

A commitment you can trust

Welcome! We are pleased to have you as a client of National Bank Investments Inc., hereafter “National Bank Investments”, a mutual fund dealer and subsidiary of National Bank of Canada.

We suggest you read this document, which contains important information on the nature of your relationship with us.

A relationship built on trust

Your advisor, who is central to your relationship with us, has access to tools designed to address your specific needs. More specifically, your Advisors commits to:

- Understanding your professional and personal financial situation as well as your investment objectives;
- Recommending products and services based on the information you provide them;
- Safeguarding the confidentiality of your personal information.

However, it is important to keep in mind that you are always responsible for any decisions made regarding your investments.

Our range of investment solutions

Whether you're just starting your career or are looking forward to making the most of your retirement, we have an investment solution that's right for you. We offer registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs), locked-in retirement accounts (LIRAs), life income funds (LIFs), locked-in retirement income funds (LRIFs), registered education savings plans (RESPs), tax-free savings accounts (TFSA) and non-registered accounts.

The range of products and services we offer allows you to benefit from multiple advantages such as the expertise of portfolio managers and an excellent diversification of your investments, such as:

- **Mutual funds:** Your savings are pooled with those of other clients with similar investment objectives in order to provide you with access to a level of diversification that would not otherwise be available to an individual investor, through the NBI Funds family.
- **Services:**
 - **Asset allocation services:** To meet your investment objectives, various asset allocation services are available, including NBI Private Wealth Management, whereby a portfolio manager selects and monitors selected investments on a discretionary basis.
 - **Systematic investment or withdrawal programs:** These programs allow you to systematically invest or withdraw money from your bank account or your investment account at the interval you choose.
- **The NBI Altamira CashPerformer® Account:** You can deposit your money in NBI Altamira CashPerformer® Account which is offered in CAD and USD. These are savings accounts whose interest is calculated daily on the account balance.

The advantage of a disciplined approach

As a mutual fund dealer, we must assess the suitability of your investments when you transfer assets into a National Bank Investments account, when change in your personal situation or if the advisor assigned to your account changes. Information concerning your personal and financial situation must also be verified or updated at least every 36 months.

We must also ensure that our recommendations to you are suited to your situation and investment objectives. We examine the consistency between each of the elements used to establish your investor profile, i.e., your investment objectives, your personal and financial situation, your investment horizon, your investment knowledge and risk tolerance. This suitability requirement also applies to transactions that you wish to carry out but that are not suited to your profile: we are required to inform you of their unsuitable nature.

Advice adapted to your specific situation

In order to adequately assess the suitability of your investments, we need to know some basic facts about you. To do so, we use the *Personalized Investment Plan* to determine your investor profile based on your financial goals and risk tolerance. Your advisor will use this information to develop an investment strategy adapted to your needs and recommend investment solutions to you.

Your personal informations are requested in the “Know Your Client” section of the account opening form which also includes the following information:

- **Gross annual income:** Your income from all relevant sources
- **Estimated net worth:** Your assets minus your liabilities
- **Estimated liquid assets:** Sum of your liquid assets
- **Investment knowledge:** Your understanding of investments, investment products and related risks
- **Investment objectives:** The outcome you're looking to obtain from your investments
- **Duration of investments:** How long from the present until you need to withdraw a substantial amount of your invested funds
- **Risk tolerance:** How prepared you are to accept risks or your ability to deal with declines in the value of your portfolio, whichever is lower.

Each investment presents different potential risks and returns. You should not invest if you do not understand the nature and extent of the risks involved in the investment. We suggest that you familiarize yourself with the risk-related information provided in the fund facts document and the simplified prospectus of the NBI Funds and that you discuss them with your advisor before investing.

Simple transactions and regular communication

You can carry out transactions in your account by cheque, bank draft, money order or using a bank account. Your bank account may or may not be held at National Bank of Canada; transfers from other financial institutions are also accepted. Cash transactions are not accepted. Once you are a client, you can carry out transactions free of charge via our website (www.nbc.ca). Remember that all cheques must be made out to *National Bank Investments Inc.*

A trade confirmation notice will be issued shortly after each transaction. In case of a systematic investment plan, a trade confirmation notice will only be issued following the first transaction. The trade confirmation notice contains the following information for each transaction: the type of account through which the transaction was performed, the number of securities involved in the transaction and their description, the price per security at which the transaction was executed, the transaction date, the amounts deducted for sales charges and all other costs as well as the name of the mutual fund dealer representative who performed the transaction.

We will also send you quarterly account statements that provide an overview of your investment portfolio with National Bank Investments. At your request, it is possible that an account statement be mailed to you monthly rather than quarterly. The statement indicates the account type, the account number, the value of your investments, your portfolio's asset mix, the number of securities bought, sold or transferred and their description, the date of each transaction carried out in your account (including transactions carried out under a systematic investment plan during the statement period), your personalized returns, additional information for your income tax return and National Bank Investments' address and telephone number.

You may also consult our statement of policies respecting conflicts of interest, available on our website (www.nbc.ca/investments), which aims to inform you of the nature and extent of conflicts of interest that may affect the services provided to you by National Bank Investments. This statement of policies is regularly updated to reflect any significant change that may occur.

Benchmarks

An investment performance benchmark is a standard reference against which the performance of a specific investment can be measured or compared. By comparing the rate of return earned by your fund(s) to an appropriate benchmark (typically a broad stock or bond index, or a blend of such indices), you can see how the fund(s) you hold performed compared to the market. Investment performance benchmarks are also useful for developing realistic expectations with regard to the rate of return your fund is likely to generate over the long term.

Investment performance benchmark information is provided in the annual management report of fund performance for each of the mutual funds held in your account. They are available on our website (www.nbc.ca/investments).

A transparent compensation structure

Each NBI Fund pays annual fees to National Bank Investments in exchange for its management and distribution services, and a portion of the incentive compensation of its advisors may be tied to sales of NBI Funds. Management fees vary from fund to fund and series to series and are based on a percentage of the daily average of the net asset value of each series. A portion of these management fees is paid to National Bank of Canada; this payment is similar to a trailing commission. These fees reduce the value of your investments.

There are no fees associated with opening an account at National Bank Investments, though fees will apply with respect to the termination of registered accounts. For more information on the nature of our advisors' compensation or our fees, please consult the fund facts document or simplified prospectus of the NBI Funds or contact your advisor directly.