



## **NBI High Net Worth Plan**

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# AN INSTITUTION FOCUSED ON INNOVATION

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## Our mission

Guided by our 100% open architecture structure, we are dedicated to providing diverse investment solutions to meet the evolving needs of clients.

## Our vision

To be a client-centric top-tier Canadian asset manager.

### Client centricity

Committed to nurturing growth and satisfaction.

### Excellence

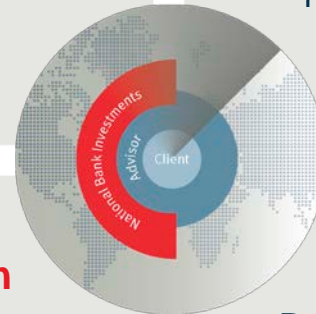
NBI solutions seek to provide superior risk-adjusted investment returns over the long term.

### Innovation

100% open architecture structure.

### Integrity

Robust governance process of portfolio managers.



# SIMPLIFY YOUR PROCESSES WITH OUR ENDLESS OPPORTUNITIES



We are the leading bank-affiliated asset manager in Canada to sub-advise exclusively to other firms the portfolio management of the funds built for our product shelf



# EFFECTIVE INVESTING THROUGH CLEAR BELIEFS

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Building stronger portfolios by putting together only those factors proven to drive performance over time and are resilient in changing markets.

Delivering the best strategies possible by analysing hundreds of portfolio managers every year and only those that fit investor needs and our standards are chosen.



# YOUR CHALLENGE: GROW YOUR BUSINESS

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- > Responsibility to provide series with best pricing to clients.
- > Time consuming processes.
- > Increased regulatory requirements.
- > Pressure on fees.

## **Our mission: Simplify your business**

- > By providing you with the right tools.
- > By helping you optimize your time.

## OUR OFFER: NBI HIGH NET WORTH PLAN

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Fully automated  
rebate program

Flexibility to attain  
minimum

Competitive pricing

Increased time  
availability to  
promote your value  
proposition

# ELIGIBILITY CRITERIA

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> Two ways to reach minimum thresholds:

- \$100,000 per fund eligible to the reduction plan\*, or
- \$250,000 in NBI Funds and/or Meritage Portfolios.

\*Same funds has to be under the same series, denominated in same currency, as well as bought under same purchase option.

> A large selection of eligible NBI Funds.

> Available series: Advisor, F, F5, FH, FT, H, T and T5\*\*.

> Possible to combine different accounts: RRSP, RESP, TFSA and others.

\*\*As well as U.S.\$ Advisor, U.S.\$ F, U.S.\$ FT and U.S.\$ T Series of the NBI Global Tactical Bond Fund and Advisor 2 and F2 Series of the NBI Global Equity Fund.

# HOW DOES IT WORK?

- > System identifies eligible clients.
- > Once minimum requirements are met, NBI applies rebates to each tier:

NBI Funds	TIER 1 First \$250,000	TIER 2 Next \$250,000	TIER 3 Over \$500,000
<b>Short-Term and Income Funds</b>			
NBI Floating Rate Income Fund	-0.05%	-0.10%	-0.15%
NBI Preferred Equity Fund	-0.025%	-0.05%	-0.10%
NBI Corporate Bond Fund	-0.05%	-0.10%	-0.15%
NBI High Yield Bond Fund	<b>Meritage Portfolios</b>		
NBI Global Tactical Bond Fund		TIER 1 First \$250,000	TIER 2 Next \$250,000
			TIER 3 Over \$500,000
	<b>Equity Portfolios</b>		
NBI Jarislowsky Fraser Select Income Fund	Meritage Canadian Equity Portfolio	-0.050%	-0.100%
NBI Unconstrained Fixed Income Fund	Meritage Global Equity Portfolio	-0.050%	-0.100%
	Meritage International Equity Portfolio	-0.025%	-0.050%
	Meritage American Equity Portfolio	-0.025%	-0.050%
	<b>Investment Portfolios</b>		
	Meritage Conservative Portfolio	-0.050%	-0.100%
	Meritage Moderate Portfolio	-0.050%	-0.100%
	Meritage Balanced Portfolio	-0.050%	-0.100%
	Meritage Growth Portfolio	-0.050%	-0.100%
	Meritage Equity Portfolio	-0.050%	-0.100%
	<b>Income Portfolios</b>		
	Meritage Diversified Fixed Income Portfolio	-0.050%	-0.100%

- > Reductions take form on a quarterly basis through the purchase of additional units of the same series of eligible fund.





# MANAGEMENT FEES' CALCULATION – EXAMPLE 1

Asset no.	Account	Portfolio	Series	Amount of assets
#1	Non-registered	Meritage Canadian Equity Portfolio	Advisor (DSC)	\$20,000
#2	RRSP	Meritage Canadian Equity Portfolio	Advisor (DSC)	\$75,000
#3	RRSP	Meritage Canadian Equity Portfolio	Advisor (DSC)	\$25,000
				\$120,000

**No reduction is applied as the total minimum amount of \$100,000 is not invested in the same Meritage Portfolio.**

## MANAGEMENT FEES' CALCULATION – EXAMPLE 2

Asset no.	Account	Fund	Series	Amount of assets
#1	Non-registered	NBI U.S. Dividend Fund	Advisor (DSC) US\$	\$60,000
#2	RRSP	NBI U.S. Dividend Fund	Advisor (DSC) C\$	\$60,000
				\$120,000

**No reduction is applied since the total minimum amount of \$100,000 is not held in the same currency.**

## MANAGEMENT FEES' CALCULATION – EXAMPLE 3

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Asset no.	Account	Fund	Series	Amount of assets	
#1	Non-registered	NBI Preferred Equity Fund	Advisor (DSC) C\$	\$25,000	\$100,000
#2	RRSP	NBI Preferred Equity Fund	Advisor (DSC) C\$	\$75,000	
#3	RRSP	NBI Preferred Equity Fund	Advisor (ISC) US\$	\$20,000	
				\$120,000	

**A reduction is applied since the total minimum amount of \$100,000 is invested in securities of the same series of the same NBI Fund, denominated in the same currency and bought under the same purchase option.**

## MANAGEMENT FEES' CALCULATION – EXAMPLE 4

Client holds \$600,000 in the NBI Floating Rate Income Fund, \$50,000 in the NBI Preferred Equity Fund and \$100,000 in the NBI Money Market Fund.

### NBI Floating Rate Income Fund

Amount applicable to the level	Reduction for the level (bp)	Calculation of reduction (before applying the weighting)	Reduction (before applying the weighting)	Reduction for this fund (%)
First \$250,000 (Level 1)	5 bp	$0.050\% \times \$250,000$	\$125	$\$750 / \$750,000 = 0.10\%$
Next \$250,000 (Level 2)	10 bp	$0.100\% \times \$250,000$	\$250	<b>Reduction for this Fund (\$)</b> $\$600,000 \times 0.10\% = \$600$
\$250,000 (in excess of \$500,000) (Level 3)	15 bp	$0.150\% \times \$250,000$	\$375	
			\$750	

**Reduction applicable to the investment in the Fund: \$600.**

# MANAGEMENT FEES' CALCULATION – EXAMPLE (4)

## NBI Preferred Equity Fund

Amount applicable to the level	Reduction for the level (bp)	Calculation of reduction (before applying the weighting)	Reduction (before applying the weighting)	Reduction for this fund (%)
First \$250,000 (Level 1)	2.5 bp	$0.025\% \times \$250,000$	\$62.50	$\$43750 / \$750,000 = 0.05833\%$
Next \$250,000 (Level 2)	5 bp	$0.05\% \times \$250,000$	\$125	<b>Reduction for this Fund (\$)</b> $\$500,000 \times 0.05833\% = \mathbf{\$29.17}$
\$250,000 (in excess of \$500,000) (Level 3)	10 bp	$0.100\% \times \$250,000$	\$250	
			\$437.50	

**Reduction applicable in the investment in the NBI Preferred Equity Fund: \$29.17.**

**Reduction applicable in the investment in the NBI Money Market: 0. Why?**

The Fund does not qualify for the reduction plan. However, the amount invested is included in calculating the reduction applicable to the other two funds.

## FAQ

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### **How can my clients benefit from the NBI HNW program?**

- > Once the minimum requirements are met, the rebates applicable to each tier will automatically be calculated. The rebates will apply from the first dollar invested. There are 3 tiers of rebates:
  - The first for assets between \$0 and \$250,000,
  - The second for assets from \$250,000 to \$500,000,
  - The third for all assets above \$500,000.

### **Can I combine different accounts or different funds to reach the \$250,000 minimum?**

- > The value of all the assets in all NBI Funds (whether or not they are eligible for the reduction program) will be considered, regardless of the series, purchase options and currencies. Also, all accounts can be combined, as long as they are all with the same registered dealer representative.

### **Can I combine different accounts to reach the \$100,000?**

- > The different accounts in the name of an individual holding the same fund, under the same series, the same currency as well as the same purchase option, will be automatically combined.

## FAQ

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### **Will my client be fiscally impacted by entering the HNW program?**

- > As the reductions are applicable on existing funds, there is no need to transfer your clients' assets to different series or funds, therefore no fiscal impact for your clients.

### **My client has a non registered joint account, can this account be grouped with other accounts held by this individual?**

- > Only the first co-holder (as per our system) of the joint account will be grouped for eligibility as well as rebate calculation. The full amount held in the account will be considered.

### **What happens if my clients qualify for the HNW program but the market value of his funds then falls under the required minimums?**

- > If the market value of your clients assets falls under the minimum but the book value of his investments is still above the minimum required, the reductions will still be calculated for that day but the market value will be used to calculate the applicable reductions.

### **Does NBI offer the option to charge the fund management fees as well as the service fees directly to the clients' account?**

- > The HNW program offers fee reductions through management fee rebates only. It is therefore not currently possible to charge fees directly to clients' account.

# DISCLOSURE

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As part of the management fee reduction plan for high net worth investors (the "reduction plan"), certain investors holding Advisor, H, F, FH, F5, T and T5 Series securities may be eligible for a management fee reduction based on the size of their investment in one or more of the Meritage Portfolios and/or NBI Funds.

The reduction plan only applies to the series of the NBI Funds and/or Meritage Portfolios (the "Funds") that are eligible. The amount equivalent to the management fee reduction takes the form of a rebate or a distribution, which is automatically reinvested in additional securities of the same series of the applicable NBI Fund and/or Meritage Portfolio. For more information about the reduction plan, please see the Funds prospectus.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus of the Funds before investing. The Funds' securities are not insured by the Canada Deposit Insurance Corporation or by any other government deposit insurer. The Funds are not guaranteed, their values change frequently and past performance may not be repeated.

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Sources: (1) BlackRock as at 9/30/17, includes Canadian domiciled AUM and US-listed AUM held by Canadians; (2) Based on US\$5.977 trillion in AUM as of 9/30/17.

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