Province of Ontario. The following table shows the date each NBI Fund was established. The head office of National Bank Investments Inc. is located at 800 Saint-Jacques Street, Transit 43671, Montreal (Quebec) H3C 1A3.

<b>Name of Fund</b>	<b>Date Established</b>	<b>Former Name(s) (where applicable)</b>	<b>Changes (where applicable)</b>
NBI Senior Loan Fund	October 4, 2024	N/A	N/A
NBI Global Climate Ambition Fund	October 4, 2024	N/A	N/A
NBI Sustainable Global Bond Fund	October 4, 2024	N/A	N/A



## 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 NBI 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.

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 NBI Fund. This will allow you to choose the NBI fund that best match your personal financial objectives.

#### Investment strategies

This section outlines the strategies we use to achieve the NBI Fund's investment objective. For example, we may invest in foreign companies or derivatives to achieve a NBI 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 NBI Fund.

#### Investment risk classification methodology

To help you determine if a NBI Fund is suitable for you, the Manager classifies the risk of investing in the NBI 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 NBI Fund is reviewed at least once a year and each time a material change is made to the NBI Fund's investment objective and/or strategies.

The methodology used to determine the risk ratings of the NBI Funds for purposes of disclosure in this Simplified 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](mailto:investments@bnc.ca).

#### Distribution policy

This section outlines how frequently the NBI Fund distributes its net income and net realized capital gains. The NBI Fund 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 NBI 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 NBI Fund.**

# NBI Senior Loan Fund

## Fund details

Type of fund	Floating Rate Loan
Type of securities this fund offers you*	Advisor, F, and O Series mutual fund trust unit
Eligibility for registered plans	The units are expected to be qualified investments for registered plans
Management fees	Advisor Series: 1.20% F Series: 0.70%
Portfolio manager	National Bank Trust Inc.
Portfolio sub-advisor	AlphaFixe Capital Inc.

\* The fund offers one or more series by way of private placement.

## What does this fund invest in?

### Investment objective

The NBI Senior Loan Fund's investment objective is to generate a high level of current income. The fund invests, directly or indirectly through investments in securities of other mutual funds, in a portfolio comprised primarily of senior floating rate loans, which are generally rated below investment-grade, of corporate issuers located throughout the world and other floating rate debt instruments.

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 fund invests in a portfolio comprised primarily of U.S. dollar denominated senior floating rate loans (see section *Glossary* for more details) of corporate issuers located throughout the world and other floating rate debt instruments. Senior floating rate loans are generally rated below investment-grade and carry credit ratings indicative of higher risk and speculative characteristics. Secured by the borrower's assets, senior floating rate loans offer high recovery rates and prioritize repayment over other liabilities in the event of default. Other floating rate debt instruments are fixed income securities, such as notes, bonds and loans, with a variable interest rate. Floating rate debt instruments may rank equally with or may be subordinated to senior floating rate loans. The interest rates on these loans and debt instruments change periodically and are tied to well-known base lending rates, such as the Secured Overnight Financing Rate (SOFR), a prime rate or another base lending rate used by commercial banks or lenders, plus a margin above said base lending rates. The margin is generally determined by the credit quality of the issuer, the term to maturity of the floating rate loan or debt instrument, and the prevailing market conditions.

Floating rate loans are often issued in connection with recapitalizations, acquisitions, leverage buyouts, and refinancing. They are also generally structured and administered by a financial institution that acts as the agent of the lenders participating in the floating rate loan.

The fund may also invest in:

- treasury bills, short-term notes and other money market instruments
- canadian municipal, federal and provincial government debt securities
- high-yield corporate debt securities
- investment grade corporate debt securities
- subordinated loans, second lien loans and subordinated bridge loans
- asset-backed securities, mortgage-backed securities and commercial mortgage-backed securities
- convertible bond securities and warrant
- preferred shares
- common shares.

Up to 100% of the fund's investments can be in foreign securities.

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

The portfolio sub-advisor may, in its sole discretion, select the underlying funds, allocate assets to the underlying funds, change the percentage holding of any underlying fund, remove any underlying fund or add other underlying funds.

# NBI Senior Loan Fund

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.

When selecting securities, the portfolio sub-advisor uses a bottom-up approach. It selects issuers based on a fundamental analysis and focusses on achieving strong risk-adjusted returns through sector diversification and in-depth company analysis. The portfolio sub-advisor monitors and manages risks by combining multiple types of analysis. Those include credit quality (CQ), integration of Environmental, Social and Governance (“ESG”, see section *Glossary* for more details) factors, default risk monitoring and risk budget that informs the portfolio sub-advisor in real time about the portfolio’s active risk.

The portfolio sub-advisor carries out a credit analysis on each issuer in the fund’s portfolio. The average credit rating of the fund’s portfolio will be no less than B-, and securities making up at least 80% of the net asset value of the fund will have a credit rating of B- or higher by Standard & Poor’s Ratings Services (Canada) (S&P) or an equivalent rating by Moody’s Canada Inc., Fitch, Inc. or DBRS Limited.

ESG issues are assessed using relevant indicators that vary from one sector to another (in accordance with the relevant ESG issues of the sector). This analysis could include elements such as energy efficiency, greenhouse gas emissions, water management, waste management, human capital, diversity and inclusion, health and safety, board composition, compensation and financial governance among other issues.

Given the particularities of the syndication process for the floating rate loan market, the portfolio sub-advisor will seize opportunities to engage with issuers on ESG issues, even though it cannot be done systematically. When deemed necessary, engagement on ESG risks regarding the issuer's operations and products is conducted in a timely manner.

The portfolio sub-advisor follows NBI’s normative exclusions for this fund, as described in section *Responsible Investing* in the first part of the Simplified Prospectus (Part A). The fund may use a responsible investment approach, as described above, this approach being one of many components of the investment strategies used to help achieve the fund's investment objective. The responsible investment approach and ESG factors are not part of the fund's investment objective and, therefore, are not the principal strategy of the fund.

The 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 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 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.

## **What are the risks of investing in this fund?**

The risks of investing in this fund are:

- concentration
- counterparties
- credit
- currency
- cybersecurity
- derivatives
- ESG integration strategy
- exchange-traded funds
- floating-rate debt securities
- floating-rate loans

# NBI Senior Loan Fund

- foreign investments
- fund on fund investments
- interest rates fluctuations
- 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
- specialization.

For more details on these risks, as well as the risks of investing in mutual funds, please see page 34.

The fund's level of risk is low to 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 Morningstar LSTA US Leveraged Loan Index Hedged to CAD. The Morningstar LSTA US Leveraged Loan Index Hedged to CAD is a market-value weighted index designed to measure the performance of the US leveraged loan market. 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**

The fund distributes its net income at the end of each month. It distributes net income for December 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.

# NBI Global Climate Ambition 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 expected to be qualified investments for registered plans
Management fees	Advisor Series: 1.75% F Series: 0.75%
Portfolio manager	National Bank Trust
Portfolio sub-advisor	Amundi Canada Inc. delegated its functions to Amundi Ireland Limited

## What does this fund invest in?

### Investment Objective

The NBI Global Climate Ambition Fund's investment objective is to provide long-term capital growth while following a sustainable investment approach and aiming to reduce the carbon footprint of the portfolio. The fund invests, directly or indirectly through investments in securities of other mutual funds, in a portfolio comprised primarily of equity securities 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 fund invests in a portfolio comprised primarily of equity securities of companies located around the world that have CO<sub>2</sub> emissions' reduction objectives aligned with the long-term global warming objectives of the Paris Agreement (see *Glossary* for more details).

The fund may also invest in:

- money market instruments and deposits
- preferred shares of global companies
- American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)
- income trusts, index participation units
- real estate investment trusts (REITs)
- securities convertible into common or preferred shares, including rights and warrants.

The fund may invest up to 30% of its net assets in emerging market securities and may invest up to 10% of its net assets in securities providing exposure to real estate. Up to 100% of the fund's investments can be in foreign securities.

The portfolio sub-advisor has adopted an active, fundamental, bottom-up approach to stock picking. While it may invest in any area of the economy, at any given time its holdings may be focused on a relatively small number of companies. The portfolio will aim to have a carbon intensity which is aligned with the MSCI World Climate Paris Aligned Index (see section *Glossary* for more details) and hence seek a self-decarbonization target of 10% year-on-year. The portfolio carbon intensity is calculated as an asset weighted portfolio average and compared to the asset weighted carbon footprint intensity of the MSCI World Climate Paris Aligned Index. As a result, equities with relatively low carbon intensity have a higher probability of being selected in the portfolio compared to stocks with relatively high carbon intensity.

The portfolio sub-advisor uses a fundamental analysis of individual issuers to identify equities with superior long-term prospects as well as environmental, social and governance ("ESG", see section *Glossary* for more details) criteria, in particular carbon intensity characteristics. The methodology applied by the portfolio sub-advisor's ESG score uses more than 30 criteria that are either generic (common to all companies regardless of their activity) or sector specific which are weighted according to sector and considered in terms of their impact on reputation, operational efficiency and regulations in respect of an issuer. ESG scores are built using the portfolio sub-advisor's ESG analysis framework and scoring methodology and sources data from providers such as, Moody, ISS-Oekom, MSCI, and Sustainalytics. The portfolio sub-advisor also seeks to achieve an ESG score of its portfolio that is better than that of the MSCI World Climate Paris Aligned Index. The portfolio sub-advisor refers to the MSCI World Climate Paris Aligned Index in its investment approach, including for decarbonization, ESG and portfolio construction metrics. However, the investment fund manager will use the MSCI World Index as its reference index to monitor the fund's risk level.

# NBI Global Climate Ambition Fund

Stewardship activity is an integral part of the portfolio sub-advisor's ESG strategy and the portfolio sub-advisor has developed an active stewardship activity through engagement and voting which occurs at two distinct levels. The centralized Engagement and Voting team of the portfolio sub-advisor undertakes engagement activities and assumes responsibility for voting securities. Engagement is also conducted at the portfolio level, where fundamental assessments and ongoing monitoring of companies—both current holdings and potential investments—are performed through meetings with company management. These discussions typically encompass both financial and extra-financial aspects of the investment; specifically, to validate definitive commitment to a carbon reduction pathway and to discuss ESG practices of the company.

Further, the portfolio sub-advisor aims to exclude from the investible universe companies that generate, from direct involvement, more than:

- 5% of their revenues from the production or 15% from the distribution of tobacco;
- 5% of their revenues from the mining of or 10% from generating electricity from thermal coal;
- 5% of their revenues from the exploration and extraction of oil and gas in offshore Arctic regions.

It also aims to exclude companies:

- from the “oil and gas producers” and “refiners and pipelines” industries deriving 10% or more of their revenues from extracting, processing and transporting oil and gas;
- that are involved (i.e., generating more than 0% revenue) in the manufacturing of controversial weapons. Controversial weapons are: cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons and incendiary weapons;
- deriving 10% or more of their revenues from the production, manufacturing, and distribution of assault weapons to civilians;
- deriving 10% or more of their revenues from the offering of gambling services;
- deriving 10% or more of their revenues from the production and/or distribution of adult entertainment;
- deriving 10% or more of their revenues from the production and/or distribution of recreative cannabis.

Moreover, the portfolio sub-advisor seeks to exclude companies that have violated UN Global Compact Principles (“UN Global Compact Principles”, see section *Glossary* for more details) or, in the opinion of the portfolio sub-advisor, otherwise exhibit poor governance practices. The portfolio sub-advisor leverages a process to identify and evaluate potential violations of such principles and practices.

As an exception to all the exclusions mentioned above that relate to fossil fuels, entities that are engaged in ambitious transition may be considered for investment if they commit to Net-Zero objectives that align with the Paris Agreement renowned scenarios (as exemplified by initiatives like the Science-Based Targets initiative, the Glasgow Financial Alliance for Net Zero, and the Transition Pathway Initiative), and maintain a high level of transparency by providing verifiable and comprehensive documentation of their strategies, objectives, and progress.

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

The portfolio sub-advisor may, in its sole discretion, select the underlying funds, allocate assets to the underlying funds, change the percentage holding of any underlying fund, remove any underlying fund or add other underlying funds.

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 fund may use derivatives consistent with its investment objective and in compliance with applicable legislation. Such derivatives may include options, futures, forwards, 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. At the present time, the fund does not make direct use of derivatives.

# NBI Global Climate Ambition Fund

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. At the current time, the fund does not expect to engage in repurchase and reverse repurchase agreements.

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.

Although not currently contemplated by the portfolio sub-advisor, this fund may have a relatively high portfolio turnover rate, which means that the portfolio sub-advisor 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:

- commodities
- concentration
- counterparties
- currency
- cybersecurity
- derivatives
- emerging market investments
- equity securities
- exchange-traded funds
- foreign investments
- fund on fund investments
- income trusts
- international advisors
- large investments
- large redemptions
- legal, tax and regulatory matters
- liquidity
- market disruptions
- real estate investment trust investments
- reliance on the manager, portfolio manager and portfolio sub-advisor
- repurchase and reverse repurchase agreements
- securities lending transactions
- series
- small companies
- specialization
- sustainable investment objective.

For more details on these risks, as well as the general risks of investing in mutual funds, please see page 34.

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.

# NBI Global Climate Ambition Fund

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.



# NBI Sustainable Global Bond Fund

## Fund details

Type of fund	Global Fixed Income
Type of securities this fund offers you*	Advisor, F and O Series mutual fund trust units
Eligibility for registered plans	The units are expected to be qualified investments for registered plans.
Management fees	Advisor Series : 1.15% F Series: 0.65%
Portfolio manager	National Bank Trust Inc.
Portfolio sub-advisor	Nuveen Asset Management, LLC

\* The fund offers one or more series by way of private placement.

## What does this fund invest in?

### Investment objective

The NBI Sustainable Global Bond Fund's investment objective is to provide a high level of current income and some capital growth while following a sustainable approach to investing. The fund invests, directly or indirectly through investments in securities of other mutual funds, in a portfolio comprised primarily of bonds issued by governments or corporations 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 fund invests in a portfolio comprised primarily of sovereign, quasi-sovereign, corporate, securitized, and other investment grade fixed-income securities designed to raise funds for issuers that demonstrate environmental, social and governance leadership and are positioned to address social and/or climate challenges.

The fund may also invest in:

- Debt securities denominated in any currency, including mortgage-backed securities, asset-backed securities, commercial mortgage-backed securities, corporates, municipal securities, supranational, government and agency debt securities, and covered bonds;
- Emerging market debt (up to 40% of the fund's net assets value);
- Preferred securities;
- Convertible bonds;
- Contingent Convertibles ("CoCos", see section *Glossary* for more details);
- Private placements;
- Rule 144A securities (see section *Glossary* for more details);
- Loan participations;
- Exchange traded funds (ETFs).

The fund may invest up to 15% of its net assets in sub-investment grade securities.

Up to 100% of the fund's investments can be in foreign securities.

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

The portfolio sub-advisor may, in its sole discretion, select the underlying funds, allocate assets to the underlying funds, change the percentage holding of any underlying fund, remove any underlying fund or add other underlying funds.

# NBI Sustainable Global Bond Fund

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 fund aims to achieve its sustainable objective by investing in fixed-income securities subject to either the portfolio sub-advisor's assessment of issuer behaviours that demonstrate environmental, social and governance ("ESG", see section *Glossary* for more details) leadership relative to peer issuers or the portfolio sub-advisor's proprietary Fixed Income Impact Framework (the "Impact Framework"), both described below. In addition, the fund aims to invest only in securities the portfolio sub-advisor believes offer attractive relative value and/or positive risk-adjusted potential to the portfolio.

The portfolio sub-advisor's approach to directing capital to leaders in sustainability is based on a positive screening of issuers that demonstrate leading behaviour on material ESG factors relative to their peers. This process involves first establishing a universe of eligible securities based on ESG research vendor(s), such as MSCI and/or Sustainalytics, public data sources, or internal assessments and scoring. Secondly, material ESG factors are identified that vary between sectors and industry cohorts as well as key performance indicators for these ESG factors.

Through the Impact Framework, the fund seeks opportunities to invest in publicly traded fixed-income securities that finance initiatives in areas that the portfolio sub-advisor believes contribute to positive environmental and/or social development. The Impact Framework includes an analysis of the issuers' use of proceeds and ability to provide reporting, based on issuers' offering documents, and/or engagement with issuers. The initiatives financed include those related to renewable energy, climate change, natural resources, community and economic development, and affordable housing, among others.

The ESG evaluation process with respect to certain issuers includes the assessment of the issuer's ability to manage natural resources, develop a stable workforce, and support well-functioning judicial and political systems, among other criteria.

The fund is actively managed, and the fund's portfolio sub-advisor will not rely exclusively on rating agencies when making investment decisions. Instead, the portfolio sub-advisor performs its own credit analysis to identify securities that meet the fund's investment objective. The portfolio sub-advisor pays particular attention to economic trends and other market events, including general supply and demand factors and geopolitical events that have an impact on markets, to identify investment opportunities for the fund. Subject to the Impact Framework or ESG criteria outlined, the individual fixed-income securities in which the fund invests are selected by the portfolio sub-advisor based upon its belief that the issuers offer the potential to increase the fund's returns.

The portfolio sub-advisor regularly communicates with issuers on use of proceeds, impact reporting and ensuring capital is spent according to the issuer's offering document

The portfolio sub-advisor aims to exclude from the investible universe companies that generate, from direct involvement, more than:

- 5% of their revenues from the production or 15% from the distribution of tobacco;
- 5% of their revenues from the mining of or 10% from generating electricity from thermal coal;
- 5% of their revenues from the exploration and extraction of oil and gas in offshore Arctic regions.

It also aims to exclude companies:

- from the "oil and gas producers" and "refiners and pipelines" industries deriving 10% or more of their revenues from extracting, processing and transporting oil and gas;
- that are involved (i.e., generating more than 0% revenue) in the manufacturing of controversial weapons. Controversial weapons are: cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons and incendiary weapons;
- deriving 10% or more of their revenues from the production, manufacturing, and distribution of assault weapons to civilians;
- deriving 10% or more of their revenues from the offering of gambling services;
- deriving 10% or more of their revenues from the production and/or distribution of adult entertainment;
- deriving 10% or more of their revenues from the production and/or distribution of recreative cannabis;
- deriving 10% or more of their revenues from the production of alcohol.

Moreover, the portfolio sub-advisor seeks to exclude companies in violation of UN Global Compact Principles ("UN Global Compact Principles", see section *Glossary* for more details) or, in the opinion of the portfolio sub-advisor, otherwise exhibit poor governance practices. The portfolio sub-advisor leverages a process to identify and evaluate potential violations of such principles and practices.

# NBI Sustainable Global Bond Fund

As an exception to all the exclusions mentioned above that relate to fossil fuels, entities that are engaged in ambitious transition may be considered for investment if they issue securities with clearly defined use of proceeds and maintain a high level of transparency by providing verifiable and comprehensive documentation of their strategies, objectives, and progress.

In addition, sustainable bonds' use of proceeds issued by excluded companies may also qualify, if the underlying projects or assets financed help the issuer implement its transition plan, or otherwise meet the portfolio sub-advisor's Impact Framework.

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 for other purposes including, but not limited to, to gain exposure to securities, indices or currencies without otherwise making a direct investment and to manage the risks to which the investment portfolio is exposed. The fund engages in currency management strategies that seek to hedge against the risk of currency fluctuations between the Canadian dollar and the currencies of the fixed-income securities held by the fund (primarily the U.S. dollar and Euro). Where this hedging strategy is used, the portion of the fund invested in fixed-income securities will not generally suffer or benefit from any fluctuation in the value of the foreign currencies against the Canadian dollar. See *Risks relating to derivatives* for a description of the risks associated with their use.

The fund has obtained an exemption allowing it to invest up to 20% of its net asset value, taken at market value at the time of purchase, in debt securities of an issuer if the debt securities are issued or fully guaranteed as to principal and interest by permitted supranational agencies or governments other than the government of Canada, the government of a Canadian province or territory or the government of the United States of America and are rated AA by Standard & Poor's Ratings Services (Canada), or have an equivalent rating by one or more other designated rating organizations.

Furthermore, pursuant to the same exemption, the fund can invest up to 35% of its net asset value, taken at market value at the time of purchase, in debt securities of an issuer if the debt securities are issued by issuers described in the previous paragraph and are rated AAA by Standard & Poor's Ratings Services (Canada), or have an equivalent rating by one or more other designated rating organizations. The exemptions described in the above two paragraphs may not be combined for one issuer. For more information about these exemptions, see the section *Additional information* in this Simplified Prospectus.

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 objectives 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. At the current time, the fund does not expect to engage in repurchase and reverse repurchase agreements.

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.

This fund may have a relatively high portfolio turnover rate, which means that the portfolio sub-advisor 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:

- asset-backed and mortgage-backed securities
- commodities
- concentration
- counterparties
- credit
- currency
- cybersecurity
- depositary receipts
- derivatives
- emerging market investments

# NBI Sustainable Global Bond Fund

- equity securities
- exchange-traded funds
- floating-rate debt securities
- floating-rate loans
- foreign investments
- fund on fund investments
- income trusts
- index funds
- interest rate fluctuations
- international advisors
- large investments
- large redemptions
- legal, tax and regulatory matters
- liquidity
- market disruptions
- real estate investment trust investments
- reliance on the manager, portfolio manager and portfolio sub-advisor
- repurchase and reverse repurchase agreements
- securities lending transactions
- series
- small companies
- specialization
- sustainable investment objective.

For more details on these risks, as well as the general risks of investing in mutual funds, please see page 34.

The fund's level of risk is low. 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 Bloomberg Global Aggregate Index (CAD Hedged). The Bloomberg Global Aggregate Index (CAD Hedged) is a market capitalization-weighted index that is designed to measure the broad global markets for corporate, government, government agency, supranational, mortgage-backed and asset-backed fixed-income securities.

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 at the end of each month. It distributes its net income of the month of December and realized net 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 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.

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## Glossary

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### **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.

### **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.

### **Contingent convertibles (CoCo's)**

Contingent convertibles (CoCo's) are debt instruments primarily issued by European financial institutions. These securities work in a fashion similar to traditional convertible bonds. They have a specific strike price that, once breached, allows the conversion of the bond into equity or stock.

### **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.

### **Derivative**

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

### **Dialogue**

The engagement of shareholders with companies on various ESG issues, either individually or collectively, to communicate their views and expectations, and to monitor and influence the company's practices and disclosures. Dialogue can also involve collaboration with other stakeholders. Along with NBI's internal engagement activities, we also encourage portfolio managers and portfolio sub-advisors to participate in dialogues with companies to improve their ESG practices, on an individual level or via collaborative initiatives and to report on these activities annually.

### **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.

**Duration**

Duration is a measure used to determine the sensitivity of a security's price to changes in interest rates. The longer a security's duration, the more sensitive it will be to changes in interest rates. A portfolio with a negative duration generally incurs a loss when interest rates and yields fall.

**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.

**ESG Criteria**

The ESG Criteria may include elements such as energy efficiency, greenhouse gas emissions, water management, waste management, human capital, diversity and inclusion, health and safety, board composition, compensation and financial governance, among other issues.

**ESG integration**

The inclusion of ESG considerations within financial analysis and investment decisions. This may be done in various ways, tailored to the investment style and approach of the portfolio manager or the portfolio sub-advisor.

**ESG stewardship activities**

The portfolio sub-advisor(s) use of influence to promote better management of ESG issues and improve long-term shareholder value.

**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.

**Green bonds**

Green bonds are fixed-income instruments that specifically target adaptation and/or mitigation to climate change, renewable energy and other environmentally friendly projects.

**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.

**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.

**MSCI World Climate Paris Aligned Index**

The MSCI World Climate Paris Aligned Index is designed to support investors seeking to reduce their exposure to transition and physical climate risks and who also wish to pursue opportunities arising from the transition to a lower-carbon economy while aligning with a 1.5°C scenario and exceeding the minimum standards of the EU Paris Aligned Benchmark label.

**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.

**Paris Agreement**

The Paris Agreement is an international treaty to tackle climate change and its negative impact that came into force in November 2016. The treaty is binding on the 193 parties that have signed it to date. Article 2 of the Paris Agreement provides for the reduction of risk and impact of climate change by holding the increase of global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

**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.

**PRI**

The Principles for Responsible Investment is an independent organization supported by, but not part of, the United Nations and is the world's leading proponent of responsible investment.

**Proxy voting**

The exercise of voting rights attached to shares owned by an investor. Proxy voting enables shareholders to participate in corporate governance decisions. The portfolio managers and portfolio sub-advisors are mandated to exercise their voting rights in the best interests of their investors and in accordance with the fund's strategy and their internal proxy voting policies.

**Return**

Income earned or capital gain made on an investment.

**Rule 144A securities**

Rule 144A securities are fixed income securities that qualify for, and may be traded pursuant to, the exemption from the registration requirements of the Securities Act of 1933, as amended, as set out in Rule 144A of the US Securities Act.

**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 floating rate loans**

Senior floating rate loans are fixed income securities that earn interest at rates that change or may be adjusted periodically, generally in accordance with a recognized base rate, a prime rate or other rate used by banks. Senior floating-rate loans are usually arranged and managed by a financial institution that acts as the agent for the participating lenders. Senior floating-rate loans may be purchased directly through the agent, by a transfer from another borrower with a direct interest in the floating-rate loan or by investing in a portion of a floating-rate loan held by another lender.

Senior floating rate loans, also referred to as a senior bank loan, is a type of debt financing extended to corporations. Senior floating rate loans are generally rated below investment-grade and carry credit ratings indicative of higher risk and speculative characteristics. Secured by the borrower's assets, senior floating rate loans offer high recovery rates and prioritize repayment over other liabilities in the event of default.

**Social bonds**

Social bonds are bonds whose proceeds will be allocated to raising funds for projects, both new and existing, that have positive social results. Social projects include, without limitation, affordable core infrastructure, access to essential services, affordable housing, job creation and food security.

**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.

**Style — Top-down approach (Equities)**

According to this approach, a macroeconomic analysis is used by management to identify the sectors or countries, in the case of international management, which are likely to achieve higher returns. The proponents of this approach consider that the general growth of a sector or a country will have a considerable impact on the growth of a particular stock. In other words, it would be preferable to select the stocks of a company in a growth sector or economy rather than one which, individually, seems to be of better quality, but operates in an unfavourable environment.

**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.

**UN Global Compact Principles**

A voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals.

**UNSDGs**

In September 2015, all 193 Member States of the United Nations (or “UN”) adopted a plan for achieving a better future for all and agreed to 17 global goals (officially known as the Sustainable Development Goals, or SDGs) — laying out a path over the next 15 years to end extreme poverty, fight inequality and injustice, and protect our planet.

**Volatility**

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





**NBI Funds**  
**National Bank Investments Inc.**

800 Saint-Jacques Street  
Transit 43671  
Montreal, Quebec H3C 1A3  
Telephone: 514 871-2082 or 1 888 270-3941

Additional information about the NBI Funds is available in the most recently filed annual financial statements and interim financial reports, 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 these documents at no cost from your dealer or by emailing us at [investments@nbc.ca](mailto: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](http://www.nbinvestments.ca).

These documents (as well as proxy circulars and material contracts) and other information about the funds are also available at [www.sedarplus.ca](http://www.sedarplus.ca).

NBI Senior Loan Fund  
NBI Global Climate Ambition Fund  
NBI Sustainable Global Bond Fund