

INVESTING

National Bank
Diversified Funds



Making
Investing
Simple



What are the Diversified Funds?

- **Five turnkey solutions** designed to meet the needs of different investor profiles.
- **Optimal diversification** by asset class, geographic region, management style, business size and economic sector to produce the right balance between risk and return for your investor profile.
- **Professional management** - a seasoned team of experts oversees the management of your portfolio.
- **A practical and affordable solution** for an initial investment of as little as \$500, in a registered or non-registered account.
- **Great flexibility**, allowing you to contribute to and withdraw from your Diversified Fund whenever and for whatever amount you choose.*

Diversification: an essential ingredient for successful investing

A good investment strategy does not depend solely on security selection or the timing of your investments. To reduce the risks inherent in your portfolio and optimize its return potential for a given risk level, it is important to implement a diversification strategy.

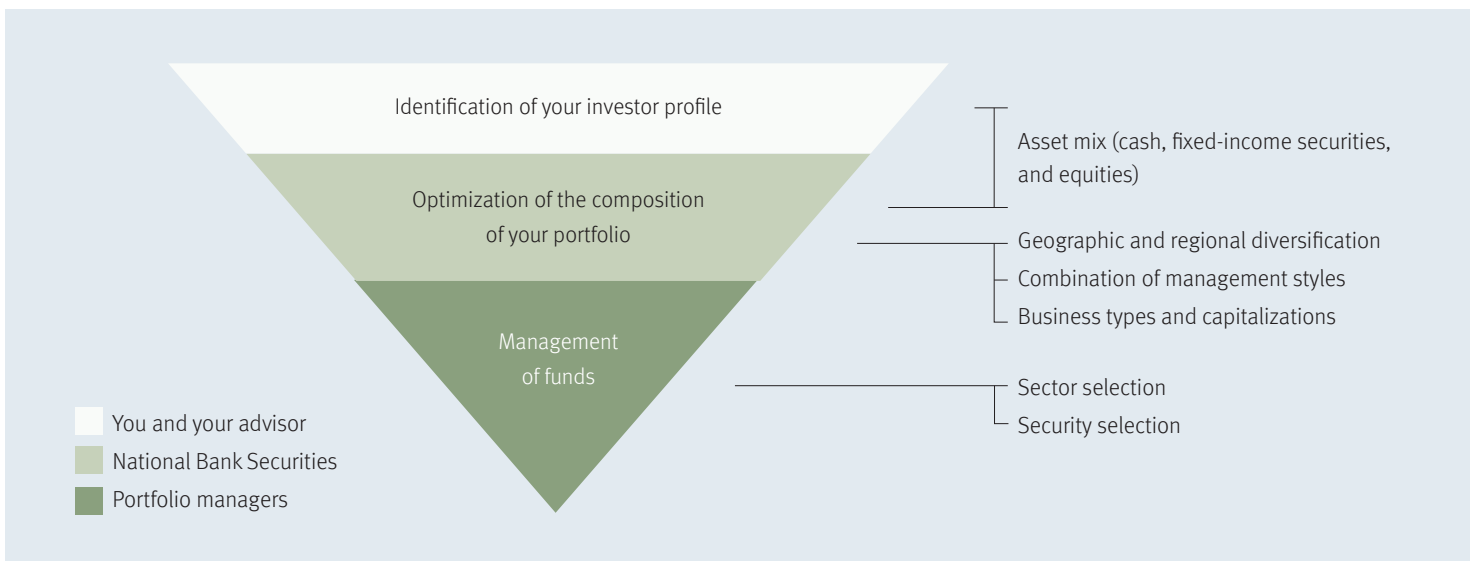
Concentrating your investments in a single security or asset class is always a risky choice, particularly when the markets are in turmoil. To avoid putting all your eggs in one basket, you must invest in different asset classes and hold several securities within each class.

There are three main asset classes: cash, fixed-income securities, and equities. Each has its own characteristics in terms of capital protection and return potential, and each reacts differently to market situations.

Your asset allocation strategy determines your portfolio's risk level, which has a direct impact on its return potential. Diversification within each asset class also helps mitigate risks, as it minimizes the negative impact that one poorly performing security will have on your overall portfolio.

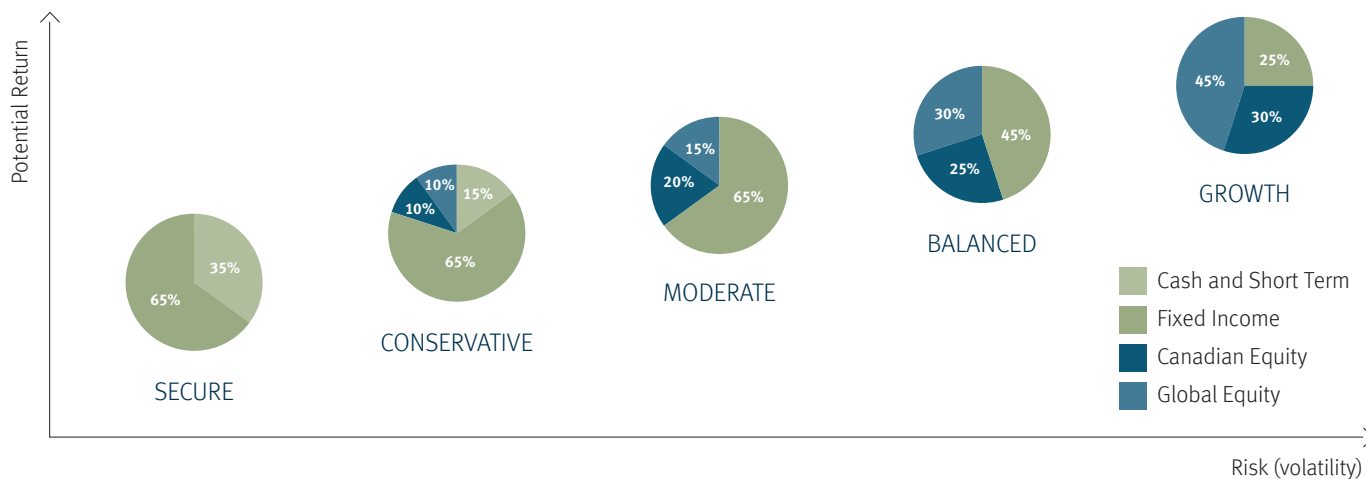
National Bank Diversified Funds¹ also provide the peace of mind of knowing that three groups of experts are working for you throughout the process: your advisor, National Bank Securities, and the portfolio managers.

* Minimums may apply.



The five Diversified Fund profiles

Target asset allocations of the various Diversified Fund profiles



	Secure	Conservative	Moderate	Balanced	Growth
Cash and Short Term	35%	15%	—	—	—
Fixed Income	65%	65%	65%	45%	25%
Canadian Equity	—	10%	20%	25%	30%
Global Equity	—	10%	15%	30%	45%

The advantages of mutual funds

- Diversification
- Range of choice
- Liquidity
- Professional management
- Flexibility to suit your financial situation



Diversified Funds: Available tools

Quarterly statement

As the holder of a Diversified Fund, you receive a quarterly statement with all the relevant information pertaining to your investments, as well as a personalized rate of return calculation.

The Financier

The Financier, a quarterly bulletin, offers economic and financial comments as well as advice on investing.

Prospectus and financial reports

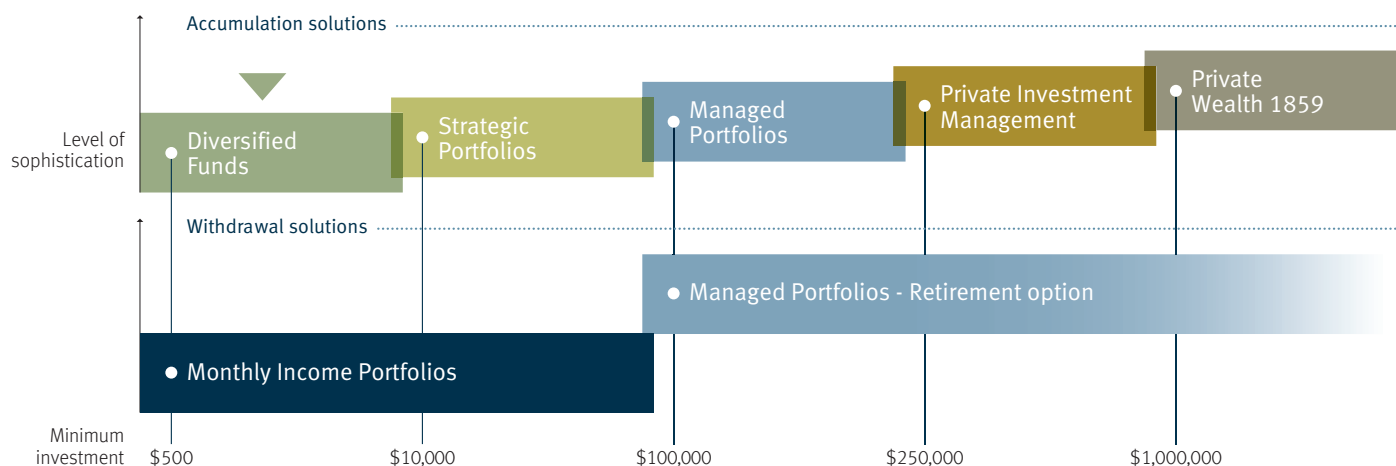
An annual regulatory document, the prospectus, presents general and specific information on all our funds. The financial reports are analysis and information tools. You can consult these documents on our Web site, at nbc.ca.

Web site (nbc.ca)

Tools and the informational documents to help you better understand the Diversified Funds are available on our Web site.

Our managed solutions

There comes a time when your investments require special attention or a greater degree of knowledge (taxation, currency management, legal aspects, etc.). A turnkey solution allows you to delegate these tasks to experts you can trust. The solutions below have been designed to combine complementary portfolio management skills with good asset diversification strategies.



Accumulation Solutions

Diversified Funds²

If you are looking for a simple and effective investment that gives you a well-diversified portfolio, this might be the right solution for you.

Strategic Portfolios²

Strategic Portfolios provide you with a complete solution: your savings will be invested in portfolios of different mutual funds selected for their complementarity and the diversification they provide.

Managed Portfolios²

Managed Portfolios allow you to make the most of market opportunities, thanks to a turnkey mutual fund investment solution combined with discretionary portfolio management services.

Private Investment Management³

Private Investment Management gives you access to a comprehensive discretionary portfolio management service that integrates institutional portfolio management techniques.

Private Wealth 1859⁴

Private Wealth 1859 provides individuals and families with an exclusive combination of advice and services that produces a highly customized offering extending well beyond the realm of traditional portfolio management.

Withdrawal Solutions

Monthly Income Portfolios²

These innovative, tax-efficient portfolios are the result of a disciplined process and can be easily integrated into a retirement investment strategy.

Managed Portfolios - Retirement option²

The Managed Portfolios – Retirement option offer an easy way to receive fixed distributions⁵ and have your assets professionally managed.

¹ The Diversified Funds are offered by National Bank Securities Inc., a wholly owned subsidiary of National Bank of Canada.

² National Bank Securities Mutual Funds (including the Diversified Funds and the Monthly Income Portfolios), National Bank Strategic Portfolios (the "Strategic Portfolios") and National Bank Managed Portfolios (the "Managed Portfolios") (collectively the "Portfolios") are offered by National Bank Securities Inc., a wholly owned subsidiary of National Bank of Canada. Commissions, trailing commissions, management fees and expenses all may be associated with mutual funds investments and the use of an asset allocation service (such as the Portfolios). Please read the prospectus of the mutual funds or that of the funds in which the Portfolios may invest before making an investment. The funds securities are not insured by the Canada Deposit Insurance Corporation or by any other government deposit insurer. For money market funds, there can be no assurances that a fund will be able to maintain its net asset value per security at a constant amount or that the full amount of the investment in a fund will be returned. The funds are not guaranteed, their values change frequently and past performance may not be repeated.

In respect of the Managed Portfolios, investors will enter into a discretionary management agreement with National Bank Trust Inc. (for all activity in Quebec, Prince Edward Island, Saskatchewan and New Brunswick) or Natcan Trust Company (for all activity in other Canadian provinces and territories), which gives the portfolio manager the authority to select, add or remove National Bank Securities Mutual Funds forming part of the Managed Portfolios. There are no fees or expenses related to investing in the Managed Portfolios except for the fees and expenses related to investing in the funds that make up the Managed Portfolios. All distributions made by a fund included in the Managed Portfolios will be automatically reinvested for you.

³ Private Investment Management is offered by National Bank Trust Inc. and Natcan Trust Company, two subsidiaries of National Bank of Canada using the business name of National Bank Trust.

⁴ National Bank Private Wealth 1859 is a trade-mark used under licence by National Bank of Canada, National Bank Trust and National Bank Financial.

⁵ The distribution amount is said to be fixed for each National Bank Securities Mutual Fund comprised in the Managed Portfolios (R series) as it does not vary from one distribution to the next. However, it is not guaranteed and may vary according to market conditions. The total amount of the distribution is weighted according to each of the funds constituting the Managed Portfolios and may vary due to rebalancing and tactical deviation. The distribution targets for National Bank Securities Mutual Funds (R Series) are reviewed annually in January.



BANKING

Simplifying your day-to-day banking transactions.



FINANCING

Helping you carry out the projects that are important to you.



INVESTING

Customizing solutions and advice for your short-term projects and retirement plans.



PROTECTING

Insuring you and your assets for your peace of mind.



TRANSFERRING

Making sure your estate is transferred to your loved ones.



DOING BUSINESS

Helping decision-makers grow their business.

❖ For questions about National Bank Diversified Funds get in touch with National Bank Securities Advisory Service

—
at 1-888-270-3941
or 514-871-2082

or with TELNAT customer service at 1-888-4TELNAT (483-5628)
or 514-394-5555

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